

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 14th November 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  
MR DENYS TUDOR EMIL ROBERTS, CBE, QC, JP  
THE HONOURABLE THE FINANCIAL SECRETARY  
MR CHARLES PHILIP HADDON-CAVE, CMG, JP  
THE HONOURABLE THE ATTORNEY GENERAL  
MR JOHN WILLIAM DIXON HOBLEY, JP  
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS  
MR DENIS CAMPBELL BRAY, JP  
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, CBE, JP  
DIRECTOR OF URBAN SERVICES  
THE HONOURABLE JAMES JEAVONS ROBSON, CBE, JP  
SECRETARY FOR THE ENVIRONMENT  
THE HONOURABLE JOHN CANNING, JP  
DIRECTOR OF EDUCATION  
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP  
DIRECTOR OF MEDICAL AND HEALTH SERVICES  
THE HONOURABLE IAN MACDONALD LIGHTBODY, JP  
SECRETARY FOR HOUSING  
THE HONOURABLE DAVID HAROLD JORDAN, MBE, JP  
DIRECTOR OF COMMERCE AND INDUSTRY  
THE HONOURABLE LI FOOK-KOW, JP  
SECRETARY FOR SOCIAL SERVICES  
THE HONOURABLE GEORGE PETER LLOYD, CMG, JP  
SECRETARY FOR SECURITY  
THE HONOURABLE DAVID AKERS-JONES, JP  
DISTRICT COMMISSIONER, NEW TERRITORIES  
THE HONOURABLE ALEXANDER STUART ROBERTSON, JP  
DIRECTOR OF PUBLIC WORKS (*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  
THE HONOURABLE LEE QUO-WEI, OBE, JP  
THE HONOURABLE OSWALD VICTOR CHEUNG, OBE, QC, 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 PETER GORDON WILLIAMS, JP  
THE HONOURABLE JAMES WU MAN-HON, JP  
THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP  
THE HONOURABLE LI FOOK-WO, OBE, JP

**ABSENT**

DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP  
THE HONOURABLE GUY MOWBRAY SAYER, JP

**IN ATTENDANCE**

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR KENNETH HARRY WHEELER

**Papers**

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation: —	
Revised Edition of the Laws Ordinance 1965.	
Revised Edition of the Laws (Correction of Error)	
Order 1973 .....	204
Employment (Amendment) Ordinance 1973.	
Employment (Amendment) Ordinance 1973 (Commencement)	
Notice 1973 .....	205
Motor Vehicles Insurance (Third Party Risks) Ordinance.	
Motor Vehicles Insurance (Third Party Risks)	
(Nomination of Authority) Notice 1973 .....	206

Sessional Papers 1973-74: —

No 21—Annual Report of the School Medical Service Board for the year ended 31st March 1973 (published on 14.11.73).

No 22—Annual Report by the Registrar of Trade Unions for the year 1972-73 (published on 14.11.73).

No 23—Annual Report by the General Manager, Railway for the year 1972-73 (published on 14.11.73).

## Government business

### Motions

#### Address of thanks to His Excellency the Governor

#### Resumption of debate on motion (31st October 1973)

MR WANG: —

*(Address delivered in the Cantonese dialect. The following is the interpretation of what Mr WANG said.)*

Your Excellency, I would like to take up a couple of minutes to relate the story of a growing boy on the road to downfall.

This boy, when he entered primary school, made many new friends, dressed in neat school uniform and carrying books full of beautiful pictures. At this moment the world before his eyes was full of gaiety, hope and joy.

But the happy school days were short-lived as he had to face lots of homework and exercises. New lessons kept on increasing for him to tackle. He was not so lucky as some of the other boys had private tutors at home. When he returned home he had to render help in household chores too!

As his lessons became more difficult, they became more boring to him. Every day when he returned from school, he was simply tired and exhausted. He needed some recreation, but he had to walk a long distance to a playground. Even when he did get there, he would not find it easy to join in games unless he got along with the "big brothers" there. However his ears rang with a whisper: "You should try extremely hard! You would not get a place in a secondary school after the Secondary School Entrance Examination unless you get above-average results". At no time could he shake off this mental bogey.

This poor boy did not have to wait long to realize that he had no chance of entering secondary school, for his family could not afford to pay for his secondary education.

Thus when the secondary school entrance examination results came out it was exactly what he had expected, but to his parents it came as a great shock. This time they thought they could not forgive him. They had to reprimand him more severely. Fortunately he did not run away from home like some of his friends did. On the contrary, he went back to school and appealed for a chance to repeat the class

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without success. So what else could he do? His father was a factory worker. It would not be difficult to find a modest job for him. But the problem was, he was still not 14 years old!

Thereafter the best he could do was to roam the street or go to the playground. He realized that if he could not beat the "Big brothers", he had better join them! Accordingly he made many new friends. They were sympathetic to his position and felt sorry for him. He also discovered that the "big brothers" had had the same experience. They had not attended school for some years but up to now they could manage to lead a life of ease and luxury. And the "big brothers" told him glamorized versions of their "heroic" deeds, knowing that they had a good listener. So under pressure and temptation, he followed the "big brothers" and started to "make his world" independent of his family.

Our young hero of the streets began what he considered an independent adult life, which would probably give him pleasure and excitement for a while. And in no time he found that he had his own stories of "heroic" deeds to tell newcomers. But when he discovered that his friends, one by one, had been arrested, prosecuted, convicted or sent to detention centres, and given severe punishment or caning, as they had to taste the bitter experience, he began to see that the world was not as beautiful as he had imagined and as the "big brothers" had painted for him. The problem now facing him was: did he have the chance to make a fresh start?

Now he was frightened and at the crossroads. While he was at the moment of self-searching, he would probably ask himself: "Who and what has put me in such a hopeless situation?" But how many people would give an honest answer to this question? As a matter of fact, instead of pondering over the question, we had better admit candidly that at present there are many, many children who are facing the same fate.

The recently published report on the investigation of the causes of crime supplied us with some very revealing statistics: in the period 1968-72 the increase in crime rate in the 14-30 age group was the heaviest, especially in the ages between 14 and 20 in which the rate had jumped by 3 times. Among these offenders 83% have never received secondary education.

I submit that, unless we make an effort to cut down speedily the number of children who have dropped out of school before reaching the age of 14 or to take special care of them, it would be wishful thinking to combat crime merely by inflicting heavy sentences on them, the effect of which would merely be similar to "cutting off a hydra's head".

Undeniably we have to increase places in junior secondary schools as quickly as possible if we want to attack the problems at the roots. But expedient measures should also be taken at the same time, for which I suggest just a few as below.

(1) *The practice of non-repetition in classes should be abolished*

Pupils under 14 who have failed in the secondary school entrance examination should be given the chance to repeat in their class and the same for backward students in all other classes. This should reduce the number of pupils who have to drop out and should also relieve children from being over-pressured with lessons harder than they could tackle.

(2) *Counselling service for children*

These can be accommodated in community centres or in city district offices. Their functions would be to render counselling service to parents on problems arising from their children dropping out from school under the age of 14 and to help and advise these children on taking up some suitable occupation. They may also promote the formation of children's clubs in various districts so as to foster their communal spirit as well as to give them the chance to enjoy all kinds of healthy activities and recreation so as to prevent them from loitering around and from going astray.

(3) *The Labour Ordinance that forbids the employment of children under 14 should be modified*

Provided that these children work under well supervised conditions, such as limited working hours, good health and safety precautionary measures, and in an apprentice scheme under the supervision of qualified instructors, these children should be allowed to work with every possible assistance by Government.

(4) *Children's recreation grounds should be increased in large numbers*

They should be well distributed over various districts, and full use of each ground should be made. At present some

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school grounds are closed throughout the holidays, and some club grounds are usually closed during office hours. If they can be allocated for use by these children, it would do them much good.

(5) *All playgrounds should be provided with caretakers or instructors*

They should put all children's activities under proper guidance. At present it is precisely the lack of such provision that has caused these grounds to be encroached upon by bad elements and to become hot beds for the spread of all kinds of crime and for criminal dealings and gang war. Immediate steps should be taken to eradicate this evil.

The report by the Board of Education for the development of secondary education has been published. It covers a wide field of subjects. I cannot comment on all of them in detail here but from what I have said today, it would be obvious that I am greatly disappointed in the proposed target in that it will take 8 years to provide only 80% of places up to junior III. However, Your Excellency has advised us that Government welcomes all interested bodies to study the Green Paper and put forward their views, and added that Government "in examining the Board's target and proposed time scale, it will be our object to see if these could not somehow be improved on". This has struck a concurring note in everyone's heart.

Teacher-training is a prerequisite for carrying out all educational developments. But the Green Paper outlines a scheme to increase the output in the number of teachers expected to complete their training to 400 annually. This scheme is too conservative. I believe that it should be doubled up both in number and in speed, so that it would not hinder any future developments. Judging by Hong Kong's capacity for development and creativity in the past and by its financial and human resources at the present, the question is surely not whether we can do it but whether we really want to do it.

Your Excellency's address gave us comprehensive and clearcut answers to the numerous problems which are of public concern. It also gives detailed revelations on the various aspects of long term developments in many fields. I wish here to join my colleagues in expressing my heartfelt thanks to Your Excellency. I am deeply convinced that the four main tasks ahead of us are "expansion of education, housing and social welfare services, and improvement of

living environment" and that the four main evils to eradicate are "crime, corruption, instability of commodity prices, and narcotics". My colleagues have all expressed their concern about these problems and have put forward valuable proposals and I do not propose to add any more today than to endorse my support on all suggestions that would help bring any of the above into effect.

Lastly I cannot conclude without putting in one more word to express my heartfelt appreciation of Your Excellency's announcement on Government's decision to form a "Council for Recreation and Sport". And I note with some personal satisfaction that what I have been advocating for more than 10 years is being realized. Your Excellency's detailed description of the proposed Council's duties has my support all the way. To put it in a nutshell the important task of this Council, I cannot do better than to quote Your Excellency's remark "facilities for recreation, leisure, and sport have taken on a new and urgent significance. They are no longer luxuries but essential parts of our social infrastructure which I suggest to you we would neglect at our peril".

MR LEE: —Your Excellency, in the course of its economic growth, Hong Kong has had to face a number of social, economic, political and other problems. Some of these problems are associated with those of similar developing economies elsewhere and some are unique to Hong Kong. Whatever they are, Hong Kong has been able to tackle them well and achieve rapid economic growth with matching satisfactory social progress, to the admiration, if not envy, of many other developing countries. That we have been able to do so is due to the fact that we have a good Government which has the support of a devoted civil service and a happy mass of people.

Naturally, no government is ever flawless, but Hong Kong has a good government strongly determined to serve its people well. Such determination was accentuated in Your Excellency's maiden speech last year and has been amplified by the various long term plans and actions outlined in your address at this year's opening session.

Speaking of the civil service, it is admitted that there are quite unavoidably a few grey patches in the enormous establishment of 109,000 people. But occasional complaints of inefficiency and corruption cannot eclipse the brightness of our civil servants, the majority of whom are clean and devoted to their duty. They work long hours

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and derive profound professional and personal satisfaction from serving the public in the faithful carrying out of Government policies.

As to the people of Hong Kong, they do live happily here and are enjoying a continuously improving standard of life, although there is always room for improvement.

