

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 30th January 1974****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, QC, 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, CMG, 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 WILLIAM COLLINS BELL, JP
DIRECTOR OF PUBLIC WORKS (*Acting*)
THE HONOURABLE WOO PAK-CHUEN, CBE, JP
THE HONOURABLE SZETO WAI, CBE, JP
THE HONOURABLE WILFRED WONG SIEN-BING, OBE, JP
THE HONOURABLE WILSON WANG TZE-SAM, OBE, JP
DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP
THE HONOURABLE LEE QUO-WEI, OBE, JP
THE HONOURABLE 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 GUY MOWBRAY SAYER, JP
THE HONOURABLE LI FOOK-WO, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL

MR KENNETH HARRY WHEELER

Oath

MR BELL took the Oath of Allegiance and assumed his seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT: —I have much pleasure in welcoming Mr BELL to this Council.

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:	
Preventive Service Ordinance.	
Preventive Service (Amendment of Second Schedule)	
Order 1974	1
Prisons Ordinance.	
Prison (Amendment) Rule 1974.....	2
Dogs and Cats Ordinance.	
Approved Observation Kennels and Quarantine	
Stations	4
Pilotage Ordinance.	
Pilotage (Dues) (Amendment) Order 1974	5
District Court (Amendment) (No 2) Ordinance 1973.	
District Court (Amendment) (No 2) Ordinance 1973	
(Commencement) Notice 1974	6
Immigration Ordinance.	
Immigration (Amendment) Regulation 1974	7

<i>Subject</i>	<i>LN No</i>
Landlord and Tenant (Consolidation) Ordinance.	
Tenure and Rent of Domestic Premises Rules 1974.....	9
Merchant Shipping Ordinance.	
Merchant Shipping (Fees) (Amendment) Regulations 1974.....	10
Merchant Shipping (Safety Convention) Act 1949.	
Exemption from rule 3 of the Merchant Shipping (Radio) Rules 1965	11
Merchant Shipping (Safety Convention) Act 1949.	
Exemption from rule 3 of the Merchant Shipping (Direction-Finder) Rules 1965.....	12
Public Order Ordinance.	
Public Order Curfew (Consolidation) (Amendment) Order 1974	13
University of Hong Kong Ordinance.	
Statutes of the University of Hong Kong (Amendment) Statutes 1974.....	14
Sessional Papers 1973-74:	
No 39—Annual Report by the Director of Civil Aviation for the year 1972- 73 (published on 30.1.74).	
No 40—Accounts and Statements of Grantham Scholarships Fund for the year ended 31st August 1973 (published on 30.1.74).	
No 41—Annual Report by the Director of Social Welfare for the year 1972- 73 (published on 30.1.74).	
No 42—Annual Report by the London Office for the year 1972-73 (published on 30.1.74).	
No 43—Director of Audit's Report and Certificate on the Accounts of the Hong Kong Government for the year ended 31st March 1973 (published on 30.1.74).	
No 44—Despatch dated 18th January 1974 to the Secretary of State on the Report by the Director of Audit for the year ended 31st March 1973 (published on 30.1.74).	

Oral answers to questions**Airmail rates between Hong Kong and USA**

1. DR CHUNG asked: —

Will Government explain why there is so much difference in postage rates for an airmail letter between Hong Kong and the USA as evidenced by the fact that the basic rate is 21 American cents (HK\$1.05) from the US to Hong Kong as against HK\$2.00 from Hong Kong to the USA?

THE FINANCIAL SECRETARY: —Sir, it is common to find dissimilar postage rates between one country and another, depending on the direction in which the mail is travelling. Indeed, a number of examples could be quoted of countries to which the air mail rates from Hong Kong are substantially cheaper than rates in the reverse direction.

The major reason for these discrepancies is the different charges made by airlines for carrying mail. Many countries have their own national airlines and it is not unusual for these airlines to carry mail originating in their own countries at very much cheaper rates than they charge to carry other countries' mail, and in some cases at lower rates than those charged by airlines of other countries. This is the case with the United States' airlines, which are paid by the United States Post Office only a fraction of the charge which they make to the Hong Kong Post Office for carrying mail from Hong Kong to the United States.

I should, however, point out that the public in Hong Kong do have the option of using the aerogramme service to the United States at a cost of Hong Kong 50 cents. This is cheaper than the 15 US cents (or Hong Kong 75 cents) charged by the United States in the reverse direction.

It is also worth noting that, notwithstanding the considerable cost advantage enjoyed by the United States Post Office in the carriage of its air mail, it operates overall at a considerable financial loss. The Hong Kong Post Office, on the other hand, covers its costs; and I am sure honourable Members would not wish to add the Post Office to the growing list of burdens to be borne by the general taxpayer.

Provision of land for special industrial projects

2. DR CHUNG asked: —

In the light of recent change in Government policy for the provision of land for special industrial projects by tender and private treaty, will Government make known to the public the underlying principles required in order for a specific industry to qualify for such special consideration?

SECRETARY FOR THE ENVIRONMENT: —Sir, briefly the basic principles of the policy now being applied for restrictive user sales of land for special industries are that Government is prepared to consider such sales when application is made for suitable land and the industrial processes to be used are: first, new to Hong Kong and represent a technological upgrading to a significant degree of an existing industrial process; second, are at a higher level of technology and provide employment opportunities at a generally higher level of skill than currently obtains in Hong Kong industry; and third, are land-intensive and cannot be carried out in ordinary multi-storey industrial buildings.

The basic method of sale to be adopted for this land is normal tender procedure on a suitably defined restrictive user basis. Recently, however, the Executive Council has agreed to sales by private treaty where the engineering studies necessary to submit a reasoned tender, or the difficulty of specifying what controls are needed to safeguard against pollution, would probably have resulted in there being no sale if tenders had been called for the sites applied for. In such cases the premium charged is the full market value of the land restricted to low buildings.

Pyramid selling schemes

3. MR WILLIAMS asked: —

Will Government introduce legislation to protect investors who join pyramid selling schemes?

THE ATTORNEY GENERAL: —Sir, the Government recognizes the dangers which pyramid or multi-level selling schemes can present and is considering the introduction of legislation with respect to them. A bill was circulated for the consideration of the Government departments concerned at the beginning of this month, but I must add that it represents initial thinking only because there are two distinct ways

[THE ATTORNEY GENERAL] **Oral answers**

in which this matter can be tackled. One is the approach envisaged, I think, by my honourable Friend's question—that is to regulate the operation of such schemes. This has been done in the United Kingdom by the Fair Trading Act. The other is to prohibit them altogether.

Sir, I can only add that I confidently expect an early decision.

**Land Development Planning and Industrial Sites
Co-ordination Committees**

4. MR WOO asked: —

Will Government appoint non-official members to the Land Development Planning Committee and the Industrial Sites Co-ordination Committee?

SECRETARY FOR THE ENVIRONMENT: —Sir, we are presently reviewing the functions and terms of reference of both the Land Development Planning Committee and the Industrial Sites Co-ordination Committee. At this stage it seems unlikely to me that these will be such that unofficial representation would be appropriate, but the suggestion will be carefully looked into.

MR WOO: —Sir, may I ask my honourable Friend the reason why that unofficial representation on these committees would not be appropriate?

SECRETARY FOR THE ENVIRONMENT: —I said, Sir, it seemed to me at this stage. Until we really examine the terms of reference of the two committees, see how they can be co-ordinated and if necessary perhaps combined, it is difficult for me to be dogmatic that this is the case. But often there are a number of problems discussed in these committees and discussed very openly and frankly and we perhaps would be more inhibited in our remarks if unofficals were present. This is purely my personal feeling at this moment in time.

Acupuncture

5. MR CHEONG-LEEN asked: —

As acupuncture has been practised in Hong Kong for a very long time, what kind of and how much research has been or will be carried out by Government on this subject?

DR CHOA: —Sir, I am afraid I cannot answer this question now because I did not have sufficient time to communicate with all heads of the clinical units in the Government hospitals. As soon as information regarding what research, if any, they are carrying out or will be carrying out on acupuncture is available, I shall give the honourable Member a written reply.

(The following written reply was provided subsequently).

In the Queen Elizabeth Hospital some research work on acupuncture is being carried out in two Units: the Neurosurgical Unit and the Orthopaedic Unit A. The subjects under study are:

- (1) the effect of acupuncture in pain threshold in Chinese, English and Napalese,*
- (2) the effect of acupuncture in muscle tone in diseases of the central nervous system,*
- (3) the effect of acupuncture on the electroencephalogram, and*
- (4) the use of acupuncture in the relief of pain in orthopaedic cases.*

Outstanding driving tests

6. MR WU asked: —

How many driving tests for each category of road vehicle are outstanding and how long will it take to deal with these?