I have listened with interest to the views expressed by my colleagues earlier in this debate on the subject of community participation by members of the public. My mind has been thinking along the same line but with reference to more specific proposals for the utilization of talent and wealth which are within the capability of many of our citizens to contribute.

In the administration of the affairs of Hong Kong, a unique feature is that we are able to enlist the service of some members of the public on the various councils, boards, committees and organizations to the sacrifice of their own valuable time. Not only do they serve as a useful bridge between the Government and the public, but their advice has been most contributory too. However, if we take a close look at the lists of members in these bodies, we would notice that a greater number of these bodies have common memberships. While some common memberships are necessary or at least desirable, Government should study the possibility of enlisting more people, and where possible, the younger generation, to serve on these bodies. Human resources are not limited if the best use is made of them. The question is, as a Member of this Council said, "How to tap these resources".

In an affluent society like Hong Kong's, when most people put emphasis on the accumulation of material wealth, sometimes less attention and time is given to the participation in community affairs. But I believe our people are not indifferent to public affairs: on the contrary, there are many, rich and poor, old and young, who always stand ready either to take part in community activities or to give financial contributions whenever called upon to do so. This is not a new concept: indeed there is a traditional Chinese saying that "What is taken from the community should also be used in it".

I wish to suggest therefore Government should examine the possibility of forming a body co-ordinating the Finance Branch, the Social Services Branch and the Secretariat for Home Affairs to study all kinds of possible projects that would be of interest to potential donors. The idea is not to go after regular contributions for recurrent

expenditure such as those being handled by the Community Chest or other voluntary organizations. Nor is it intended to knock at people's doors: this the Government must not do. That body should just gather readily available information to answer enquiries and, if called upon to do so, give advice to interested contributors. Many of our citizens have already shown themselves to be very generous and public-minded. Numerous examples can be quoted of very substantial donations being made towards charity, school, medical and other community projects. These may even include some public works items.

That body should also study how to make the whole procedure for donation simple. We must make it easy for people who are willing to give generously. Also the projects financed by such donations must be carried out quickly.

To encourage potential donations, I would like to suggest for the consideration of my honourable Friend the Financial Secretary that a much greater tax relief should be given under the Inland Revenue Ordinance which only allows donations to approved charities of up to 10% of the taxable profits or salaries to be exempted from assessment. I would suggest that the exempted percentage should be increased to at least 50% for donations to approved charitable institutions as well as all projects that may be approved by the Government. As our tax rate is only 15% I do not see why the Government should not share 15% from tax revenue with a donor who is willing to give 85 cents in a dollar of his taxable profits or salaries for community projects.

Sir, the implementation of the various long term social services plans will not only incur enormous capital costs but also ever increasing recurrent expenditure. The private sector of the community should be encouraged to meet part of these total costs. Whatever the proportion of their contributions may be when compared to the colossal public expenditure, it is the sense of their community involvement that we should highly value and encourage. The significance of these donations are much greater than the financial value involved in them.

I now turn to the New Territories, the development of which, it has been accepted, is vital to the development of Hong Kong as a whole. But often, there are complaints that the development in the fields of communication system, education, medical and recreational facilities has been too slow, even if not neglected.

The main roads leading to the New Territories are the Castle Peak Road and the Tai Po Road which were built a long time ago.

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Undoubtedly, these two main roads cannot accommodate the growing traffic. In some of the remote areas in the New Territories where people make their living by farming or cultivation, there is still no bus service. Here also, there is no adequate water supply, no electricity and their hygienic conditions are quite poor.

On education, there is an excess of the primary sector, but not enough of the secondary.

On medical facilities, there seems also to be room for improvement in that there are practically no casualty medical facilities to take care of emergency cases. Some of the difficulties experienced by the Director of Medical and Health Services are on staff recruitment because of their reluctance to work in the New Territories.

Admittedly, the Government foresees the need of developing the New Territories but the delay of such development is mainly attributable to the indecisive land policy. As early as 1950, the Government had already announced its intention to develop and to make full use of the New Territories and since then, policies for resumption or surrender of land have been established. However, such policies are not only complicated but have also been changed so frequently that it has caused overall confusion, interruption and particularly undue delay, sometimes giving rise to corruption. Perhaps the honourable District Commissioner would like to make an announcement of how a piece of agricultural land in a new town can be developed and how land in Kwai Chung, for instance, can be acquired for industrial use.

There are two particular points on land policy which I wish to put up for early consideration.

The first point is the urgent need for a revised formula for resumption of land in the New Territories. The present legal position excludes from consideration, when assessing resumption compensation, the development value of the land as distinct from its current value for agricultural purposes. It is, I think, equally accepted by all concerned, the unofficials in particular, that the formula is unfair and out-dated. Discussions have been in train far too long on finding a new and simple formula which would enable New Territories land owners to be paid at least a portion of the development value of their land, and which would take into consideration its potential value for building purposes. The matter needs to be settled very quickly. I should be grateful for an assurance that this problem be given priority treatment, so that a revised formula can be adopted in the near future.

The second concerns the setting up of a permanent land tribunal. This is, I should add, just as much necessary for the impending developments in town, particularly the underground railway, as it is for the New Territories. The present procedure of appointing individual land compensation boards is unsatisfactory leading both to delays and to inconsistency. A permanent tribunal ready to deal immediately with all questions of land acquisition and compensation arising out of development projects needs to be set up at an early date.

I wish also to stress the importance of keeping good relations between Government and the people of the New Territories. As large tracts of land have to be acquired by the Government for the development of new towns, roads and services, the impact on the traditional lives of the villagers will be considerable. There will be major changes and adjustments to be made. Some progress has already been made but this will need to be greatly stepped up in the years ahead. Experience has shown the usefulness of working in liaison with existing organizations such as the Heung Yee Kuk and the Rural Committees. It has also been clear how unwise it is for unilateral action to be taken by Government departments in town without adequate prior consultation or without due weight being given to the views of the District Commissioner.

I do not think that the New Territories people expect to get better treatment than their counterparts in town. All they want is equality of service and opportunities. They must be very pleased to know that, Sir, you are conscious that Government should be more even handed as between urban areas and New Territories in the programmes it undertakes. My honourable Friend Mr Dennis BRAY has already done much for the New Territories. He has, amongst other achievements, won the acceptance of housing schemes for the New Territories and has introduced arrangements for approved village development. But, there is still a long way to go before the New Territories catch up with the urban areas. I hope the special problem, as you referred, of rural slum can be solved as soon as possible.

During the forthcoming period, therefore, of intensive transition and change, the head of the New Territories Administration must be in a position to talk on equal terms with the new Secretaries. Only in this way can we be ensured that his own views concerning the New Territories are given adequate weight when decisions on developments are being taken. This will not be successfully achieved unless his present post in the Government hierarchy is up-graded. You have given a hint in your speech, Sir, that this is to be done. I would urge

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that the District Commissioner be given full parity with the other Secretaries.

Sir, I support the motion before the Council. In doing so, I know I am echoing the feeling of the people of Hong Kong for your most welcome address.

MR OSWALD CHEUNG: —Sir, I was singularly gratified to hear you say that it is not so much land that we lack, but means of access to make that land usable. For a decade or more we have seriously under-invested in roads and means of communications. From that has stemmed intensive development in the urban areas, the only areas where roads were available. From that stemmed the deterioration in our environment and the traffic and transport difficulties that face us and which it would be very costly to overcome. I look forward to hearing from the Secretary for the Environment, later in this debate, what will be his approach to this daunting problem of providing adequate communications.

On the very important subjects of the proper development of the New Territories my Friends Mr SZETO and Mr Q. W. LEE have already made major contributions to this debate—contributions characterized by mature thought, deep contemplation, but more markedly by due consideration of what are practical politics. I for one strongly support what both of them have said. I think all my colleagues support what they have said. I could, but I will not, elaborate upon some of the themes that they have already put forward in this debate, for their messages are loud and clear. But I will touch, Sir, briefly on a number of individual matters.

First, I have the impression that the implementation and construction of certain projects are not being pressed forward with the despatch that they merit.

There is one vital junction in Kowloon where completion has been long overdue. As it is in the hands of consultants who are not here to defend themselves, I will not name it. The official reasons given for the delay, as is given to the Public Works Sub-Committee and to Finance Committee, are difficulty of terrain, inclement weather, and unforeseen diversions of traffic, yet about a year ago, when members of the Public Works Sub-Committee were on an official site

visit, all that they saw on the job was one man and one boy. Supervision of consultants who are charged with supervising contractors may be an invidious process, but I trust that when a project falls seriously behind schedule—and I would call six months seriously behind schedule—Government should see to it that remedial measures are taken.

The double tracking of the railway to Sha Tin has only this month got into category A of the Public Works programme. The necessity for doubling tracking was obvious 5 years ago. And the extension of the double tracking to Tai Po is still enmeshed in some what are called feasibility studies. The railway has plenty of land reserve on both sides of the permanent way. The terrain is relatively easy, and it scarcely seems conceivable to me that it can take competent engineers more than one month to come up with the right answers. I am somewhat sceptical of feasibility studies and investigations. They, sometimes, (but not always) bear a striking resemblance to commissions; and commissions are a device that some Governments appoint to go into a matter on which that Government wants nothing for the moment to be done.

Some years ago, when I was first invited to join this Council in a temporary capacity, I pointed out the utter frustration and chaos caused to traffic on Sundays, during the winter months, by that antiquated arch (which might really be worthy of becoming a national monument) which carries the railway over the road just beyond the Tai Po Market. At that time five years ago the queue of vehicles wishing to pass through it stretched all the way back to the residence of the New Territories Commissioner at Island House. Very well, the Government said, we will investigate this. Many months later, it was reported that, after due observation and investigation, no queues of cars as I had described had been observed, in fact, no substantial queue at all, on Sunday or any other day. It was as well perhaps I knew why the report would be couched in those terms before I attended the meeting of the Public Works Sub-Committee concerned, because I had seen the survey being carried out during the months of July and August, when no right thinking citizen at that time would have dreamt of going to that side of the New Territories. It was a neat riposte to an Unofficial Member looking at a matter perhaps not really his concern, but it seriously undermined his estimate of the credibility of some Government procedures. I am, of course, glad to see that drawings for work to do away with this blockage have now actually been finished; and during these last five years, but for the staunch and dedicated efforts of the Traffic Division of the Police to

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regulate the traffic in Tai Po, the queue caused by that bottleneck would have stretched back to Waterloo Road. As it is, it only goes back to St. Christopher's Home, three miles from that arch.

Third, I have the distinct impression that the New Territories circular road has reached the limit of its capacity. It was built before the first world war. Plans are in hand, I know, to give it greater capacity between Sha Tin and the top of the hill above the Chinese University. But from there onwards, all the way to Yuen Long, it is single lane all the way. One stretch, and one stretch of it only, from the Chinese University to Tai Po Market, can be described as difficult terrain. The rest of it is over the flat. Is there a road reserve on either side of the carriageway? I should be surprised if there is not. And if there is a reserve, cannot bulldozers be put in to build a four lane highway? Nothing as elaborate, for the time being, as the reconstruction between Yuen Long and Castle Peak, but four lanes with a macadam surface of a temporary kind, such as is on the Sha Tin Bypass, which was cheap, but which has done yeoman service, and but for which traffic on the Tai Po Road would have moved at two, perhaps two and a half miles per hour, on Sunday evenings between Fanling Lodge and the Tunnel.