SECRETARY FOR THE ENVIRONMENT: —Sir, at the end of December 1973, there were 55,260 candidates (12,600 in Hong Kong and 42,660 in Kowloon) waiting to take the written test for driving licences for private cars or motor-cycles. Waiting times were over seven months in Hong Kong and nearly a year in Kowloon.

For the combined road test for private cars, that is the intermediate and final road tests, there were 10,610 candidates in Hong Kong (waiting time over four months) and 32,020 in Kowloon (waiting time over eight months).

[SECRETARY FOR THE ENVIRONMENT] **Oral answers**

For taxis and public cars, there were 12,180 candidates waiting to take the written test; but there is no road test for them, since candidates are required to have held a driving licence for three years. Since January 2nd, the testing rate has been stepped up to a maximum of 300 a day, with a waiting time of three weeks.

For the road test for motor-cycles, there were 2,070 candidates in Hong Kong (waiting time nearly three months) and 4,480 candidates in Kowloon (waiting time over five months).

For the road test for goods vehicles weighing two tons and above, there were 1,060 candidates in Hong Kong (waiting time eleven months) and 6,870 in Kowloon (waiting time 34 months).

For the road test for omnibuses other than the Kowloon Motor Bus and China Motor Bus Companies, there were 6,940 candidates (waiting time 61 months). But special arrangements are made to test drivers for Kowloon Motor Bus and China Motor Bus Companies without any delay.

For the road test for light buses, there were 1,890 candidates in Hong Kong (waiting time 20 months) and 8,310 candidates in Kowloon (waiting time 43 months). A total of 10,200 candidates.

MR WU: —Sir, in view of the very long waiting periods for testing for applicants for public vehicles, buses and goods vehicles, will my honourable Friend tell the Council what steps are being taken to quicken the tests for the applicants?

SECRETARY FOR THE ENVIRONMENT: —Sir, as you will probably have gathered from the reply, what the Commissioner for Transport does is to ration out his testing staff to deal with what he thinks are the highest priorities. In the case of omnibuses, other than of the Kowloon Motor Bus Company, trucks, minibuses and that type of transport, there are so many on the road and so many drivers exist that there is really no need for additional drivers that we give no real priority to allocating staff for this testing. Where there is a real requirement, such as in the case of taxis and the private cars and motorcycles, he does try to give priority to these people. But the problem is that there is a 70 per cent failure rate at the present moment, and this means a compounding of the numbers of people who are waiting for testing. The Commissioner for Transport hopes to solve this part of the problem by introducing a simulated trainer in April of next year. This will give a very short course, a very efficient course, and he hopes to cut down the failure rate in this way.

Measles outbreak in nursery

7. MRS SYMONS asked: —

Will Government issue an interim report on its investigations into the operations of the nursery where an outbreak of measles recently occurred?

SECRETARY FOR SOCIAL SERVICES: —Sir, it is not the intention to issue a report in this respect. The nursery in question closed of its own accord on the day after the cases of measles came to light. The operator has now been located and has been charged in the courts with two counts of cruelty to children under section 27(1) of the Offences Against the Person Ordinance.

Creches and nurseries legislation

8. MRS SYMONS asked: —

Will Government introduce without further delay the new legislation to regulate creches and nurseries?

SECRETARY FOR SOCIAL SERVICES: —Sir, I expect that I shall be in a position to introduce the Child Care Centres Bill before this Council during the current session. Drafts of the bill and the regulations under it are being considered by the Government departments concerned. The next step will be to consult the Hong Kong Council of Social Service and the Social Welfare Advisory Committee.

MRS SYMONS: —Sir, in thanking my honourable Friend the Secretary for Social Services for his assurance—I take it as an assurance—that the legislation I seek will be forthcoming in this session, may I ask him to effect the maximum publicity whenever appropriate to familiarize members of the public with the standards they have a right to expect when they send their young children to child care centres?

SECRETARY FOR SOCIAL SERVICES: —Sir, if I understand the question correctly, it is our intention that we should publish the draft bill and then when enacted, I think one part will be enacted first, that is, to require nurseries to be registered and then, in so far as compliance with the standards are concerned, I think they will be given sufficient time to get themselves ready to comply with the various requirements.

Oral answers

MRS SYMONS: —Sir, I am really seeking maximum clarification for members of the public. I think in this aspect it is one thing for Government to legislate, and it is another for people to learn what sort of places they ought to send their children to. I have asked this question before, and I just wondered what steps Government has taken. When Government is fairly sure what these places should be like, I think they should tell members of the public so that they can gradually get used to the idea, then legislation will be brought to bear on the operators of these child care centres? It is in fact, Sir, maximum publicity . . .

HIS EXCELLENCY THE PRESIDENT: —Are you asking a question?

MRS SYMONS: —Yes, Sir, maximum publicity, please.

SECRETARY FOR SOCIAL SERVICES: —Sir, I can assure my honourable Friend that maximum publicity will be given to the draft bill when it is ready for publication in the *Gazette*.

Survey of private X-ray establishments

9. MR WONG asked: —

Will Government make a survey of privately run X-ray establishments to ensure that their equipment is properly supervised and maintained?

DR CHOA: —Sir, the Radiation Ordinance (Chapter 303) and its subsidiary legislation require anyone in possession of x-ray apparatus to apply for a licence from the Radiation Board. In the case of establishments operating the apparatus, the Senior Physicist of the Medical and Health Department and his staff arrange to inspect the equipment and the premises in which it is installed before a licence to operate is issued. This inspection includes ensuring that proper and adequate supervision is available on the premises during the hours the apparatus is in use.

Of 533 annual licences issued so far, the majority are for the purpose of operation but some are for storage, repair and sales. Further inspections are made from time to time, but staff and facilities do not permit regular comprehensive oversight of every establishment in Hong Kong.

MR WONG: —Sir, referring to the last sentence of his reply, does the Director of Medical and Health Services mean that he doesn't have enough staff and facilities to ensure comprehensive supervision? If not, could I have a clarification of his meaning?

DR CHOA: —Sir, I mean by that last sentence that we cannot send people around to 533 establishments regularly.

Urban army camp areas

10. MR LOBO asked: —

Has any decision been reached on the release of urban army camp areas for other use?

SECRETARY FOR SECURITY: —Sir, the policy agreed between the Government and British Forces is that property which the latter no longer need to retain in urban areas will be released. Usually alternative accommodation has first to be provided elsewhere.

In accordance with this policy, negotiations for the release of a total of approximately 56 acres at Sham Shui Po, Chatham Road and Argyle Street are well advanced. Approximately 60,000 square feet of land at Victoria Barracks was transferred by the military authorities recently, and a further 130 acres at Lei Yue Mun suitable for use as a public park will be released as soon as necessary fencing has been completed.

Pharmacists in chemist shops

11. MR WONG asked: —

Will Government ensure that there are enough chemist shops with qualified pharmacists operating in each district of the Colony to meet the needs of each district for prescriptions for medicines?

DR CHOA: —Sir, it is not possible for Government to ensure that there are enough pharmacies in each district of Hong Kong because this is in the sector of private enterprise. However, one of the conditions laid down by the Pharmacy and Poisons Board is that listed sellers of Part II poisons are required to have their premises at least 100 yards away from the shops of authorized sellers, who may sell Part I poisons as well. In this context, the role of a qualified pharmacist is to dispense Part I poisons as well as antibiotics on a retail basis.

Oral answers**Housing Research Unit**

12. MR CHEONG-LEEN asked: —

Is it planned to set up a Housing Research Unit to investigate the social and other aspects of housing (particularly public housing), and if so, when will such a Research Unit be established?

SECRETARY FOR HOUSING: —Sir, I am glad to be able to inform my honourable Friend Mr CHEONG-LEEN that the new Housing Department structure includes a Research and Statistics Section. This section started work last August, to supplement the very useful work being done by the Social and Housing Section of the Census and Statistics Department in assembling data on public and private housing.

Although small in size, this Research Section in the Housing Department is actively co-operating with the Census and Statistics Department on surveys of conditions in public and private housing to be undertaken in April. It is also in close touch with the Chinese University, post-secondary colleges and a prominent welfare organization, and there has already been a most useful exchange of housing data and active co-operation in several social surveys carried out by these institutions. The initial effort of the section will concentrate on basic information needed to up-date the 10-Year Public Housing target, but we will not lose sight of the need to gauge tenants' opinions on various aspects of estate life and estate amenities.

MR CHEONG-LEEN: —Sir, what is the present manpower in the section, and what are the plans for the next couple of years to expand the section?