On the subject of totally unacceptable delays in the construction of roads, let me remind honourable Members what has happened to the widening of Wongneichong Gap Road. It is no more than a mile, perhaps a mile and a half, long—Mr ROBERTSON Will correct me if I am wrong—but work started on it, I think, six years ago. One-third of the work remains unfinished. I would not say more, Sir, because I have due regard for the blood pressure of my honourable Friend Mr Wilfred WONG, who has been pressing for the work for some years to be done only, to see little satisfaction.

You mention, Sir, country parks and reserves already planned on Hong Kong Island, Tolo Harbour, Shing Mun, Lion Rock and Pak Sha Wan. The operative word, if you forgive me, Sir, is "planned". I cannot see any implementation of those plans on the ground. My recollection is that the works that have to be carried out are of a simple kind, but where are they? Where are the paths, the sitting out areas, and the most important of all, where are the barbecue pits? I think it would be wise to put in the barbecue pits before our trees and forests are burned down. I place, like all my colleagues, the highest priority on recreational facilities for our people. On that you,

Sir, and ourselves are *ad idem*. But I am not so sure that the message has got through to certain sections of the Administration.

I was also going to ask, what's happened to our new towns and new housing estates in the New Territories; they have been investigation items in category B of the Public Works programme for long enough. I would have asked, but I see that members of Public Works Sub-Committee are going to spend a day looking at them in the 4th Review of the Programme later this month; and accordingly, I will not say more, except this, that these are matters very much the concern of my Unofficial colleagues and I.

The burden of my remarks today, Sir, is really to say to the administration: Please get on with it. I forbear using the more trenchant phrase with the same meaning employed by a royal personage some years ago. And with that mild urge to expedition, I have great pleasure in supporting the motion before Council.

MR WILLIAMS: —Sir, my colleagues have commented on and supported the major elements in your plans for Hong Kong's increased prosperity and well being. I share their views but will not add my comment this afternoon on such matters as housing, education, health care and others which I recognize are central to your proposals.

I too wish to say how pleased I am that we are to have a Council for Recreation and Sport. Here, as you have said, Sir, are urban and rural aspects. The five year programme of recreational development and nature conservation is of the highest importance, and the Council will give impetus to it and I hope my Friend Mr CHEUNG'S words just now will also. We must give ourselves some chance to get away from the concrete which confines almost all of us.

Perhaps our most difficult problem today is assuaging the desires and meeting the expectations of our young people. The natural instinct of every decent young person is to join a good cause. Private organizations have harnessed this spirit in many directions. But sport has not been so well organized in Hong Kong and the new Council can do much here. I believe that organized competitive sport can stimulate in our young people a pride of locality and of place which will be of great importance. Regrettably, in international sport politics too often plays a part. We don't want any of this. But this should be no reason for avoiding the international sports arena if we can raise our standards to the required level. We have a great

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British tradition of sportsmanship and if the Council can put forward Hong Kong in this light, I am confident that we shall be warmly welcomed in competition with other countries.

In this debate last year I spoke at some length about legalizing off course betting on horse racing and I am glad, Sir, that following your statement, equo incitate—at the gallop—legislation has been tabled today to effect this. It will take some time to establish a network of facilities to combat the present extensive illegal gambling, but I am convinced this can be done. Whilst we cannot expect the proposed off course betting facilities to divert all punters from the bookmakers who operate beyond the law, patrons of the new facilities will be comforted in the knowledge that surpluses arising from the legalized system will be channelled into community projects for the good of the people of Hong Kong, rather than into the pockets of the illegal operators. Horse racing is not a daily event in Hong Kong. When betting is not taking place, these offices might well serve some other community purposes, such as a place to pay utility bills and transact other community business. Government's cautious approach to the problem of gambling as a whole is wise.

I will confine the rest of my remarks to the economy. My honourable Friend Mrs SYMONS has spoken of winds of change. In the economy I would perhaps put it another way. We have passed a watershed. We have come serenely down a river, in the upper reaches of which, I hear told, runs the limpid flow of *laissez faire*. We are now in broader waters.

As we travel along we shall face difficulties which if not new in themselves are new in dimension. We shall have problems arising largely from the scale of our plans and activities.

Our complex and growing economy will require more controls and regulation than we have had in the past. I am sure we shall continue to be much freer than other places but I think we must have a sensible approach to this, neither making unnecessary laws nor practising non-interference for the sake of non-interference. Where appropriate controls are needed we must have a philosophy about this. Let us pragmatise and make practical consequences to the tests of truth.

Government has taken action in a number of areas to exercise some control over prices—for example in the utility field and rents.

This is justified in conditions of monopoly and restricted supply. But the power of the market and the remarkable market skills of the Hong Kong businessman must be acknowledged. I do not share the view of others that price controls on commodities will be of much help in countering the present high cost of living. It is unlikely these will work and shortages and black markets will result. Indeed, in my view, it is the marketing skill and initiative of the Hong Kong businessman which will bring down prices by seeking out new supplies and bringing them to market.

Our population today is being hit by rising prices and there is no doubt that we shall have a period of sharply rising wages to meet it. Many fear we shall lose our ability to compete.

I do not worry over-much about imported inflation. This may affect our competitive position, but imported inflation reflects a general world inflation and our relative position may not be greatly changed. There is another side to the coin. Inflation is change and I believe that we have the ability to take advantage of change quicker than others. Also, the present world inflation is a consequence of sustained world demand for consumer goods and here lies an assurance of an outlet for our products.

I am concerned about inflation generated internally. We have enormous plans for public works and high building activity in the private sector. This must result in more competition for labour in the construction industry and even higher wages than today and labour will be attracted from other industries, who in turn must raise wages to retain their workers. I see a danger here and I will be most interested to hear a Government view as to whether we do have sufficient labour resources in the building industry to meet the demands over the rest of this decade.

The small business man is often worst hit by inflation and shortage of materials and we may see many going out of business. This might be taken as a sign of recession but it may also be a hard but natural economic process resulting in larger and stronger business units.

We shall not have plain sailing in our new waters. We survived one storm this year when the stock market collapsed which, Sir, as you pointed out, showed what a robust economy we have. It also showed the mettle of Hong Kong people. Many many people of small means suffered severely, but there were few tears. They just start again at their beginnings and never breathe a word about their loss.

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But, I am optimistic about Hong Kong's economic future. I believe we shall have a sustained world demand for the products we can make on the one hand and we shall retain our ability to compete with anyone on the other.

When we survey our competitors amongst the less developed nations, not one has the advanced and growing industrial and commercial base and infrastructure which we enjoy. I do not see our technological and commercial skills rivalled. Where is there a comparable level of investment and who has a stronger currency? We shall continue to prosper.

I have pleasure, Sir, in supporting the motion.

MR WU: —Sir, in your far-ranging address in October on the state of affairs in Hong Kong, you have shown great foresight and steadfast leadership. You have inspired confidence in this year of turbulence and uncertainty by the resolution not to be diverted from the mainstream of social policies established, but to carry them out by a streamlined and strengthened administration, and, perhaps even more so, by your frank admission of past inadequacies and your offer to open to public scrutiny and involvement the process of decision making on major policies. I refer of course to your remarks on corruption, industrial development, traffic and transport, and in particular, to the issue of green papers thus bringing the consultation to beyond the advisory committees and to the grass roots. I suspect, Sir, that this master stroke of administrative prowess had to do with your distinguished career as a diplomat, and only hope that this "wind of change", as my honourable colleague Mrs SYMONS called it, would permeate to all comers of the bureaucratic machine where quite often officials best show their deficiency and ineptitude when they react to advice and criticism with obstinacy, procrastination, and futile self-defence tactics. Lesser persons than my senior honourable colleagues and fellow engineers Mr WONG and Dr CHUNG would have given up in frustration. Perhaps the knowledge of the so called "Monroe Effect", or the better known theory of repeated stresses and material fatigue, has given them the tenacity and persistence. In this they have my support, and in this I find all the more reason not to be afraid of repetition, although there might not be that much necessity now as signs are showing that government generally has become more

receptive. With this in mind, I would now like to add my comments on the issues that you, Sir, have raised.

### *The Securities Bill*

Sir, you lamented at the catastrophe that occurred in our stock market whereas in the course of last year, many a conscientious citizen, among them my honourable colleagues and myself, had sounded repeated warnings of impending danger and cast serious doubts on the invincibility of a *laissez-faire* policy. For the lop-sided development of the market and the greed and naivety of those involved with the dealings would, as I said in this Council on 2nd November 1972 and I quote, "culminate in economic disaster and grave social injustice, and I believe Government and those who wield financial powers can and should redress and discourage with means at their disposal, in addition to legislative measures," unquote.

Indeed, the market has done little in promoting "investment in our productive industries which must always receive priority, for it was on these that all depends", as you, Sir, so rightly enlightened us in October 1972. In retrospect, perhaps even our stock brokers would agree today that if the Fire Services Department had done a successful job at quenching the speculative fire at the Exchanges last January, the casualties would have been much less, and the robbery of an estimated \$5,000 million of hard-earned cash from Hong Kong citizens prevented or lessened. I therefore suggest that in our deliberation of the relevant bill in the forthcoming weeks, we must not forget the lessons we have paid so dearly for, but study, with the greatest attention, to ensure that the provisions would be enforceable to curb irregularities and manipulation, and above all, to prevent the Exchanges becoming virtually giant sized casinos to the detriment of investment confidence at home and from abroad. In this regard, it is refreshing to note that more knowledgeable and matured brokers who are used to sophisticated transactions overseas are generally expressing acceptance of most of the provisions.

### *Corruption*

Whilst corruption exists in all societies it has certainly gotten to be intolerably rampant in Hong Kong in recent years. Not only illegal business pay "protection money" but honest businessmen in their rightful claim for government service or permits are too often looked upon as being "square" and "inarticulate" forgive me for not finding a suitable translation for the Cantonese "熟性" (shuk shing), if they fail to "grease the machine", thus to suffer from undue

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neglect and unfair competition. The cumbersome process of British law, as Sir Alastair lamented, and the face-conscious department chiefs who, circumstantial evidence notwithstanding, would jump to the defence instead of an investigation of his subordinates at the suggestion of corruption, are aggravating the situation. Your ready recognition of the present circumstances and the appointment of the honourable Jack CATER to head a two-prong attack on this old and worsening vice, are therefore widely acclaimed. It would save all the embarrassments for civil servants and businessmen alike, when warnings and education re-establish that graft is taboo in dealing with civil servants.

*Inflation and Social Polies*

Sir, in the case of our imported inflation, I fully support government's containing same through its social policies of subsidized housing, rent control, free and heavily subsidized education, social services and relief for the needy, *etc.* These have contributed to our stability in the past, and would constitute a long-term double-barrelled defence line, to the extent that it would also provide security and improve the quality of life of the masses. I would however look at my senior colleague's suggestion of frequent revision of high cost living allowances with the utmost care. Unchecked wages, prices and profits constitute the vicious inflation spiral, and even allowing for imported inflation, the increase on one could only worsen the other. My honourable colleague Mrs SYMONS sounded such a warning in her speech. With inflation of prices at an unprecedented scale in the short term and with circumstances being what they are, I would suggest the sensible, albeit unpopular, idea of reduced consumption, as in the case of food, and, if need be, tightening our belts. This has proven to be an effective and successful strategy by housewives in America against meat merchants several months ago, and many a profiteer learnt their lesson. In addition, it will have the beneficial spin-off of lessening digestive and cardiac ailments, so common nowadays with our overfed glutton and the affluent. For, it is to be remembered that the golden rule in economics dictates that, any increase in demand when supply can no longer be readily expanded will, predictably, raise prices. Similarly a reduction in demand will surely reduce prices.