SECRETARY FOR HOUSING: —The present manpower is very small, Sir. It is a Statistical Officer and supporting staff which you might call a semi-professional capacity, but backed up of course by the professional capacity of the Census Department. For the coming year 1974-75 the department has sought the creation of a new post, a fully professional post, of Statistician with additional supporting staff to get things going even quicker.

Buildings Ordinance Office

13. MR SZETO asked: —

When will administrative, legal and technical staff be available to enable the Buildings Ordinance Office to make

a start on the control of the more serious unauthorized alterations to buildings?

MR BELL: —Sir, the necessary staff should become available progressively within two years. In the meantime, it is present practice for the Buildings Ordinance Office to deal with any unauthorized alteration which would cause a risk to life as soon as it comes to notice, and staff resources are always made available for this purpose.

MR SZETO: —Sir, does my honourable Friend mean that any unauthorized additions or alterations that would not cause risk to life would be tolerated by the Building Authority even though they would cause inconvenience, annoyance and obstructions to lighting and ventilation of the neighbouring buildings?

MR BELL: —Sir, it is in fact the practice in the Buildings Ordinance Office to deal with these unauthorized obstructions if they do cause risk to life. I am not quite sure of the second part of the question about ventilation.

MR SZETO: —I said there are some unauthorized alterations which might form obstructions to lighting and ventilation to neighbouring buildings but not to the extent of causing risk to life.

MR BELL: —Sir, well these will be dealt with as the occasion arises.

Government business

Motion

FACTORIES AND INDUSTRIAL UNDERTAKINGS

ORDINANCE

SECRETARY FOR SOCIAL SERVICES moved the following motion: —

That the Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations 1974, made by the Commissioner of Labour on the 30th November 1973, be approved.

He said: —Sir, I rise to move, in accordance with the provision of section 7(3) of the Factories and Industrial Undertakings Ordinance, the resolution standing in my name on the Order Paper, for

[SECRETARY FOR SOCIAL SERVICES] **Motion**

the approval of the Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations 1974. These regulations were made by the Commissioner of Labour on 30th November last year.

The terms "lifting appliances" and "lifting gear" are defined in the regulations. The main distinction between the two categories is that "lifting appliances" have at least the elementary characteristics of a machine whereas "lifting gear" includes a rope or chain apparatus for a direct lift without permanent attachment to pulleys.

These regulations, which are based on United Kingdom legislation, are intended to provide for the safe operation of lifting appliances and lifting gear used for raising or lowering loads in industrial undertakings, as defined in the Factories and Industrial Undertakings Ordinance. Under that definition, which was recently amended by the Factories and Industrial Undertakings (Amendment) Ordinance 1973, the proposed regulations will apply, *inter alia*, to the loading, unloading or handling of goods or cargo at any dock, quay, wharf or warehouse. However, "construction work" is specifically excluded from the application of the proposed regulations since it is already covered by the more stringent controls provided in the Construction Sites (Safety) Regulations, which this Council approved on 1st August 1973. Stricter measures are appropriate on construction sites since lifting appliances used on them are exposed to the weather and are moved frequently from one place to another or from one level to another. The Construction Sites (Safety) Regulations will become effective on 1st May this year, that is nine months after they were made and it is the intention that the proposed new regulations should also come into effect after a period of nine months' grace has elapsed.

Sir, industry in Hong Kong is relying more and more on mechanical aids for lifting and lowering materials, machinery and goods. This development has in the past caused an increasing number of accidents to persons operating lifting appliances as well as to those who work in the vicinity. The hazardous nature of lifting appliances and lifting gear is reflected in the number of accidents arising from the use of such equipment. In 1972, there were 72 such accidents including two fatal ones and during 1973 there were 165 accidents, of which ten were fatal.

The regulations aim at ensuring fitness and stability of lifting appliances and lifting gear by requiring them to be of sound construction

and to be tested and examined by competent examiners before first being taken into use, and be re-examined periodically thereafter. They also aim at ensuring that such appliances and gear are used safely by requiring that their safe working loads are legibly marked on them; that they are not used for loads greater than their maximum safe working loads; and that, in the case of lifting appliances, they are fitted with efficient brakes to prevent suspended loads from falling uncontrollably or dangerously. They also stipulate special safety precautions appropriate to the use of the many different types of equipment.

Offences are created under part IV of the regulations for owners and competent examiners in breach of their responsibilities as well as for workers who wilfully and without reasonable cause endanger themselves or others. The penalties provided consist of fines which range from one thousand dollars to five thousand dollars.

The Hong Kong General Chamber of Commerce, the Employers' Federation of Hong Kong, the Chinese Manufacturers' Association of Hong Kong and the Federation of Hong Kong Industries, when consulted, raised no objection to the principles of the proposed regulations. The principles underlying the regulations were considered and endorsed by the Labour Advisory Board on 9th October last year.

Question put and agreed to.

First reading of bills

INDEPENDENT COMMISSION AGAINST CORRUPTION BILL 1974

**HONG KONG EXPORT CREDIT INSURANCE CORPORATION
(AMENDMENT) BILL 1974**

PREVENTION OF BRIBERY (AMENDMENT) BILL 1974

FIXED PENALTY (CRIMINAL PROCEEDINGS) BILL 1974

ROAD TRAFFIC (AMENDMENT) BILL 1974

OFFICIAL LANGUAGES BILL 1974

PRISONS (AMENDMENT) BILL 1974

Bills read the first time and ordered to be set down for second reading pursuant to Standing Order 41(3).

Second reading of bills**INDEPENDENT COMMISSION AGAINST CORRUPTION
BILL 1974**

THE COLONIAL SECRETARY moved the second reading of:—"A bill to provide for the establishment of an Independent Commission Against Corruption and matters incidental thereto."

He said:—Sir, honourable Members will recall that, during his address on the 17th October last year, the Governor announced that a separate anti-corruption organization would be established under a civilian Commissioner, whose impartiality and freedom from official pressures and influence would be ensured by his position being separate from the Public Service.

In my reply at the end of the debate on the Governor's address, I said that, in order to emphasize the fact that the Commission is not an ordinary department of the Government, it was intended to establish it as an independent statutory body.

I also then indicated that the ordinance constituting the Commission would provide for the Commissioner to be subject to the control and direction of the Governor, and that the selection of staff would fall outside the jurisdiction of the Public Services Commission.

Considerable progress has been made in the preliminary work which must be completed before the Commission can begin to operate. The Commissioner and the Director of Operations have already been appointed and the recruitment of staff is going ahead well. It is hoped that the Independent Commission Against Corruption will be able to start operating about the middle of February, if this bill is enacted in order to give it the necessary powers to do so.

Before dealing in detail with the contents of the bill honourable Members may wish to know a little of the proposed structure of the Commission, which it is intended to divide into three main departments.

The first of these will be the Operations Department headed by a Director, who will also be the Deputy Commissioner. He will be responsible for the detection of corruption and for investigating and preparing cases. These will, as may be appropriate, either be submitted to the Attorney General for a decision as to whether or not there should be a prosecution or, where a public servant is involved,

sent to the Governor for a decision as to what disciplinary proceedings, if any, should be launched against the officer.

Secondly, there will be a Prevention and an Administration Department headed by a Director. His responsibility will be the prevention of corruption within Government departments and public bodies and as well as for the general administration of the Commission. We see considerable scope in the work of this department in the prevention of corruption. Its role will of course be complementary to that of the Operations Department and it is the aim that this department will be fully operational by August of this year.

Thirdly, there will be a Community Relations Department headed by a Director, responsible for publicity and public education and for the involvement of the public in the fight against corruption. This will involve the influencing of public opinion through the mass media, education in schools and various representative bodies. This department also should be operational by August.

It is the intention of the Commission to concentrate much of its energies on the prevention of corruption. In the past our efforts in dealing with the problem have tended to be concentrated mainly on the punishment of it and I believe honourable Members will support the organization of the Commission into three complementary departments for if the problem of corruption is to be tackled successfully, our efforts must not only be directed at the detection and punishment of offenders but also at the social causes and administrative sources of corruption.

Clause 3 of the bill formally establishes the Commission, the expense of which is charged to the general revenue by clause 4.

Clauses 5-7 deal with the appointment of the Commissioner and Deputy Commissioner and of persons to act in their places.

Clause 5 states that the Commissioner is responsible for the direction and administration of the Commission, subject only to the control of the Governor and to his orders.

This clause clearly demonstrates the complete independence of the Commissioner. However, it is the Government's view, which is shared by the Commissioner, that there should continue to be some outside participation in the work of the Commission, as there has been in the Anti-Corruption Office of the Police Force.

[THE COLONIAL SECRETARY] **Independent Commission Against Corruption
Bill—second reading**

The present Target Committee has been operating for some years with unofficial membership and has proved valuable in deciding the priority to be given to investigations. It is, therefore, proposed to establish a new Target Committee, which will have roughly the same terms of reference as the old one. It will probably be under the chairmanship of the Commissioner with a representative of the Attorney General and two or three unofficial Members appointed by the Governor.

In addition there will be a new body provisionally called the Advisory Council on Corruption. Membership of the Council would include unofficials and members of the Commission. It will be the duty of this Council to advise the Commissioner on such matters as he may refer to it and to make recommendations generally about dealing with corruption in Hong Kong. It will also advise him on the engagement of staff and on their terms of service.

The Commissioner will also be served by two other Committees, apart from the Target Committee. The first will be the Corruption Prevention Committee which will advise on the work of the Commission's Corruption Prevention Department. The second will be the Citizens Advisory Committee on Community Relations which will be broadly representative of the community and will advise on the work of the Community Relations Department. This participation will, I hope, remind us all that the eradication of corruption cannot be left entirely to the Commission, but demands widespread and vigorous public support.

Clause 8 also gives the Commissioner the power to terminate the services of an officer without giving any reason. This of course runs contrary to the well established rules which govern the Public Service that an officer can only be discharged after formal disciplinary proceedings and with a full inquiry into his conduct.

But it is felt that officers of the Commission must be treated differently. The Commissioner must be able, if there is any suspicion of the loyalty or the integrity of an officer, or any doubts as to his energy and efficiency, to remove him from the Commission immediately.

I should perhaps mention here that if an officer is seconded to the Commission from the Hong Kong Government Service and his appointment with the Commission is terminated by the Commissioner,

the officer will thereupon revert to the Hong Kong Government Service until the Secretary for the Civil Service has decided what to do with the officer on the basis of the usual disciplinary rules which apply to public officers.

The effect of clauses 8(3), 8(4) and 11 is that officers of the Commission will generally be employed on the same terms and conditions as public officers, save to the extent to which alterations in those terms and conditions may be approved by the Governor.

Clause 10 confers on officers of the Commission powers to arrest and detain persons reasonably suspected of committing offences under the Prevention of Bribery Ordinance or the Corrupt and Illegal Practices Ordinance.

As I am sure honourable Members will agree, it is necessary for the officers of the Commission to be able to arrest a suspect and detain him for a reasonable period for the purpose of further inquiries. The effect of clause 10 is to put officers of the Commission in the same position as police officers. This means that the maximum period of detention that is possible before a suspect is taken before a magistrate or released is 48 hours, whether this period is spent wholly in the custody of the Commission or partly in that custody and partly in the custody of the Police.

Clause 12 sets out the duties of the Commissioner and it imposes far more on him than a mere responsibility to investigate complaints of corruption. It is his duty to examine the practices and procedures of departments and public bodies in order to make corruption more difficult. He will also give advice to anyone, whether inside or outside the Government, on the best ways of eliminating corruption. He will advise Heads of Departments of Government and public bodies of changes in practices and procedure. He will educate the public and enlist its support. The Commissioner will no doubt concentrate initially on Government departments, but it will be part of his duty to examine undesirable practices in public bodies and private businesses, which, we should not forget, are also said to suffer from corruption to a disturbing degree.

Clauses 14-16 deal with the financing of the Commission. Since its expenses will be defrayed from general revenue it is right that the Estimates of Expenditure of the Commission should be subject to the approval of the Governor and this is provided for in clause 14.

[THE COLONIAL SECRETARY] **Independent Commission Against Corruption
Bill—second reading**

Clause 17 requires the Commissioner to submit an annual report on the activities of the Commission and for this to be laid on the table of this Council.

I would like to take this chance to pay a tribute to the devoted efforts of many police officers in combating corruption in the past. The establishment of this new Commission should not be allowed to obscure the fact that, but for their skill, hard work and integrity, the situation would have been much worse.

We are optimistic that the new Commission will make a real impact on this abhorrent social problem. But we must not demand the impossible of it. To clean the stable is the work of years, and we cannot expect results to be swift or dramatic. We give the new Commission our fullest support in its vital and forbidding task.

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

Question put and agreed to.

**HONG KONG EXPORT CREDIT INSURANCE
CORPORATION (AMENDMENT) BILL 1974**

THE FINANCIAL SECRETARY moved the second reading of:—"A bill to amend the Hong Kong Export Credit Insurance Corporation Ordinance."

He said: —Sir, this bill seeks to amend the Hong Kong Export Credit Insurance Corporation Ordinance in three respects: first, to make only appointments to the senior positions in the corporation subject to the approval of the Governor; secondly, to increase the sum which may be made available to the corporation as capital from \$10 million to \$20 million; and, thirdly, to permit the corporation to give guarantees to those banks and other lending institutions which make medium and longer term credit facilities available to exporters to finance export transactions.

As to the first change proposed: section 17(2) of the ordinance provides that the appointment by the corporation of an officer whose salary exceeds \$50,000 per annum shall be subject to the approval of

the Governor. Given the increases in salaries in recent years that level today embraces many officers in the corporation whose appointments were not seen in 1966, when the law was enacted, to require the Governor's approval. So clause 5 of the bill increases the figure to \$85,000 per annum to embrace, that is, only the appointment of the Assistant Manager and the Manager. The appointment of the Commissioner is already specifically subject to the Governor's approval under section 6 of the ordinance.

The second change proposed is to increase the corporation's capital. When the ordinance became law in 1966 it was considered that an initial capitalization of \$10 million was reasonable, with a contingent liability of \$500 million. In the seven years that the corporation has been in existence its business has increased rapidly and by November last year the contingent liability of the corporation stood at some \$953 million, that is very near to the maximum liability of \$1,000 million approved in 1971. Honourable Members resolved on 14th November last year to increase the maximum liability to \$1,250 million to enable the corporation to expand its business even further and I gave notice on that same day that I intended to introduce legislation to provide for an increase in the capital of the corporation.

For the financial year ending on 31st March 1968 the ratio of cash resources to contingent liabilities was 1 to 29 whereas by 31st March 1973 this ratio had shifted to 1 to 57. The doubling of the corporation's permitted level of capitalization from \$10 million to \$20 million would restore the ratio to something like the original position, and prudence demands that this should be done. Accordingly, clause 6 of the bill permits the corporation's capital to be increased to \$20 million.

The need to provide additional powers to effect the third change, that is to allow the corporation to give guarantees to banks and other lending institutions providing credit facilities to exporters to finance export transactions, has become increasingly apparent over the past few years. Many instances have come to light where manufacturers have lost orders—quite large orders—solely as a result of the lack of suitable financing facilities in Hong Kong.

Very often the willingness of an exporter's bank to finance an export contract on credit terms depends upon the fact that the exporter has insured the transaction with the Export Credit Insurance Corporation or has assigned his policy to the bank as collateral security. The reason for this is that the bank must look to its client for reimbursement

[THE FINANCIAL SECRETARY] **Hong Kong Export Credit Insurance Corporation (Amendment) Bill—second reading**

where the importer or buyer fails to pay and the risk is not covered by an insurance policy.

Especially in the case of large contracts, or a multiplicity of medium size contracts, where the amount of risk is large and the term of the loan required extends to five years or more, Hong Kong exporters have frequently been plagued with the problem of making satisfactory financial arrangements. The problem is particularly acute where the exporter, though of high repute and standing, already has substantial commitments in respect of past export financing or is fully extended in financing current production or purchase of new plant and equipment.

This shortcoming in local financing facilities has been carefully examined by the corporation and its Advisory Board and also by the Commerce and Industry Department. A survey of financing facilities and arrangements in other countries clearly shows that the key to facilitating the provision of medium term finance is the additional security, in the form of unconditional guarantees, which export credit insurance organizations, in other countries are empowered to issue to lending banks, as these guarantees cover the lending bank completely once the goods have been accepted by the buyer.

Clause 3 of the bill, therefore, seeks to empower the corporation to provide, as a supplement to its normal insurance cover, its guarantee direct to the exporter's bank to pay the bank unconditionally up to 100% of the amounts advanced, plus interest for any default, three months after the due date of payment. This guarantee facility would, of course, only be provided at additional cost to the exporter. The premium would be calculated on a sliding scale related to the period of cover, and would be limited to contracts involving not less than a specified amount, on credit terms of longer than 180 days. It is intended that the corporation's guarantee to banks would operate from the date of acceptance of the goods by the buyer, or upon shipment of the goods if this takes place after acceptance. The guarantee would not normally be available for contracts which provided for the supply of an undue proportion of goods of non-Hong Kong origin.

In order to cover the corporation there would have to be a separate recourse agreement between the corporation and the exporter under which the corporation would be empowered to recover from the

exporter any payments it might have made under the guarantee which it would not have made under its normal insurance policy. This might arise for example, where non-receipt of payment was due to a cause other than one covered by the basic insurance policy; or, again, where the amount covered under the basic policy was less than the percentage covered under the ECIC guarantee to the bank.