I welcome the idea of an Economic Development Advisory Committee, but only with extended terms of reference and for long term purpose, as I shall presently indicate.

*Industrial Land and Development*

Industrialists have been accused of crying wolf too often, but the truth is that they know, and obviously care through every day experience. For the first time in its industrial history, Hong Kong textiles and footwear will begin to lose its Commonwealth Preference and exchange its former favourable position for the opposite with such formidable competitors as South Korea, Philippines, Thailand, *etc.*, as from 1st January 1974. Also, Hong Kong had always enjoyed low material costs (quite often as a beneficiary of international dumping), but as a result of recent changes and shortages in materials supply, Hong Kong manufacturers now pay 15 to over 30% more for plastics, steel, copper, aluminium and other materials than their counterparts in the United States, Japan and other producing countries, plus the uncertainty of supplies which makes order booking so difficult. The large factories might have the connections and resources to survive such turbulence, but the smaller and weaker ones are swept aside. The reported increase in factory closures and the relative ease in recruiting workers today confirm the situation. It is also to be noted that some labour intensive and bottom-end industries have been moving out of Hong Kong to neighbouring areas of lower wages, such as for garments and plastics, which overseas buyers are finding we are becoming less and less competitive in these items. Indeed, the devaluation and material price control in the United States, our largest market, have severely blunted our competitive edge, and significantly reduced the percentage of our total exports to that country, from a high of 43% to the present 37%.

Yet it would be very wrong to become over-pessimistic at this stage. I had mentioned earlier in this Council that with the tremendous inflation in Japan and the EEC and the strengthening of the US dollar and the American economy, and with our present total wages only 1/3 to 1/8 of those in these developed markets, there is still plenty of opportunities for selling of our products to these countries and I am glad that my honourable colleague Mr WILLIAMS shares the same view. But the products would have to be of high quality and sophisticated design, made only possible with advance technology and a much broader based industrial support involving a higher extent of manufacturing and perhaps even the secondary processing of primary materials to feed our industrial needs. Synthetic fibres, plastics other chemical materials, metal castings and processing ceramics *etc.* are cases in point. Whilst our competing neighbours have been rapidly broadening their industrial base, we are still plagued with the indecision of supplying suitable land at economic prices for such projects to be set up in the best public interest. I am therefore very glad to

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know, Sir, that you are receptive of the idea of "industrial parks" we have pursued for specific land-intensive supporting industries and can only request that the plan be implemented with the greatest urgency to boost up our present reduced production, and more important, to provide job opportunities for the hundreds of thousands that are to be housed in the New Territories.

Again, we must remind ourselves that a high level of production constitute the keystone of effective economic security, upon which all our plans depend.

To lend further strength to my argument, perhaps it is relevant to borrow a point or two from Adam Smith and Ricardo. As labour and capital increased in productivity, and if land supply remained constant in quality and amount, rent will, as a result, increase more than proportionately and make landlords the undeserving beneficiary of advance. It is therefore very important to ensure that the new industrial land for our purpose should be sold or rented direct to the user to provide security and not to inflate costs.

*Education*

Sir, the concern of our people over Government policies has apparently exceeded the expectation of the administration, judging by the running out of copies of the Green Paper on Secondary Education Development. Indeed, we will expect to receive much more useful comments and criticism in the weeks to come.

I have argued earlier in this Council for a practical approach to our technical and vocational education, and what is even more important, a continuing education for technical teachers. I am glad to have been told this week by an authority from UK that such is not only recognized but being insisted upon in the British industrial training system.

Clearly, the "chalk and talk" method alone, whilst easy on the expenditure and to the indifferent teacher, is not going to train a work force to meet ever-changing technology and methods.

It has also occurred to me that the same should apply, perhaps to a lesser degree, to students in primary, secondary and other vocational schools such as for business studies. Frequent visits to practical environments would enrich the minds of students and teachers alike, and reduce the degree of ignorance and unpreparedness at a time

when they eventually have to face the working world in reality. I understand that the Japanese organize cross-country tours for their primary and secondary students and whilst it is not advisable to abolish examinations outright perhaps provisions could be made to take account of this in the syllabus, and to enforce its adoption, thus helping to provide an all-round education for our growing population.

With these words, Sir, I support the motion.

MR CHEONG-LEEN: —Your Excellency, may I congratulate you on your address made at the opening of this session as a lucid and forthright assessment of Hong Kong's problems and plans to overcome them in the future.

In many respects, your address is a measuring of the "Hong Kong Spirit" and the issuing of a challenge to build a new Hong Kong Society.

Indeed, if our people—and particularly our young people—can be touched at the right emotional level, out of their hearts will swell forth a great passion for community identity and community progress.

Perhaps no longer should we known as a *laissez faire* community and our Government a *laissez faire* Government. Instead we should be known for our enlightened policies in the guiding of our economy and in achieving a more liberal, humane and just society.

Our Government, if it is to retain the confidence and co-operation of the people, has to be pragmatic, flexible and adaptable in its plans and policies, but finely balanced by a sense of commitment, humanity and vision.

Hong Kong is entering a different dimension of change and challenge, faced as we are by inflation, industrial competition, environmental decline, crime, corruption, and the search of new moral standards by our youth of today.

Yet fortuitously, we are at a point in history where through a combination of circumstances and enlightened leadership, we are better equipped than ever before within certain constraints to shape our economic future and guide our social destiny.

As a result, we can expect a greater measure of commitment and efficiency on the part of our civil servants, a redefinition of the moral purpose of society on the part of our younger generation, and a reaching out for a better quality of life among our people.

**[MR CHEONG-LEEN] Motions**

I for one would subscribe to a philosophy of Government in Hong Kong that is pragmatic, and yet not without moral purpose and with the long-term approach in mind, in other words a balanced combination of principle and realism.

As a sign-post of our new pragmatic approach in economic affairs, the Legislative Council will during this session tackle the Securities Bill, the Public Transport Bill, the rent control bill and probe into what can and must be done by Government to curb inflation and keep down living costs.

I would like at this point to express support for the call by my Unofficial colleagues that Government exert its utmost efforts to combat inflation and rising living costs, since they are regarded by most people as even more serious immediate problems in day-to-day living than crime, corruption, transport and housing.

In one respect, Government policy had been responsible for encouraging the sharp inflationary trend. I am referring to the practice of hoarding land and auctioning it at artificially high prices, which culminated this year in exorbitant domestic rents, over-speculation in the buying and selling of real estate, and an overheated stock market.

Consequently, I am in favour of the generic idea already expressed by several of my Unofficial colleagues that Government should consider setting up an Economic Development Advisory Committee with all possible speed to foster economic growth, create employment and implement a balanced social policy.

One of the first items that this committee should press for—if it is set up—is the crystallization of an overall land use policy, particularly for industrial development in the New Territories.

To illustrate the need: an application for land on special terms for the building of a major production plant for chemical fibre has been kept pending for many, many months. The machinery for this plant will be delivered soon, and I gather that unless Government makes up its mind quickly, it is more than likely that the HK\$50 million investment in this new industry will be shifted to a nearby country in south-east Asia.

There are probably other applications of this nature pending and unless Government urgently straightens out its land use policy on new

industries, again we will witness an unfolding of the same old story of "missing the boat".

One aspect in the industrial field which deserves quicker action by Government is the provision of more organized apprenticeship training schemes for young persons who finish primary school and do not continue on into secondary school.

The 1971 population and census tables show that there were 21,642 children in the 10 - 14 age group who were "not at school and not working".

These children fall easy prey to street gangs, triad societies, and other forms of illegal activity and are a potential danger source of social discontent and violent crime.

The 1971 population and census tables also show that in the 10 - 14 age group, there were only 3,215 children who were "apprentices, trainees or learners".

There is therefore an urgent need to expand the apprenticeship training schemes along sound lines wherever possible, and I look forward to a statement from Government on the current situation during this debate. This problem of the 10 - 14 age group who are "not at school and not working" is a matter on which many Chinese community leaders have constantly expressed their concern and dissatisfaction.

Insofar as essential foodstuffs are concerned, Government has for many years controlled the importation and distribution of rice.

It is a system which by and large has functioned reasonably well. It has ensured a minimum 3-months' reserve supply of this essential commodity and at the same time kept Government's involvement in the import and distribution of rice at the minimum.

Meantime, Government must fulfil its responsibility for ensuring that unscrupulous persons do not find loop-holes in the system to profiteer either at the wholesale or retail level. Checks must continuously be carried out by Government to this end.

It is such policy of having regular supplies on the one hand and an efficient distribution (without profiteering or rampant speculation) on the other hand, that is a pragmatic approach in stabilizing the cost of living, at least in one essential foodstuff.

[MR CHEONG-LEEN] **Motions**

Not all foodstuffs of course lend themselves to the keeping of a 3-months reserve supply. This is true in the case of vegetables, fish, and fresh meat.

It is also obvious that world prices of essential foodstuffs which are imported from other countries cannot be controlled by the Hong Kong Government.

But what is within the power of Government to regulate to some extent and in varying degrees is rampant speculation and profiteering on the local prices of such commodities.

Therefore, as it is a matter of wide public concern, Government could initiate investigations on the practicality of regulating the local prices of essential foodstuffs such as flour, frozen meat, sugar and oil, and make a preliminary statement on this subject towards the close of this debate.

The statement should clarify whether and to what degree regulation is practicable under existing circumstances, making full use of Government's liaison relations with each essential food trade, and whether a special committee or special committees ought to be set up for the purpose.

People in Hong Kong are sophisticated and intelligent enough to understand that Government has no control over the world prices of imported foodstuffs. Yet at the same time they feel very strongly that Government should be seen to be taking the lead to protect the welfare of the people and to be doing something positive to keep down inflation and high living costs, especially if these are caused by internal speculation and profiteering.

In point of fact, this applies not only to essential foodstuffs, but equally to other essential commodities such as fuel oil, gasoline, kerosene and plastic raw materials, which vitally affect the economic stability of Hong Kong.

Turning to the Government's new approach in regard to social services, I would like to cite the 10-year housing plan to rehouse over 1.5 million people, the 5-year social welfare plan, the new 10-year medical development plan, and the new secondary education expansion plan, as most welcome signs that the Government's attitude towards the social services is pragmatic as well as long-term.

During this debate, I wish to single out three aspects of our housing policy for further comment.

Firstly, I would refer to the possibility of the Housing Authority offering flats for sale to families in the middle income groups. This suggestion has been mooted over the past 15 years but so far without any decision being taken.

I am in favour of a pilot scheme, assuming that the terms are fair and reasonable and conditions will be laid down as regards maintaining proper standards of management.

For the type of flats built by the Housing Authority, I do not think that private enterprise would be too much discouraged from building similar sized domestic accommodation in the urban areas because the need for housing is so great, and because most of the Authority's new estates will in any case be in the New Territories. Additionally, there is still immense scope for private enterprise in the field of urban renewal.