From the banks' point of view these direct guarantees would provide complete security which would not be conditional on the manner in which non-payment arose. From the exporters' point of view they would provide a means of obtaining finance without correspondingly reducing their capacity to borrow.

Most Hong Kong exporters, especially in the case of medium term contracts, stipulate payment in Hong Kong dollars to avoid exchange risks. It is most important that our exporters should keep this in mind when arranging guarantees because, if an exporter were to quote in a currency other than the Hong Kong dollar, the corporation would not be liable for any loss arising solely from fluctuations in the exchange rate.

In conclusion, Sir, I feel that I must point out that if the amendment contained in the bill is to have any practical effect at all it will be incumbent on the banks to offer to exporters a fixed interest rate below the existing prime rate. The *quid pro quo* for the guarantee must be the banks' agreement to charge such a preferential rate. Without such a reduced rate Hong Kong exports of capital and semi-capital goods would be put in an unfavourable position, as far as financing costs are concerned, in relation to their competitors in other countries.

Motion made. That the debate on the second reading of the bill be adjourned—THE FINANCIAL SECRETARY.

Question put and agreed to.

PREVENTION OF BRIBERY (AMENDMENT) BILL 1974

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

He said:—Sir, firstly, it seeks to give effect to recommendations made by Sir Alastair BLAIR-KERR in his Second Report for changes in the law relating to corruption. My honourable Friend the Colonial

[THE ATTORNEY GENERAL] **Prevention of Bribery (Amendment) Bill—second reading**

Secretary announced the Government's acceptance of those recommendations in this Council in November and I think that honourable Members are generally familiar with the changes which the bill proposes. Nonetheless, it may be helpful if I mention them briefly.

Clause 3 proposes a rebuttable presumption, the effect of which will be that in specified circumstances a court should in proceedings against a person for an offence under section 10(1)(b) of the Prevention of Bribery Ordinance regard pecuniary resources or property in the hands of another person as being in the control of the accused. The court will be required to have regard to the closeness of the relationship between that other person and the accused.

Clause 4 increases the maximum penalty which may be imposed on conviction of an offence against section 10 so that it is the same as the maximum penalty on conviction of bribery. It will also confer on the courts power to forfeit to the Crown monies not exceeding the amount or value of any advantage received by a convicted Crown servant or of any resources or property the acquisition of which a Crown servant has not explained satisfactorily. This provision, Sir, is consistent with the common law rule that a servant is accountable in civil proceedings to his employer for bribes which he has taken.

The proposed new sections 14A to 14D of the Prevention of Bribery Ordinance, to be introduced by clause 7, are related to the power of forfeiture. Their object is to prevent a suspect or an accused person from disposing of his assets or removing them from Hong Kong while the investigation is being carried out or pending the determination of criminal proceedings. The provisions are flexible and either the Commissioner or the District Court, as the case may be, will be able to authorize dealings with property, on such terms as may be appropriate, if for example it seems proper to do so in order to avoid loss.

The amendment to section 13 of the Prevention of Bribery Ordinance which is proposed by clause 5(a) will relax to some extent the test which must be satisfied before an authorization may be given under that section. It is the section under which, among other things, bank accounts may be inspected. There is reason to believe that the present test could frustrate a proper investigation and the proposed test, which will require the Commissioner to be satisfied that an offence under the Ordinance has been committed, is considered more realistic

in the context of the fight against corruption, without permitting arbitrary use of the power. It has been suggested that the amendment will permit "spot checks" of the bank account of any Crown servant. That is not so.

The effect of the amendment proposed by clause 6(c) is that a suspect will be guilty of an offence if he fails to answer a notice under section 14 of the Prevention of Bribery Ordinance requiring him to disclose details of his resources or property. Clause 6(d) will make it an offence for a person to give false information in answer to such a notice.

Section 17(1) of the Prevention of Bribery Ordinance will be amended under clause 9(a) to enable the Commissioner to issue a search warrant for premises which he has reason to believe may contain evidence of an offence. This will, in particular, mean that the Commissioner will not have to be satisfied as to the presence of specific documents before he can grant a warrant. At the same time the amendment will not permit the grant of a warrant for a general "fishing expedition".

Clause 13 will amend section 30 of the Ordinance so as to set out specifically five cases in which it will be proper to disclose the identity of a suspect. They are ones in which the suspect must know that he is a suspect so that there is no danger of thwarting an investigation by warning him, and with the possible exception of case (a), they are also cases in which persons other than the suspect will inevitably know that he is the subject of an investigation. I should perhaps make it clear, Sir, that this provision will not permit the release of more information than is usual in normal criminal investigations and its introduction does not mean that there will always be disclosure in the specified cases.

The second purpose of the bill is to transfer the investigatory powers conferred by the Prevention of Bribery Ordinance to the Commissioner of the Independent Commission Against Corruption or to his investigating officers of the Independent Commission Against Corruption as appropriate.

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

Question put and agreed to.

FIXED PENALTY (CRIMINAL PROCEEDINGS) BILL 1974

THE ATTORNEY GENERAL moved the second reading of:—"A bill to provide for a fixed penalty to be payable for various offences, for the recording of demerit points in relation to various offences, and for purposes connected therewith."

He said:—Sir, there are now 318 registered vehicles for each mile of road in Hong Kong. It is believed that this is the highest vehicle density per mile in the world. In the context of enforcing the road traffic laws, the significance of that figure has to be measured against the all too common low standard of behaviour on the roads by drivers, the all too many cases of poor vehicle maintenance and an attitude to the law on the part of some drivers, which at best can only be described as one of indifference. An excessive amount of police time, and of the time of the courts, is taken up in enforcing the traffic laws, and it is fair to say that the problem could be solved quite substantially if drivers and vehicle owners showed more consideration and honoured the responsibilities which go with the right to drive and the ownership of a vehicle. There were 16,348 casualties from traffic accidents in 1973 and over 200,000 prosecutions were instituted in respect of breaches of the traffic laws. It is estimated that almost half a million police man hours were taken up in implementing the present procedures. All this must, in turn, be examined against the background of a police force which is considerably understrength.

The Government considers that some change in the existing procedures is essential for two main reasons—firstly, so that the resources of the Police Force may be used to the best advantage from the point of view of the public, and secondly, to ensure that offences against the traffic laws can be brought home to offenders swiftly and effectively.

The Government also believes that a further sanction is necessary to help with the enforcement of the traffic laws because the penalty which a court imposes, usually a monetary one, must necessarily take account of all the circumstances of the individual offender, and a fixed monetary penalty must necessarily be pitched at a moderate level. A system is, therefore, being proposed which will at the same time afford an additional deterrent and, it is hoped lead to an improvement in driving standards.

Sir, the bill has two main parts. Part II seeks to introduce a fixed penalty system for a wide range of traffic offences so as to simplify and expedite the enforcement of the law. A fixed penalty system

for parking contraventions has been in operation for almost three years now, but I must point out that the system now proposed differs in a major respect from the system relating to parking contraventions. They ceased to be criminal and the fixed penalty is recovered as a civil debt. The new system, whilst enabling drivers or owners to be given an opportunity to discharge their liability by paying a fixed penalty, does not affect the status of the traffic contraventions which fall within it as criminal offences. The reason for this, Sir, is obvious. There is a certain uniformity about parking contraventions which justifies a fixed penalty only. The same cannot be said of other traffic contraventions, which vary significantly in seriousness. Accordingly, the bill provides that offenders may be given an opportunity to discharge their liability for a traffic offence by paying the fixed penalty for that offence, but does not affect the right of the Crown to institute normal criminal proceedings where that is considered appropriate.

Normal criminal proceedings will also be instituted if a person who has been given the opportunity to pay the fixed penalty does not do so, and the bill provides that in such a case the court may order a convicted person to pay costs not exceeding \$500.

There is also special provision for the service of summonses on persons who have not paid the fixed penalty and provision for the hearing of charges against such a person in his absence on proof of service of the summons. There is provision for a simplified method of proof in such cases.

Finally, Sir, in this respect I would emphasize three points. The first is that Part II of the bill does not create any new traffic offences. It does not, therefore, affect the substantive law and is concerned entirely with enforcement procedures. The second is that the evidence required to support a demand for payment of the fixed penalty will obviously not be any less than that required at present because non-payment will be followed by a normal criminal prosecution. The third is that a person who has been given the opportunity to pay the fixed penalty may decline to do so and contest the charge in the ordinary way.

It is hoped that the proposed scheme will effect a 25% saving in police time, and there will be savings in the time of the courts. The scheme will also have the advantage from the point of view of an offender that, if he is stopped, at the time he will be told immediately what offence he is alleged to have committed, whilst the matter is clearly in his mind.

[THE ATTORNEY GENERAL] Fixed Penalty (Criminal Proceedings) Bill—second reading

Sir, Part III of the bill concerns the additional deterrent to which I have referred. The essence of the proposal is that the persistent offender against the traffic laws should lose his right to drive for a specified period. The demerit points system, as it is being called, will work in this way. For a wide range of traffic offences, the bill prescribes the number of demerit points which shall be recorded following a conviction for, or payment of the fixed penalty in respect of, any of those offences. The number of demerit points varies from offence to offence and the range is between 1 and 10. It is right to acknowledge at the outset that there is room for differences of opinion as to the number of demerit points which ought to be prescribed in respect of any particular offence and at the same time to say that much thought has been given to this. There is also room for argument as to the offences which ought to attract demerit points.

When 15 or more points have been recorded in respect of a person within the prescribed period, he will be disqualified automatically from holding or obtaining a driving licence. The period of disqualification will be 6 months on the first occasion on which there is a disqualification under the bill and 12 months on any subsequent such occasion. The scheme provides the motorist with an opportunity to redeem himself in that at any given time account will not be taken of demerit points recorded in respect of traffic offences committed more than 3 years before the commission of the offence leading to the most recent recording of such points.

These new provisions for disqualification do not affect the existing law relating to disqualification for holding or obtaining a driving licence. Accordingly, the bill provides that, if a person is disqualified by a court following a conviction for an offence, no demerit points shall be recorded in respect of that offence, and not only that but also that the number of demerit points which would otherwise have been recorded shall be cancelled in the case of a person in respect of whom such points are already on record.

A principal object of the demerit points system is to improve driving standards, which will not only make the roads safer for drivers and pedestrians but will also help to reduce traffic congestion.

Motion made. That the debate on the second reading of the bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

ROAD TRAFFIC (AMENDMENT) BILL 1974

THE ATTORNEY GENERAL moved the second reading of:—"A bill to amend the Road Traffic Ordinance and other related enactments."

He said:—Sir, the main object of this bill is to require drivers to have their driving licences with them when they are driving. A new form of driving licence, similar to an identity card, is about to be introduced, though its introduction will, of course, be a gradual process as new licences are issued or existing ones are renewed or particulars are changed. In the light of this the proposed requirement that driving licences should be carried is thought to be reasonable. The proposal is not by any means unique and it is already a legal requirement in a number of countries. It will help the Police Force considerably in the enforcement of the road traffic laws and will, in particular, contribute to the effective operation of the proposed fixed penalty scheme by ensuring that there is a ready means of identifying drivers.

The bill also provides for the admissibility in evidence in proceedings under any legislation of certificates containing particulars taken from the register of motor vehicles, or the records of driving licences, kept by the Commissioner for Transport. Such certificates will be *prima facie* evidence of the particulars contained in them.

Motion made. That the debate on the second reading of the bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

OFFICIAL LANGUAGES BILL 1974

THE SECRETARY FOR HOME AFFAIRS moved the second reading of:—"A bill to provide for the official languages of Hong Kong, and for their status and use."

He said:—Sir, in its Fourth and Final Report the Chinese Language Committee recommended that both English and Chinese should be promulgated as official languages. Our caution in adopting this recommendation was not due to unwillingness to acknowledge, or adopt, the free use of either language in official dealings but the problem of handling a very heavy volume of translation. We thought that the Government should not commit itself to amending the law so as to make Chinese an official language, until an adequate supply of trained interpreters and translators was available, or shortly would be.

[THE SECRETARY FOR HOME AFFAIRS] **Official Languages Bill—second reading**

We have done much since July 1971 to build up the interpretation and translation services. In July 1971, the establishment of interpreter/Translators was 190, of whom 31 were at Rank I and 159 at Rank II level. By December 1973, our establishment had increased by nearly half to 281. Of this number, 14 posts are at a rank higher than that attainable in 1971. Two posts at Chief Interpreter/Translator level have been filled recently by distinguished Chinese scholars. In addition, we have obtained a Chief Interpreter in simultaneous interpretation, two full-time simultaneous interpreters and 5 part-time simultaneous interpreters.

Because of this rapid progress, the Government believes that the time has now come formally to declare Chinese and English as official languages. The bill before honourable Members today affirms that English and Chinese are the official languages of Hong Kong for communication between the Government and members of the public.

Clause 3 of the bill confers on both languages equal status and equality of use.

Clauses 4 and 5 make the necessary exceptions as to the use of Chinese in legislation and in some courts. These are, I believe, the irreducible minimum and only affect a small proportion of public business.

Sir, this bill is offered to the people of Hong Kong as an act of good faith. As such, some may regard it as unnecessary. Those who trust us do not need it. The bill is nevertheless a meaningful statement of purpose and demonstrates the Government's earnest intention that language itself be no longer used as a pretext for any difficulty of communication between the Government and the people.

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

Question put and agreed to.

PRISONS (AMENDMENT) BILL 1974

SECRETARY FOR SECURITY moved the second reading of:—"A bill to amend the Prisons Ordinance."

He said: —Sir, this has the general aim of enabling security and discipline in prisons to be tightened up. It also tidies up a few points.

Details are contained in the explanatory memorandum appended to the bill. I do not therefore propose to rehearse them all now; but will mention its three main purposes.

The first is to make two offences triable upon indictment. These are the offences of escaping, and of failing to return after leave of absence. At present they may only be tried summarily; so cases have to be tried within six months. The effect of the bill will be that prisoners re-arrested after any period of time can in future be brought to trial.

The second main purpose is to increase the penalties for introducing certain unauthorized articles into a prison. These penalties were a fine of up to \$1,000, and up to six months' imprisonment. They will be \$2,000, and three years.

The third purpose is to tighten up the provisions dealing with staff who possess such articles when in a prison, or who convey these into or out of one.

Motion made. That the debate on the second reading of the bill be adjourned—THE SECRETARY FOR SECURITY.

Question put and agreed to.

DISTRICT COURT (AMENDMENT) BILL 1974

Resumption of debate on second reading (9th January 1974)

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 43(1).

MAGISTRATES (AMENDMENT) BILL 1974

Resumption of debate on second reading (9th January 1974)

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 43(1).

TRAINING CENTRES (AMENDMENT) BILL 1974

Resumption of debate on second reading (9th January 1974)

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 43(1).

DRUG ADDICTION TREATMENT CENTRES (AMENDMENT) BILL 1974

Resumption of debate on second reading (9th January 1974)

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 43(1).

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

Resumption of debate on second reading (12th December 1973)

Question proposed.

MR CHEUNG: —Sir, we had the greatest misgivings when we were asked in July to put a moratorium of 6 months on fresh construction

on the mid-levels and in Pok Fu Lam, and we only agreed to the measure on the assurance that, during the moratorium, an intensive effort would be made to see what possible solutions there might be to reconciling the problems of providing housing without at the same time a strangulation of traffic in these two districts.

Let us be under no misapprehension about the gravity of imposing a moratorium. It delays the provision of much needed housing. It is nothing less than a derogation from grant: a derogation of the rights granted by Crown lease to the private owner to build in accordance with the conditions of the lease. A moratorium, if it does nothing else, cuts down the number of years during which the private owner might enjoy the fruits of his land.

The Government has now come back to ask for a further moratorium. Permit me, Sir, to review what has occurred in the interval.

Government commissioned transport consultants to study, in respect of these two districts, the adequacy of the existing road system, and to assess the ability of currently programmed road improvements to accommodate existing traffic, and traffic which would be generated by buildings under construction or approved as at 1st July last year.

These consultants were also requested to review alternative means of improving transport capacities to these two districts and to suggest how building development might be co-ordinated with the strategy of transport improvement.

The consultants reported on 31st October last year. Their findings, in my view, ought to be published for general information.

They conclude that there is no reserve capacity in the existing mid-levels street net-work and that during the morning rush hour, especially when schools in the district are in session, there is a danger that traffic might come to a standstill. They are of the opinion that increases in capacity resulting from currently planned roadway improvements will be offset by planned building development.

With these conclusions Unofficial Members do not differ. Indeed, we knew as much in July. But it is unfortunate that amongst the recommendations that the consultants have made for improving traffic flow, they did not consider two matters which in July we emphasized to Government ought to be considered, and considered in depth.