A pilot home-ownership scheme will on the one hand enable the Housing Authority to generate a faster cash-flow in order to build even more public housing.

On the other hand, this scheme should represent a clear indication to the public that Government is committed to encouraging homeownership on the part of our middle-income groups, thus strengthening the sense of community identity and civic responsibility.

Secondly, I would like very much to see a faster rate of rebuilding taking place in the old Mark I and Mark II resettlement estates in which over 500,000 people live.

At the present pace of redevelopment, it could take 10 years or even more before the programme is completed, although 2 years ago, Government had already announced that it would be completed in only 10 years from that time.

The Housing Authority will have to study new ways of rebuilding these older estates, with new approaches in decanting estate residents when rebuilding, and providing better accommodation and community services in the new housing estates.

I hope that the honourable Secretary for Housing will be able to make a statement as to how soon a minimum of 50 square feet living space per person can be provided in public housing during the current 10-year programme.

[MR CHEONG-LEEN] **Motions**

Perhaps some of the accommodation in the new estates in the New Territories might be used for rehousing purposes for residents in Mark I and II estates which will be demolished. Many residents in the old estates already have a fairly high income, and some of them would not mind paying more for daily commuting expenses if they were offered accommodation in New Territories estates providing they had more space, good public transport, employment opportunities nearby and modern community amenities such as schools, clinics, parks and playgrounds, markets, police stations, *etc.* within the estate.

I would urge that Government make a determined effort to complete the rebuilding programme of all the Mark I and Mark II estates within the coming 10 years, for it is within these estates that much of the causes of violent crime, social unrest and discontent lie, and the sooner we completely rebuild these estates the better it will be for social stability.

Thirdly—and still on the broad subject of housing—I would refer to the recent survey on the 17,000 small factories or workshops in domestic accommodation in the urban areas.

The problem of these small establishments could well be tackled as part of the Government's 10-year rehousing programme, even to the extent of relocating many of them into industrial parks in the New Territories near to the new cities and towns.

I hope that a policy statement on these 17,000 small factories and workshops in urban domestic accommodation which is causing so much urban pollution can be made by Government at an early date.

With regard to the work of the Buildings Ordinance Office, UMELCO have been aware for some time that due to staff shortages and pressure of work in other sections of the office, action can be taken to deal only with those unauthorized alterations or additions to buildings which constitute a danger to life or a fire risk.

This means that there is a large backlog of complaints of unauthorized works which contravene building regulations and some of which are a serious nuisance to other tenants but which do not represent a life or fire risk.

There is, for example, one case where 2 unauthorized floors had been added onto a 5-storey building. In another case unauthorized roof-top structures had been extended since they were first discovered,

for use as workshops and factories to the utter dismay of the residents of the rest of the buildings.

It is desirable that a start be made now in the direction of dealing at least with the more serious of these complaints.

The proliferation of unauthorized works at Nos. 1026-1048, King's Road was described by the then Director of Public Works in a statement to this Council on 29th November 1972 as "incredible—and this is an understatement". It was understood that the Public Works and Fire Services Departments would mount a joint operation in an endeavour to restore the buildings to a satisfactory state. One objective of the operation was to determine how successful concerted action would be and whether more staff, or strengthened legislation, or anything else would be a prerequisite to similar action on a wider scale. I understand that the joint operation was completed in May this year but so far there has been no statement from Government on its plans to take effective action against such unauthorized building works.

Meantime complaints continue to come in which under present policy are not dealt with at all. Could the Secretary for the Environment give an assurance that the problem will be tackled as one of some urgency?

On community development, Sir, many community leaders have often stressed that it is the future generation upon whose support we will have to rely for the building of a new Hong Kong society, possessed with a higher level of education, stronger social discipline and more civic responsibility.

At the same time, Government will have to take all practical steps to ensure that our population remains stable, and that Hong Kong will not have too high a natural birth rate, or be swamped by too many newcomers for whom our social services will not be able to cope, thus leading to a situation of social unrest and possible disruption.

Government has carried out two mass campaigns, one the "Keep Hong Kong Clean" campaign and the other "Fight Violent Crime" campaign with a reasonable degree of success. Resulting from the first campaign, our streets are cleaner, and from the second, people feel it somewhat safer to walk in the streets late at night in most districts.

There is besides one intangible achievement which derives from these two campaigns. It is the new seed which has been planted for the growing of a much deeper sense of community belonging and community responsibility.

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In the "Keep Hong Kong Clean" campaign, Hong Kong residents have learned the importance of social discipline by refraining from littering the streets for fear either of legal sanction or of what is even more effective in the long run, of the moral sanction of the community.

In the "Fight Violent Crime" campaign, residents came forward in increasing numbers to cooperate with the Police and other Government departments in an all-out effort to reduce various forms of crime, particularly crimes of violence. By so doing, better communication links have been established between Government and the people.

This impetus towards greater involvement and more direct participation by the ordinary citizen in public affairs should now be accepted as a challenge by the Government and given an even broader base.

I hope that the Department of Home Affairs will now study the possibility of setting up meetings of district leaders on a more formal basis by way of District Consultative Committees along the following lines:

Firstly, these meetings of district leaders in each CDO District should be held regularly, monthly if possible, under the chairmanship of the City District Officer, and greater publicity and recognition within the district be given to these meetings.

Secondly, apart from the official members, who would include the District representatives of key departments such as the Police, Urban Services Department, Social Welfare Department and Fire Services Department, the unofficial members on the Consultative Committees should be appointed formally by the Director of Home Affairs for a fixed period of at least one year, in proportion to the district population and the leadership role the appointees play within the district in community affairs.

At a later date, when the Urban Council legislation is amended to allow non-English speaking persons to sit on the Council, some of the more experienced and capable District Consultative Committee members could be given the opportunity to sit on the Urban Council.

I believe that such an evolutionary method of institutionalizing the District Consultative Committee system could do much to create a greater sense of civic dynamism and responsibility among residents living in the various districts.

As regards the setting up of Mutual Aid Committees in multi-storey buildings, a certain amount of consolidation has now set in, and the rate of increase in the number of new Mutual Aid Committees may from now on not be as spectacular as in recent months. It is better to have fewer well-run Mutual Aid Committees rather than too many loosely-formed ones.

At the same time, I would urge Government to finalize its review on how much more the existing legislation on multi-storey building management can be simplified so that we would not have to rely mainly on the Mutual Aid Committees for better multi-storey building management. A statement by Government on this subject would be welcome.

One significant impact arising in part from the two mass campaigns has been the more visible awakening on the part of our young people as to how they can join in to improve the environment. Tens of thousands of young people have helped out in the "Keep Hong Kong Clean" campaign, and I hope they will continue to do so from year to year.

Our university students have become more out-spoken in their criticism of the Government and in taking a stand on the fight against corruption.

This is all to the good if done in a reasonable and even bold and spirited way, but social stability must not be endangered and the public interest must at all times remain paramount.

By so doing our young intellectuals will be constructively questioning the traditional and often out-of-date mores of our community and so set the standard for a new moral outlook in keeping with change and progress.

If we are to raise our moral standards and neutralize corruption, it is well to remember that change cannot be brought about simply by the enacting of harsh legislation. Laws are made of men and of their habits and prejudices; we must aim more through educational and preventive measures at changing the hearts of men so as to attain through self-discipline and group determination a more humane and just society.

As part of the overall approach to reducing crime and corruption, I have in the past advocated and am now glad to see that our Police Force is among the best-paid, if not the best-paid, in Asia.

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The public therefore have every right to expect that the standards of educational background, efficiency, performance and courtesy of Hong Kong policemen will equal the best in Asia. With these objectives in mind, I hope that Government will carry out an overall organization and methods survey in the Police Force at an early date.

Following the coming separation of the Anti-Corruption Branch, the Police Force should be able more confidently to re-assert its integrity and seek to capture even more support from the public in fighting crime, as well as in eliminating corruption within the Force itself.

Corruption breeds upon inefficiency, poor internal organization, deliberately created administrative delays, hastily drafted legislation, and ignorance and greed on the part of the public.

Eliminating the causes of corruption is not only the setting up of an independent Anti-Corruption Commission under an incorruptible Commission head. It also involves the active co-operation and the right attitudes on the part of all citizens who share the vision of a more just society where there is no place for such causes of corruption.

This demands firm moral leadership on the part of the leaders who govern Hong Kong.

I would suggest that the Administration's image as a government with firm moral leadership has to come through even more clearly than it has in the past.

The Government has to show through practical measures and through sincere and well-balanced declarations of intent that it really cares for the people.

To strengthen the morale in the top leadership in the Civil Service, more local officers should be given the opportunity to reach top posts and to demonstrate that they can serve the people with dedication and without any bureaucratic conceit.

A step in this direction would be the providing of the same opportunities, allowances, and travel facilities—and so reducing various forms of resented discrimination as between local and expatriate officers—for all Civil Service officers in the Superscale Class.

As legislators, we can also contribute our share in establishing this image of firm moral leadership by continuing to uplift the quality and excellence of our people through pressing for improvement of living conditions, by constant pressure for an efficient administration and a dedicated Civil Service, and by encouraging more people to be active in public affairs, and acquire for themselves in the process a sense of personal dignity and pride, and a respect for fundamental human values.

Sir, I support the motion.

MR LI: —Your Excellency, I should like to add my congratulations to those of my Unofficial colleagues on the clarity and comprehensiveness of your address at the opening of this current session. I am sure, Sir, that your constant concern together with action and achievement on long term measures for Hong Kong has touched the hearts of all of us in the community.

Having the advantage of the last word, I shall try to refer to a few topics which have not been discussed and only supplement some of the issues raised by my senior colleagues.

Sir, I heartily agree with your statement that the aim of this Government is prosperity with social progress.

Our economy has indeed weathered a big storm and is recovering from the shock. This has been evidenced in part by the stability of our banking system. I refer here to bank deposits. At the end of December last year the total bank deposits were \$24.6 billion. In January this year total deposits went up to a record of \$27.2 billion. Since then, as a result of the outflow of funds occasioned by the downturn in prices on the stock markets, total bank deposits came down to the lowest figure of \$24.3 billion in May. From June onwards, total deposits have steadily increased, with minor fluctuations, to \$24.8 billion by the end of September, which represent only a marginal increase over December 1972, and an increase of 7.20% compared with September 1972. Under the present circumstances and with world interest rates rocketing sky high, this situation must be considered satisfactory.

Sir, in this connection, I wish to refer to bank loans and advances. The percentage of loans and advances against deposits was just over 72% at the end of 1972. This percentage has risen to over 88% at the end of September. As these are all published figures, I feel that I must say a few words about them because they certainly tend to

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indicate that banks had overlent themselves, especially when we do not have a "lender of the last resort". This is most misleading and it is in public interest that some clarification should be made in order not to shake the confidence in the banking system and the economy.

The percentage is based on the returns from all 74 reporting licensed banks which included many banks incorporated outside of Hong Kong. The Hong Kong operations of this group of banks are not subjected to the same restrictions for local incorporated banks under the Banking Ordinance. There is no suggestion, however, that these banks have extended facilities beyond their resources. On the contrary, they are banks of reputable international standing indeed have full access to all foreign exchange markets. Therefore, they have no difficulty in meeting their requirements.

It appears that the apparent high percentage of some 88% of loans against deposits represents a composite figure which does not really give a true picture of the loan/deposit ratio in the local banking system.

I would ask for a statement to be made of the loan/deposit ratio for banks other than those whose head offices are overseas. In addition, I would urge that future statistics be published on an adjusted basis thus clarifying the true relationship between loans and deposits. The increase in loans and advances made by banks, however, does show that banks in Hong Kong are doing their part in providing the necessary credits available for business and industry in our expanding economy.

You mentioned, Sir, the steady continuous stream of merchant banks being set up in Hong Kong. This is undoubtedly a sign that Hong Kong is becoming a regional financial centre. With their presence, we can look forward to more activity in the sophisticated capital markets and the acceleration of our economic growth.

There are, Sir, also numerous finance companies operating in Hong Kong. Little information is available as to their exact functions; but they do accept deposits and grant loans. Inasmuch as they are not required to file any returns, the extent of the total deposits taken and the loans made is unknown.

On July 18th this year, my honourable Friend, Mr T. K. ANN asked a question in this Council regarding the introduction of legislation

to regulate finance companies and other deposit-taking institutions. My honourable Friend the Financial Secretary in his reply said that "we must proceed cautiously". I sincerely hope that the time will soon come when Government will see fit to make a decision on some legislation in the interest of the public at large.

Many of my honourable colleagues have spoken at length on the high cost of living and inflation. I need not say any more except to heartily endorse their views on this vital issue. We seem to agree unanimously that immediate and remedial action should be taken. I would favour some form of government machinery to supervise prices of essential foodstuffs which directly affect the livelihood of the people.

Admitting that Hong Kong cannot insulate itself from mounting inflationary pressures from the rest of the world, perhaps some method of self-help may be found. It would reassure the members of the community a good deal if Government could make a statement that it will do something to stop spiralling prices before the problem undermines our aim of prosperity with social progress.

With regard to land policy, you indicated, Sir, that it is time that more land should be made available for specific purposes. I would go further to suggest that priority be given to more government buildings. In view of the "mammoth operation" that you have mentioned, it would follow that additional staff, staff accommodation and offices will be necessary. Even at today's high costs, it seems still economic for Government to build for their own use rather than to continue to bear the burden of high rentals and hotel charges. It would be interesting for this Council to be told how many square feet of office space Government is renting from the private sector as tenants and how much annual rental Government is paying in toto. It would be equally interesting to know the same for private tenancies for all members in the Civil Service. It is my belief that Government is competing in the private sector as tenants for both offices and domestic premises on a rather large scale.

To my mind, this is a rather unsatisfactory situation, and Government must rectify it by providing enough facilities. Not only should we have to "build fast, build well and keep on building", as you described, Sir, but I venture to add specifically that Government must also build for itself.

With reference to educational matters, I fully endorse the proposed establishment of a fourth college of education as soon as possible. However, I feel that it is important to raise the standard

**[Mr Li] Motions**

of the Teachers' Certificate. The quality of the teaching service, though adequate, should be improved, particularly having regard to the increasing requirements of secondary education.

Because statistics have shown that very few applicants have entered the colleges of education with the present minimum qualifications, I recommend that the lower stipulated qualifications for entry to these colleges be upgraded to a more realistic level.

Sir, I applaud the setting up of a Council for Recreation and Sport under the Secretary for Home Affairs to co-ordinate the organization of much-needed facilities for recreation, leisure and sport for the community. In this connection, I should like to speak of the island of Hay Ling Chau, where the Leprosy Mission now operates a leprosarium, which will be phased out after the completion of the new Princess Margaret Hospital in Lai Chi Kok. The honourable Director of Medical and Health Services, as well as the Leprosy Mission, should be congratulated on the imminent closure of the Leprosarium through the reduction from a maximum of 550 patients to the present number of 116 in Hay Ling Chau.

You, Sir, have mentioned the planning and utilization of holiday and recreational areas which are so essential for the welfare of us an. I suggest that this island, with its many amenities and convenient location be considered by the Council as very suitable for a youth centre, training centre or holiday centre. It would be a shame if this beautiful island is to be wasted on something like a storage site for explosives which may well be housed in some place without all these inbuilt facilities.

At the present moment the Hong Kong Auxiliary of the Leprosy Mission, as well as its many well-wishers, would very much like a statement from Government as to the Hay Ling Chau's future. I strongly recommend that a Steering Committee be set up, with a representative of the Leprosy Mission as one of its members, to study all the implications involved and plan for the gradual phasing out of the Leprosarium and final handing over. The Committee should also be asked to look into and make a recommendation to Government on the future use of the island. This is a matter of some urgency as many arrangements must be made soon.

I would like to mention, Sir, that you can be justly proud of the past record of our Medical and Health Services. As a member of the Medical Development Advisory Committee, I feel that our targets for the next ten years are ambitious and challenging indeed.

I welcome the implementation of Government's plan to participate in the work of family planning. Your remarks, Sir, that Government has begun to share with the voluntary agencies in this responsibility for developing and encouraging family planning has now clarified the misconception that Government has "taken over" completely the functions of the Family Planning Association and other similar agencies. It is gratifying to note that the first three phases of assuming responsibility for the family planning services in Government Maternal and Child Health Clinics and Hospitals commenced on the 1st of October. By relieving the Hong Kong Family Planning Association of approximately 50% of their clinics, it enables the association to develop more clinic facilities in other areas, particularly housing estates, outlying islands and rural areas, in order to provide for the large number of persons who cannot be reached through Government clinics.

Following this preliminary step, I strongly urge that Government will now find it expedient to formulate a long-advocated Government population policy to implement a family planning programme. It is essential that such a programme should co-ordinate all Government departments to embrace all phases of activities concerned with population growth. I would like to propose that a Working Committee be formed to study the whole question of population and the most appropriate means of encouraging the reduction of future birth rates.

I speak in particular of the "four pillars on which the future well-being of our community can be built", which you, Sir, have so aptly mentioned. For instance, the Housing Authority and the Housing Department should make premises available for family planning clinics in each new housing estate. Their policy of allocation of housing should be revised with the view to discourage large families. There is a great need for the Education Department to include family planning education, including sex education and preparation for marriage and parenthood, in school curricula for students and teachers. The Social Welfare Department should incorporate family planning in the training of social workers. Perhaps the scale of assistance in the Public Assistance Scheme should be given a second look with the aim of setting a maximum number in each family eligible for such assistance. The Medical and Health Department could improve the standard of their services in Government family planning clinics by the addition of family planning and population education to the training of nurses and clinical personnel. In addition to these four departments, family planning publicity should be given strong support from the Information Services Department through the mass media of press, radio and television in order to motivate and involve the whole community.

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These are but a few examples of the more important part which Government departments could play in this programme.

Despite the impressive achievements made in the last 10 years in reducing the birth rate in Hong Kong (i.e. from 40 per thousand in 1962 to 19.7 per thousand in 1971), the Commissioner for Census and Statistics disclosed last year that in the next two decades our population is likely to rise by some 40 to 50%. For the first time since 1961 the birth rate in 1972 has remained stationary at 19.7 per thousand, instead of continuing on a downward trend as in previous years.

Sir, my honourable Friend, the Director of Medical and Health Services said in this Council in March this year, that, I quote: "the matter is being given *priority* attention". I hope that it is now being given *top priority* attention. I am sure that we all realize the implications of this population problem in terms of housing, health, education, social welfare and environment are serious indeed, and would have a basic effect on all of Government's long term plans in these areas.

The United Nations Organization has designated 1974 as World Population Year in order to focus the attention of the world on this grave situation. Would it not be appropriate for Hong Kong to observe that year by some positive action?

Sir, with these remarks, I have much pleasure in supporting the motion of thanks before Council.

*Motion made. That the debate on the motion be adjourned*—THE ATTORNEY GENERAL (MR HOBLEY).

*Question put and agreed to.*

4.27 p.m.

HIS EXCELLENCY THE PRESIDENT: —I think at this point Members might like a short break. Council will accordingly resume in fifteen minutes.

4.40 p.m.

HIS EXCELLENCY THE PRESIDENT: —Council will resume.

## HONG KONG EXPORT CREDIT INSURANCE CORPORATION ORDINANCE

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

Resolved, in exercise of the power conferred by section 23 of the Hong Kong Export Credit Insurance Corporation Ordinance, that the contingent liability of the Hong Kong Export Credit Insurance Corporation under contracts of insurance shall not at any time exceed the sum of one thousand two hundred and fifty million dollars.

He said: —Sir, section 23 of the Hong Kong Export Credit Insurance Corporation Ordinance provides that the contingent liability of the corporation under contracts of insurance shall not at any time exceed the sum of \$300 million, or such other sum as may be determined by this Council by resolution. This limit was raised to \$500 million in August 1967, to \$750 million in February 1969, and to \$1,000 million in June 1971.

Over the past two years the corporation's liability has risen by \$234 million and now stands at some \$953 million.

The continuing growth of our export trade is naturally reflected in the corporation's business, although a good deal of the credit for this lies in the corporation's own ability to attract new business. In the seven years that the corporation has been in existence it has earned a sound reputation as a dependable insurer. From its inception to 31st March 1973 the underwriting account has accumulated a net deficit of only \$540,887 and this was after insuring shipments valued at \$4,602 million and after paying rather more than \$13 million in claims. Accumulated income from investments plus the corporation's initial capital of \$10 million bring the total financial resources immediately available to the corporation to \$15½ million.

The corporation expects that business will continue to expand and that the existing statutory limit of \$1,000 million will be reached within the next few months. Were the limit not increased, it might prove necessary to turn away business and for this reason, the corporation has proposed that the contingent liability limit should be raised to \$1,250 million. This is the subject of the resolution which I am moving today. The proposal has the unanimous support of the Corporation's Advisory Board which was established under section 10 of the Ordinance. I should like to explain that the contingent liability is a maximum

[THE FINANCIAL SECRETARY] **Hong Kong Export Credit Insurance  
Corporation Ordinance**

figure and, on a balance of probabilities, nothing like this figure is ever likely to be at risk at any one time. I should hasten to add too that there is nothing to indicate that the corporation will not, as in the past, be able to continue to cover claims made against it with the income it receives from premia and recoveries.

I should like to take this opportunity, Sir, of advising honourable Members of my intention to introduce legislation in order to provide for an increase in the capital of the corporation subject to the advice of Your Excellency in the Executive Council. When the Hong Kong Export Credit Insurance Corporation Ordinance was enacted in 1966 the aggregate amount of capital was set at \$10 million. This figure was based on the recommendation contained in paragraph 21 of the Freeman Report which was that initially the capital requirements of the corporation would be of the order of \$10-15 million against the total contingent liability to be assumed of \$500 million.

Since the contingent liability of the corporation now stands at \$953 million, in my view, it would be prudent that the capital of the corporation should be increased from \$10 million to \$20 million.

*Question put and agreed to.*

**FACTORIES AND INDUSTRIAL UNDERTAKINGS  
ORDINANCE**

MR LI moved the following motion: —

It is hereby resolved that the Quarries (Safety) (Amendment) Regulations 1973, made by the Commissioner of Labour on the 12th October 1973, be approved.