[MR CHEUNG] **Temporary Restriction of Building Development (Pok Fu Lam and Mid-levels) (Amendment) Bill—resumption of debate on second reading (12.12.73)**

One was to build the planned flyovers in the mid-levels in steel and not in concrete. Construction in concrete entails work on site for two or three years, with serious disruption of traffic flow. Steel flyovers are designed, I am advised, almost as a matter of course, by computers, and fabricated off site, leaving only the assembly and the foundation works to be done on the site; in a fraction of the time that it takes to build in concrete. And these days there are copper steel alloys that require practically no painting and no maintenance. This omission on the part of the consultants to consider using steel is one that my unofficial colleagues urge should be rectified in the next six months.

The second matter not considered in this report is a western road link to the mid-levels. With the exception of the totally inadequate junction of Park Road and Bonham Road, it is at present necessary to get in and out of the mid-levels by the eastern approaches, namely Caine Road, Glenealy and Garden Road. That, it seems to us, is the basic trouble: if you provide a link with Pok Fu Lam Road and the proposed Water Street flyover and the double decked Waterfront Road, you should vastly increase the traffic capacity. Needless to say, the construction of the Water Street flyover and the elevated road along the water front should be done with all despatch and preferably in steel.

There is a third basic principle for improving traffic flow in the mid-levels, which is referred to in different parts of the report, but which, so far as I can see, is not the subject of a definite recommendation, and that principle is to discourage and divert traffic for Pok Fu Lam and Aberdeen out of the mid-levels altogether. A good deal of the Pok Fu Lam and Aberdeen traffic will doubtless use the Water Street flyover when it is constructed, but it does appear to me that if the principle of a western link to the mid-levels is accepted, the Water Street flyover will be insufficient for handling both the Pok Fu Lam and mid-levels traffic, not to mention some Aberdeen traffic. We suggest that detailed examination be given to link up Pok Fu Lam Road with Hill Road, for example by boring a tunnel to connect Pok Fu Lam Road at the Pokfield Road bus terminus with Hill Road, in the vicinity of the public mortuary.

I do not wish to be thought unappreciative of the very fine work that the consultants have put into their study, especially in the limited

time they had at their disposal, or that we find their recommendations unacceptable; except with one exception and that is their recommendation to delay widening the remaining sections of the Pok Fu Lam Road until the Water Street flyover is completed. I have not adverted to the many recommendations that the consultants made as honourable Members would have all read their report. It will, I hope, be made available to the general public, as I said earlier so that the public can see that there is justification for a further moratorium of six months, however grave a matter such a moratorium is. I referred to omissions in their report, because whatever Government's intentions were in its brief, the consultants appeared to me to have put a restrictive interpretation upon it, and considered only the effects of public works currently planned.

My unofficial colleagues have authorized me to say that with these observations and subject to the amendments which will be moved later in the Committee Stage they would support the bill. They would urge that the respite be devoted to an intensive effort to devise further realistic and better means of improving the traffic in these two districts, and express the hope that financial considerations will not be put in the way of imaginative and fundamental proposals for public works needed both to keep communications open and to augment the stock of private housing.

With these remarks, I support the bill.

MR BELL: —Sir, it is intended to submit a further detailed reappraisal of the situation to the Executive Council—and later to this Council—in June this year. I can assure my honourable Friend that the various points which he has raised will be given very careful consideration.

Question put and agreed to.

Bill read the second time.

Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).

Committee stage of bills

Council went into Committee.

SECURITIES BILL 1973

THE FINANCIAL SECRETARY: —Sir, in view of the extensive amendments to this bill which I shall be proposing, I move that in order to facilitate consideration of this bill in committee, Standing Order 46 be suspended.

Question put and agreed to.

THE FINANCIAL SECRETARY: —Sir, as honourable Members are aware I have given notice of amendments to Parts I to VII of this bill. I shall be proposing amendments to the remaining Parts of the bill before the next meeting of the Council and it is my intention to move that consideration of the bill in Committee be adjourned to that meeting. Honourable Members will not be asked today to vote on any of the proposed amendments.

When moving the second reading I stressed that the Government was very conscious of the immensity of the task of drafting such a comprehensive piece of legislation—probably the most complex and detailed ever to be considered in this Council; and I suggest also that although the Government was totally committed to the general principles embodied in the bill we would welcome constructive and practical suggestions for amendments.

Over a number of weeks before the completion of the second reading, the Commissioner for Securities had lengthy meetings with the principal interested parties, and, of course, the *ad hoc* group of Unofficial Members. Every one of the large number of comments and suggestions which had been received was carefully considered and discussed. Many tentative amendments emerged and after they had been collated and consolidated they were sent to the *ad hoc* group, with copies to the other parties.

Subsequently, the Commissioner had further discussions with the *ad hoc* group; and today, and in a fortnight's time, it is my task to submit to honourable Members for their consideration all the amendments in their final form. They are concerned almost entirely with clarification and application and none involves a retreat, and none involves a retreat from the basic principles of the bill. I shall touch today on all the amendments to the clauses in Parts I to VII as I have just said, except the trivial ones.

I am only too conscious that this bill, the Securities Bill, dealing as it does with an industry which is constantly evolving, cannot be

definitive. In order to cope with new problems which will inevitably arise amendments will be necessary from time to time, particularly as the Government intends to do all it can to encourage reasonable and legitimate business so long as this conforms to standards which are internationally acceptable. The length of time the Commissioner has spent in detailed discussion not only with the UMELCO *ad hoc* group, but also with the relevant parties testifies to our intent.

Any legislation inevitably causes a measure of inconvenience to some of the parties concerned. This is particularly so when the field covered has hitherto been almost entirely free from statutory regulation, like the one now under consideration. But we must bear in mind that the main purpose of this bill is to give better protection to the large body of investors, and we have to weigh the benefit to these against the inconvenience to a much smaller number of people, particularly as much of this inconvenience will be of a temporary nature.

More problems will arise in drawing up and implementing the rules and procedures which will be necessary before the various sections of the bill can be brought into operation, and there will have to be further detailed and technical discussions with those closely involved.

But all these difficulties can be overcome if those concerned with the securities industry will accept the bill in a spirit of co-operation and with the determination to make it work. After some initial uneasiness—which was only to be expected—I sense that there now is a wide measure of support within the community and even within the industry; but some opposition still lingers in one or two limited quarters, despite the great effort which has been made to meet all reasonable objections, so long as these did not run counter to the main purposes of the bill. However, I am sure that those concerned will eventually take a broader and longer view.

Turning now to the paper before honourable Members: it has been decided to exclude from the definition of "dealer" in Part I, first, a solicitor or professional accountant whose business as a dealer is wholly incidental to the practice of his profession; secondly, an exempt dealer (except where specifically provided in the ordinance); and thirdly, a person who carries on business of dealing in securities only through a registered or exempt dealer.

The last provision is already in the bill, in rather different form, in clause 49, but it will be clearer if it is treated as I now propose.

[THE FINANCIAL SECRETARY] **Securities Bill—committee stage**

A definition of "foreign stock exchange" has been included in clause 2.

The definition of "investment adviser" is being amended to reinforce the idea of direct remuneration, as well as to extend the list of exclusions to, first, a dealer or exempt dealer—to the extent that his giving of advice is incidental to his main business; secondly, a Trust Company registered under Part VIII of the Trustee Ordinance; and thirdly, an exempt investment adviser.

The definition of "securities" is being amended to exclude certificates of deposit as well as shares or debentures of a private company and any interest in a Partnership Agreement (other than a limited partnership) unless the partnership relates to an enterprise promoted on behalf of a person whose ordinary business includes promotion of similar enterprises.

The definition of "stock-market" is being amended to indicate more clearly that the offices of a member of a stock exchange are excluded.

Two clauses are being inserted—clauses 2A and 2B.

Clause 2A is mostly an amended form of the present clause 49 (later to be deleted) and clarifies the exemptions when determining whether or not a person has dealt in securities or has made an offer to acquire or dispose of securities.

The only additional exemptions cover the issue of a prospectus which has been approved by the Commissioner in relation to a mutual fund company or unit trust authorized by the Commission, or a form of application for shares or units.

Certain minor consequential amendments are being made to clause 3 by re-numbering various sub-clauses as well as substituting "corporation" for "company". Sub-clause (5) has also been deleted.

Clause 8 has been amended to include the Registrar General, as well as the Commissioner, as an *ex officio* member of the Commission. The number of members remains the same at seven. The amendment has been made so that the Chairman of the Disciplinary Committee of the Commission—established under sub-clause (1) of clause 36—shall not be an official member.

A slight amendment to clause 11 now makes it clear that the Commission's functions extend only to those provisions of any other ordinance which relate to securities.

In clause 12 certain matters on which the Commission has power to make rules as detailed in paragraphs (a), (b) and (g) of sub-clause (1) have been deleted and have been transferred to the Federation.

Clause 13 is amended to give the Commissioner power to impose conditions when authorizing a unit trust or mutual fund. The power to authorise unit trusts and mutual funds is being given to the Commission pending the enactment of more comprehensive legislation dealing with these two subjects.