He said: —Sir, I rise to move, in accordance with the provisions of section 7(3) of the Factories and Industrial Undertakings Ordinance, the resolution standing in my name on the Order Paper for the approval of the Quarries (Safety) (Amendment) Regulations 1973, made by the Commissioner of Labour on 12th October 1973.

The Quarries (Safety) Regulations 1969 were made with the purpose of achieving a greater degree of safety in quarrying operations. These regulations have proved generally satisfactory, and by their enforcement, safety standards in quarries have been raised considerably.

However, since the enactment of the original regulations four years ago, ten of the fourteen fatal accidents recorded in quarries have resulted from falls; and in seven cases the workers were not secured by safety ropes. In another case the safety rope broke. Such accidents are unacceptable and these regulations seek to afford greater safety to persons working at a height on the face or on the top of quarries.

The regulations require a proprietor to provide his quarry worker with a safety harness which must be worn, and a safety rope of which one end must be securely attached to the safety harness and the other to an anchorage. The terms "anchorage", "safety harness" and "safety rope" are defined.

The regulations also impose a duty on a quarry supervisor to inspect anchorages, safety harnesses, ropes and helmets, and mechanical equipment, and if any are not in good order, to prohibit their use until they have been put into a safe and efficient order or condition.

The Labour Advisory Board has been consulted and signified their agreement to these proposals on the 9th of October this year.

It is intended that the Quarries (Safety) (Amendment) Regulations 1973, made under section 7(1) of the Factories and Industrial Undertakings Ordinance (Chapter 59) shall become effective on 1st January 1974. This will give time for quarry proprietors to take steps to meet their new obligations.

*Question put and agreed to.*

#### **First reading of bills**

**MISCELLANEOUS AMENDMENTS (POWERS OF THE GOVERNOR  
IN COUNCIL) BILL 1973**

**SUPPLEMENTARY APPROPRIATION (1972-73) BILL 1973**

**RATING (AMENDMENT) BILL 1973**

**GOVERNMENT LOTTERIES (AMENDMENT AND VALIDATION)  
BILL 1973**

**INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL  
1973**

**BETTING DUTY (AMENDMENT) BILL 1973**

**RAILWAYS (AMENDMENT) 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**

#### **MISCELLANEOUS AMENDMENTS (POWERS OF THE GOVERNOR IN COUNCIL) BILL 1973**

THE COLONIAL SECRETARY (MR ROBERTS) moved the second reading of:—"A bill to amend various ordinances to enable the Governor or certain public officers to exercise powers hitherto vested in the Governor in Council and make provisions incidental thereto."

He said:—Sir, a substantial amount of semi-routine matter is obliged by the ordinance to be considered by the Governor in Council. As I am sure honourable Members will agree, Executive Council should as far as possible confine itself to matters of major policy, which are its real concern.

Furthermore, the preparation of Executive Council memoranda, even when they deal with matters which do not involve decisions of important policy, requires a substantial amount of work and slows down the process of decision taking.

With these considerations in mind, the bill before honourable Members seeks to confer upon the Governor, or upon certain designated senior public officers, powers under various ordinances to deal with matters which are not of prime importance, but which at present have to be dealt with by the Governor in Council.

Item I of the Schedule will empower the Governor to determine which persons shall be included in the list of special jurors which is established under the Jury Ordinance.

Item 2 will transfer to the Governor power to hear appeals against exclusion orders made by a Tenancy Tribunal.

By virtue of item 3, the Governor will be able to vary the terms of a Crown lease. Many existing old leases can, by their terms, only be modified with the approval of the Governor in Council.

Item 4 transfers to the Governor power to register a bank as a trust company.

Items 5 and 6 give to the Registrar General power to approve securities and deposits which have to be maintained by Insurance Companies.

Item 7 transfers to the Governor power to declare an office to be pensionable.

Item 8 will enable the Colonial Secretary to extend the period within which an officer may claim exemption from making contributions under the Widows and Orphans Pensions Ordinance.

Item 9 will enable the Colonial Secretary to declare that the resumption of land is required for a public purpose and to arrange for its purchase or resumption. However, in view of the fact that occasionally this may give rise to a question of principle and because any form of compulsory acquisition seriously affects private rights in land, a right of appeal to the Governor in Council against any such declaration by the Colonial Secretary is provided.

Item 10 empowers the Director of Medical and Health Services to declare a disease to be an infectious disease.

Item 11 will make the Financial Secretary the authority for specifying securities as liquid assets under the Banking Ordinance.

By Item 12, the Governor will determine whether consent should be given to the amalgamation of a trade union with an organization established outside Hong Kong.

I should perhaps mention that the Governor in Council will still retain control over the various matters dealt with in the bill, to the extent that the powers conferred by the bill on the Governor, or a public officer, will be exercised in accordance with such policy directives as may be issued by the Governor in Council from time to time.

*Motion made. That the debate on the second reading of the bill be adjourned*—THE COLONIAL SECRETARY (MR ROBERTS).

*Question put and agreed to.*

#### *Explanatory Memorandum*

This bill seeks to amend twelve ordinances so as to transfer to the Governor, or in some cases to the Colonial Secretary, Financial Secretary, Registrar General or Director of Medical and Health Services, certain powers which are now exercised by

**Miscellaneous Amendments (Powers of the Governor in Council Bill—  
second reading**

*[Explanatory Memorandum]*

the Governor in Council. The powers in question mainly involve decisions of a routine administrative nature, and it is considered no longer necessary that the advice of the Executive Council should be obtained in relation to their exercise.

**SUPPLEMENTARY APPROPRIATION (1972-73) BILL 1973**

THE FINANCIAL SECRETARY (MR HADDON-CAVE) 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 1973."

He said:—Sir, this bill seeks to give final legislative authority to the supplementary expenditure authorized by resolutions of this Council, and is the last stage in disposing of expenditure incurred during the financial year 1972-73.

The original estimates were given legislative form in the Appropriation Ordinance 1972, which authorized a specific sum under each head of expenditure. It is necessary now to legislate further in respect of those heads of expenditure where the net effect of supplementary provision and of underspending has resulted in an excess over the original sum authorized against those particular heads in the Appropriation Ordinance 1972. The total net supplementary expenditure requiring this further legislative authority is over \$811 million under 36 Heads. I have explained the main purposes of the supplementary provision when presenting the quarterly schedules. But I would like to remind honourable Members that by far the largest single item accounting for the net increase is the \$500 million required for establishing the Mass Transit Fund in accordance with the resolution this Council passed on 14th March 1973. The total net supplementary expenditure is partially offset by net savings of \$169 million under other heads.

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

*Question put and agreed to.*

**RATING (AMENDMENT) BILL 1973**

THE FINANCIAL SECRETARY (MR HADDON-CAVE) moved the second reading of:—"A bill to amend the Rating Ordinance 1973."

He said:—Sir, when winding up the second reading debate on the Appropriations Bill 1973, I responded to a point two honourable Members had raised by doubting whether developers and landlords were hoarding newly completed domestic premises. But I indicated there might be a case first to charge full rather than half rates on vacant domestic premises and secondly to reduce the period of six months between the issue of an occupation permit and the first assessment to rates in respect of newly completed domestic premises. The amendment bill to the Rating Ordinance to implement these two proposals is the bill now before this Council.

As regards the first proposal, at the present time half the rates charged on unoccupied premises are refunded. To repeat what I have said previously, I see no good reason why landlords should not contribute to the various local services their premises enjoy (the Fire Services, for example), even when the premises are vacant. As regards the second proposal, the period of three months following the issue of an occupation permit for newly completed domestic premises should give owners adequate time to find tenants and to carry out fitting and decorating work necessary to make the premises habitable. In brief, these proposals demonstrate the Government's intention of taking all reasonable steps to ensure the best use is made of the available supply of domestic accommodation.

While I am not introducing these proposals for fiscal reasons, I estimate they will bring in about \$1 million more in rate revenue each year; and annual staff savings in the Rating and Valuation Department and the Treasury have been put at at least \$75,000.

I come now, Sir, to the bill. Clause 2 of the bill amends section 28 of the principal ordinance by providing that an interim valuation for a new domestic tenement will take effect either on the first day of the month following the expiry of three months from the issue of an occupation permit, or on the first day of the month following occupation, whichever is the earlier. Clause 3 of the bill amends section 30 of the principal ordinance by providing no refunds of rates in respect of vacant domestic premises.

Since under the new Rating Ordinance 1973 the Commissioner for Rating and Valuation specifies rating forms administratively, I am

[THE FINANCIAL SECRETARY]                      **Rating (Amendment) Bill—seconding reading**

taking this opportunity to introduce clause 4 to revoke the Rating (Forms) Regulations made under section 46 of the repealed Rating Ordinance.

Finally, Sir, may I draw honourable Members' attention to two points. First, while the bill is designed to come into operation on 1st January 1974, the amendments made by clause 2 will apply only to those domestic tenements in respect of which occupation permits are issued on or after that date. In other words, newly completed domestic premises receiving and occupation permit before 1st January 1974 will continue to enjoy the six month rate-free period under the existing arrangements. Secondly, this is the most important point if a building contains more than one tenement, then each tenement will continue to be considered separately as far as rate free periods are concerned.

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

*Question put and agreed to.*

*Explanatory Memorandum*

The principal purpose of this bill is to make certain changes to the provisions of the Rating Ordinance 1973 relating to interim valuations and refunds of rates.

At present section 28(2) of the principal ordinance provides that an interim valuation of a tenement in a new building shall not take effect until 6 months from when the tenement was ready for occupation or until the first day of the month following the date of occupation, whichever is the earlier. Clause 2 amends section 28(2) so that in the case of tenements to be used for domestic purposes, the interim valuation will not take effect until the first day of the month after the expiration of 3 months from when the tenement was ready for occupation or until it is actually occupied, whichever is the earlier.

Clause 3 amends section 30 of the principal ordinance so that no refund of rates will be made in the case of an unoccupied domestic tenement.

Clause 4 revokes the Rating (Forms) Regulations, since under the Rating Ordinance 1973 rating forms will be specified by the Commissioner administratively.

Clause 5 provides that the new section 28(2) will apply to a tenement the occupation permit of which is issued on or after 1st January 1974.

### **GOVERNMENT LOTTERIES (AMENDMENT AND VALIDATION) BILL 1973**

THE FINANCIAL SECRETARY (MR HADDON-CAVE) moved the second reading of: —"A bill to amend the Government Lotteries Ordinance and to validate certain appropriations from the Lotteries Fund."

He said: —Sir, as described in the explanatory memorandum published with the bill, this bill has four objects. The main object is to streamline the present procedure for allocating grants and loans from the Lotteries Fund. To enable this to be done, the requirement that every grant and loan shall be subject to the prior approval by resolution of this Council is deleted, leaving the Financial Secretary as the final authority for approving allocations from the fund. I propose in turn to delegate this power to the Director of Social Welfare, acting on the advice of the Social Welfare Advisory Committee, and subject to certain conditions. Allocations which do not satisfy these conditions, for example because they involve exceptionally large sums or have substantial recurrent implications, will continue to require the Financial Secretary's approval. At least for the time being, allocations which are likely to give rise to a substantial financial commitment in the form of an increase in recurrent subvention from General Revenue will be referred to the Finance Committee of this Council which has agreed, I might add, to the details of the proposed delegation. I am confident that these changes will enable applications for allocations from the Lotteries Fund to be dealt with more expeditiously than has been possible hitherto under the previous arrangement.

The other three objects of the bill are quite straightforward. First, the bill enables rules to be made authorizing the postponement of the drawing of a lottery during a typhoon.

Secondly, the bill brings the law into line with the existing practice of keeping accounts of the Lotteries Fund, and makes formal provision for the accounts of the fund to be audited by the Director of Audit.

[THE FINANCIAL SECRETARY] **Government Lotteries (Amendment and Validation) Bill—second reading**

Finally, certain appropriations made in the past are validated. Two categories of appropriation are involved. The first concerns block allocations made from time to time to the Director of Social Welfare by Finance Committee to enable him to approve minor capital grants. Although such allocations were approved by the Governor, legal advice now received is that under section 6 subsection 4 of the Government Lotteries Ordinance, grants made from the block allocation should also have been referred to the Governor for approval of the social welfare services involved. The second category concerns a number of allocations made with the prior approval of Finance Committee but not of the Legislative Council. This peculiar situation arose because a resolution made and passed by this Council on 30th June 1965 stipulated that appropriations from the fund should in every case be subject to the prior approval of the Finance Committee of Legislative Council. In 1967 the Lotteries Fund Ordinance was amended by introducing the requirement that the prior approval of Legislative Council be obtained. But through an oversight the resolution was not amended and appropriations continued to be made on the authority of Finance Committee until early 1972. I shall be introducing a motion to amend the resolution of 30th June 1965 at the next meeting of this Council and then the situation will have been legalized and clarified.

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

*Question put and agreed to.*

*Explanatory Memorandum*

Clause 2 of this bill, and new section 9(1) in clause 5, empower the postponement of the drawing of a lottery during a gale warning.

Clause 3 amends section 6 so as to empower the Financial Secretary to make allocations from the fund for such social welfare purposes as are approved by the Governor after consultation with the Social Welfare Advisory Committee.

The purpose of clause 4 is to regularize the existing practice of keeping accounts of the Lotteries Fund on a normal Government cash accounting basis. It also requires such accounts to be audited by the Director of Audit, who may make a report on them.

In the past some allocations from the Lotteries Fund have been made to social welfare services which have not been approved by the Governor under section 6(4), while other allocations had been made without the prior consent of the Legislative Council under section 6(5). Clause 6 validates such appropriations.

### INTERPRETATION AND GENERAL CLAUSES (AMENDMENT) BILL 1973

THE ATTORNEY GENERAL (MR HOBLEY) moved the second reading of: —"A bill to amend the Interpretation and General Clauses Ordinance."

He said: —Sir, this short bill seeks to enable my honourable Friends the Colonial Secretary and the Financial Secretary to exercise, respectively, certain powers now vested in the Governor. The powers in question are ones which cannot be delegated administratively—hence the necessity for the bill.

They relate to the declaration of states as members of the Commonwealth, changes in title of public offices or public bodies and the fixing of fees for official signatures, duplicate official documents and certified extracts from official documents in those rare cases where the fees are not fixed by a particular statutory provision.

*Motion made. That the debate on the second reading of the bill be adjourned*—THE ATTORNEY GENERAL (MR HOBLEY).

*Question put and agreed to.*

#### *Explanatory Memorandum*

The purpose of this bill is to transfer certain powers under the Interpretation and General Clauses Ordinance from the Governor to the Colonial Secretary or the Financial Secretary.

Clause 2 seeks to transfer from the Governor to the Colonial Secretary the power to specify any state or territory as a member of the Commonwealth.

Clause 3 will empower the Colonial Secretary to declare a change in the title of any public office or public body.

Clause 4 will enable the Financial Secretary to prescribe the fees for official signatures.

**BETTING DUTY (AMENDMENT) BILL 1973**

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

He said:—Sir, last month the Government accepted a recommendation that off-course betting on horse racing in Hong Kong be conducted by means of an off-course totalizator monopoly system. It was also decided that the Royal Hong Kong Jockey Club should be invited to operate the system. The club has agreed to do so.

The purpose of this bill is to replace section 3 of the Betting Duty Ordinance with a new section, which will enable the club to conduct off-course totalizator or *pari-mutuel* betting on horse races organized by the club.

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

*Question put and agreed to.*

*Explanatory Memorandum*

The purpose of this bill is to replace section 3 of the Betting Duty Ordinance with a new section, which will enable the Royal Hong Kong Jockey Club to conduct off-course totalizator or *pari-mutuel* betting on horse races organized by the club.

**RAILWAYS (AMENDMENT) BILL 1973**

MR ROBSON moved the second reading of:—"A bill to amend the Railways Ordinance."

He said:—Sir, this bill seeks to amend the Railways Ordinance (Chapter 99) in two ways, first to bring the ordinance in line with present-day circumstances and second to delete or repeal certain provisions in the ordinance as similar provisions exist more appropriately elsewhere.

With the exception of the penalty for evasion of fares which it is considered should continue to be \$1,000 or six months' imprisonment, the main object of the bill is to seek a general increase in the maximum fines which may be imposed for various offences under the ordinance which have remained unchanged since 1948.

The other significant changes are described in clauses 8, 9 and 18 of the bill. Clause 8 empowers the General Manager to make standing orders for regulating the work and conduct of the railway officials without having to seek the prior approval of the Governor in Council as at present.

Clause 9

- (a) reduces by half the present maximum fine of one month's salary which the General Manager may impose on a railway official for breach of standing orders. The present maximum fine is considered to be too severe;
- (b) identifies by rank those railway officials to whom the General Manager's power of punishment does not apply. At present these officials are identified by minimum salary which frequently changes; and finally
- (c) deletes section 31(1) of the ordinance which empowers the General Manager summarily to dismiss certain railway officials since such power already exists under Establishment Regulations.

Clause 18 repeals section 46 of the ordinance which provides that persons suffering from leprosy, smallpox or other contagious or infectious diseases are not allowed to travel on the railway as similar provision already exists under more appropriate legislation.

The other amendments, Sir, to the ordinance are of a minor consequential nature.

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

*Question put and agreed to.*

*Explanatory Memorandum*

The purpose of this bill is to make a number of amendments to the Railways Ordinance.

The amendments are—

- (a) to replace references to "manager" by references to "general manager". This is to accord with the present official title of the person appointed to conduct the affairs of the railway;

**Railways (Amendment) Bill—second reading**

*[Explanatory Memorandum]*

- (b) to replace references to "locomotive engines" by "locomotives" so as to conform to modern appellation;
- (c) to provide that the Colonial Secretary instead of the Commissioner for Transport shall be notified of accidents involving the railway (section 26);
- (d) to enable the administrator under section 29 of the principal ordinance to make standing orders for regulating the work and conduct of railway officials;
- (e) to remove the general manager's power to dismiss summarily certain railway officials, as such power already exists under Government Establishment Regulations, and to reduce by half the maximum fine which the general manager may impose on a railway official for breach of standing orders. Provisions are made for railway officials of or above certain ranks to be exempted from the application of the general manager's power to punish for breach of standing orders (section 31); and
- (f) to increase the maximum fine that may be imposed for various offence against the principal ordinance.

The opportunity is taken to make certain minor amendments to the principal ordinance. Other amendments are merely consequential.

**MOTOR VEHICLE INSURANCE (THIRD PARTY RISKS)  
(AMENDMENT) BILL 1973****Resumption of debate on second reading (31st October 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).*

**TELECOMMUNICATION (AMENDMENT) (NO 2) BILL 1973****Resumption of debate on second reading (31st October 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).*

**EDUCATION SCHOLARSHIPS FUND (AMENDMENT)****BILL 1973****Resumption of debate on second reading (31st October 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).*

**LANDLORD AND TENANT (CONSOLIDATION)****(AMENDMENT) BILL 1973****Resumption of debate on second reading (31st October 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).*

**COMMUNITY RELIEF TRUST FUND (AMENDMENT)  
BILL 1973**

**Resumption of debate on second reading (31st October 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).*

**Committee stage of bills**

Council went into Committee.

**MOTOR VEHICLE INSURANCE (THIRD PARTY RISKS)  
(AMENDMENT) BILL 1973**

Clauses 1 and 2 were agreed to.

**TELECOMMUNICATION (AMENDMENT) (NO 2) BILL 1973**

Clauses 1 and 2 were agreed to.

**EDUCATION SCHOLARSHIPS FUND (AMENDMENT) BILL 1973**

HIS EXCELLENCY THE PRESIDENT: —We will take the clauses in blocks of not more than five.

Clauses 1 to 14 were agreed to.

**LANDLORD AND TENANT (CONSOLIDATION)  
(AMENDMENT) BILL 1973**

Clauses 1 to 3 were agreed to.

**COMMUNITY RELIEF TRUST FUND (AMENDMENT)  
BILL 1973**

Clauses 1 to 6 were agreed to.

Council then resumed.

**Third reading of bills**

THE ATTORNEY GENERAL (MR HOBLEY) reported that the

Motor Vehicle Insurance (Third Party Risks) (Amendment) Bill 1973

Telecommunication (Amendment) (No 2) Bill 1973

Education Scholarships Fund (Amendment) Bill 1973

Landlord and Tenant (Consolidation) (Amendment) Bill 1973

Community Relief Trust Fund (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.

**Valedictory to Mr Cater**

HIS EXCELLENCY THE PRESIDENT: —Honourable Members, since we last met, Mr CATER has left this Council to take up his new post. I should like to thank him for all the work he has put in to this Council's affairs in various capacities over many years. But most of all I should like to offer the Council's support and good wishes in his new appointment. We know the size of the problem he is to tackle and the deep roots it has in our society and, if it is to be killed and not just pruned, it will require the devoted, imaginative and carefully directed work of many people over a considerable period as well as the positive support and co-operation of all honest men and women. The Government is determined that the problem should now be tackled along lines very different to those of the past. The condition for success is nothing short of a quiet revolution in our society. To achieve this is Mr CATER'S task. I know he is not daunted by the difficulties; they can and have been overcome elsewhere—I believe they can be overcome here. I

[HE THE PRESIDENT] **Valedictory of Mr Cater**

assure him of the whole-hearted support of the Government and of this Council and I know he has the goodwill and good wishes of all Hong Kong.

MR WOO: —Your Excellency, on behalf of my Unofficial colleagues, may I associate myself with your tribute to Mr CATER.

We all know of his sterling work. When Hong Kong was passing through dark days he gave us strong and fearless leadership. Thereafter he has been at the forefront of the vital movement towards community involvement. He is one of those few men who is almost universally admired and trusted, for he combines the common touch with the wisdom of statesmanship—not an easy combination.

He will need to employ all his talents with even greater vigour in the future.

Sir, when you announced in this Council on the 17th of October last that a separate Anti-Corruption Commission will be set up, and that Mr CATER will be the head of the new commission, your announcement was acclaimed by virtually all sections of this community. He and his staff will receive all possible support from the Unofficial Members of this Council. I feel sure, too, that he will have the co-operation of the public at large. We do not underestimate the difficulties which he will face, but we are confident that there will be results.

We know that Mr CATER has agreed to take on his new post at some personal sacrifice. This is a clear indication of that devotion to duty and to the well-being of the community for which he is well known. Sir, we wish him the very best of success in his future important task.

**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 the 28th of November.

*Adjourned accordingly at sixteen minutes past five o'clock.*