Clause 14 has been slightly amended to make it quite clear that the Commission may appoint a stock-broker as a member of any of its committees, although the original wording was, in my humble opinion, quite clear enough.

Clause 17 has been amended so that the penalties for the unlawful use of information are now extended to any member of the Commission or person employed in the administration of the ordinance.

The words "in Hong Kong" have been inserted in clause 20 after the words "stock market" to make it abundantly clear that it is a stock market in Hong Kong with which we are concerned, it was already very clear, and that there is, and can be, no intention of regulating what Hong Kong dealers may do in other markets.

Previously there was no provision for the disposal of property connected with any offence so clause 21 has been amended to enable the provisions of section 102 of the Criminal Procedure Ordinance to apply.

As presently drafted, sub-clause 3 of clause 23 permits the replacement of an accountant or solicitor when he ceases to be a member of a stock exchange. The sub-clause is being amended to remove this privilege. However, sub-clause (7) is being amended so that accountants and solicitors who are existing members of a stock exchange may remain as members. The basic principle is agreed that neither practising solicitors nor practising accountants should be members of a stock exchange, but it has to be recognized that existing members of both professions render valuable service to the exchanges to which they belong and their continuing presence is certainly required.

[THE FINANCIAL SECRETARY] **Securities Bill—committee stage**

Clause 25 is being amended so that the Commissioner will be required to consult the Federation before exercising his power of closing the stock exchanges in time of emergency.

Clauses 29 and 30 are amended as a result of consultation with the stock exchanges they have expressed the wish that the Federation should be known as the "Hong Kong Federation of Stock Exchanges" and not the "Federation of Hong Kong Stock Exchanges", and consequently an amendment to the heading of Part IV will be required.

I mentioned earlier that some of the powers of the Commission were to be transferred to the Federation and, accordingly, additions have been made to clause 34 by the insertion of paragraphs (*ga*), (*gb*) and (*gc*).

Clause 35 has been amended to strengthen the powers of the Federation and to clarify its authority. Under sub-clause (3) the Federation may make rules on any matter within its functions and under sub-clause (5) may promulgate them as it thinks fit, after approval by the Commission as provided for in sub-clause (7). Under sub-clause (4), these rules are binding and enforceable not only against each stock exchange but against members of a stock exchange. Under sub-clause (3) the Commission may direct the Federation to make rules on any matter within its functions.

Sub-clauses (2) and (3) of clause 36 are being amended to make it abundantly clear that the Disciplinary Committee established under sub-clause (1) shall consist of five persons: one shall be the member of the Commission appointed under paragraph (*c*) of sub-clause (1) of clause 8 and he shall be Chairman; two shall be other members of the Commission but excluding the Commissioner; and two shall be persons nominated by the Federation.

The fine which the Disciplinary Committee may impose under paragraph (*c*) of sub-clause (2) of clause 3 is to be doubled, and so is the penalty on conviction under sub-clause (4) of clause 40.

Another sub-paragraph in sub-clause (5) makes it an offence for a stock exchange or its committee to contravene wilfully the rules of the exchange.

A sub-clause has been added which restrains the Disciplinary Committee from imposing a fine for a malpractice by a stock exchange

"if proceedings have already been taken against the exchange in a court of law on the same account".

Under the amendment to clause 43 the power of the Disciplinary Committee to make rules of procedure at a hearing or inquiry is transferred to the Commission.

Representatives of an exempt dealer or an exempt investment adviser are added to the list of exemptions in sub-clause (1) of clause 45, and the position is clarified as regards the need for an exempt dealer to register as an investment adviser and *vice versa*.

Since it is now proposed that only a person who actually deals in securities has to be registered, and not the non-dealing partners of a member firm or directors of a corporate member, clause 46 is, I am happy to say, considerably simplified.

Clause 47 is being similarly amended.

Clause 49 is deleted because, as I have mentioned earlier, part of it is now covered by the amended definition of "dealer" and the remainder is in the new clause 2A.

Clause 51 is being amended so that the deposit will be made to the Commissioner and not, as hitherto, to the Accountant General. The deposit will be "such amount as is prescribed in regulations".

The amendments made to sub-clause (6) of clause 51 make it clear that any dealer who is a stock-broker (and who will have been covered already under the Compensation Fund) is exempt, as is any corporation if its dealing directors have deposited the sum or are already exempt, and provision is made for further exemptions to be made by regulations.

The provisions in clause 59 relating to exempt dealers have been amended in such a way as to widen the discretionary powers of the Commissioner. Thus the Commissioner may declare any licensed bank or any Trustee Company registered under Part VIII of the Trustee Ordinance, or any person belonging to a class of persons or carrying on a type of business prescribed in regulations, to be an exempt dealer for the purposes of this ordinance.

Clause 64 is being amended by extending the application of Part VI to securities listed on a stock exchange and any other securities of a class prescribed in regulations.

[THE FINANCIAL SECRETARY] **Securities Bill—committee stage**

Clause 65 has been simplified but, as I said in my speech on the second reading, in order to keep to a minimum the amount of work involved it is intended that ordinary business records should, if they are in suitable form, be accepted for this purpose.

Finally, Sir, clause 69 is being amended to make it quite clear that the Commissioner may only supply a copy or extract of a register to the Attorney General and to no other person. The Attorney General may, if he believes that an offence under this bill may have been committed, deliver a copy to any person for the purposes of investigation.

Sir, I now move that the Committee Stage of this bill be adjourned.

Question put and agreed to.

DISTRICT COURT (AMENDMENT) BILL 1974

Clauses 1 and 2 were agreed.

MAGISTRATES (AMENDMENT) BILL 1974

Clauses 1 and 2 were agreed.

TRAINING CENTRES (AMENDMENT) BILL 1974

HIS EXCELLENCY THE PRESIDENT: —We will take the clauses in a group.

Clauses 1 to 7 were agreed.

**DRUG ADDICTION TREATMENT CENTRES
(AMENDMENT) BILL 1974**

HIS EXCELLENCY THE PRESIDENT: —We will take the clauses in groups.

Clauses 1 to 8 were agreed.

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

Clause 1.

MR BELL: —Sir, I move that clause 1 be amended as set out in the paper before honourable Members.

The amendment will give continuous effect to the principal ordinance until the new expiry date named in the proposed amendment to section 5.

Proposed amendment

Clause

- 1 That clause 1 be amended by inserting after "1974" the following—
- "and shall be deemed to have had effect as from 30th January 1974".

The amendment was agreed to.

Clause 1, as amended, was agreed.

Clause 2.

MR BELL: —Sir, I move that clause 2 be deleted and replaced by the new clause 2 as set out in the paper before honourable Members.

The amended clause 2 advances the date of the expiry of the ordinance from 31st December 1974 to 31st July 1974, but provides that any subsequent extension may be approved by resolution of this Council. I should like to take this opportunity to acknowledge the assistance of honourable Unofficial Members in the formulation of these amendments.

Proposed Amendment

Clause

- 2 That clause 2 be deleted and the following be substituted—

"Amend-
ment of
section 5.

2. Section 5 of the principal ordinance is amended by deleting "January 1974." and substituting the following—

"July 1974, or on such other date as the Legislative Council may by resolution determine."

The amendment was agreed.

Clause 2, as amended, was agreed.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

District Court (Amendment) Bill 1974

Magistrates (Amendment) Bill 1974

Training Centres (Amendment) Bill 1974

Drug Addiction Treatment Centres (Amendment) Bill 1974

had passed through Committee without amendment and that the

Temporary Restriction of Building Development (Pok Fu Lam and Mid-Levels) (Amendment) Bill 1974

had passed through Committee with amendment and moved the third reading of each of the bills.

Question put on each bill and agreed.

Bills read the third time and passed.

Adjournment

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

4.15 p.m.

Further Measures to Fight Crime

MR CHEONG-LEEN: —Your Excellency, as we start the year of the Tiger, the thoughts of many of our citizens still dwell on the ever pressing need to preserve law and order and to clamp down heavily on violent crime in our midst.

The 1973 Fight Violent Crime Campaign, the first ever in Hong Kong, has achieved some promising results and has regained a measure of confidence by the public in the Government in the fight against crime.

What is more, the mobilization of the approximately 100 area committees in the urban areas and the New Territories representing public participation at all levels of community life in this campaign is a noteworthy break-through in developing closer co-operation between the people and the Government.

Government on its part has taken several realistic steps to build up the forces of law and order to prove its determination to win the battle against crime.

Firstly, there has been a large-scale recruitment of auxiliary policemen with the result that more policemen are seen to be on patrol duty on-the-ground.

Secondly, the new Police Cadet School has been set up in the hope that within the next few years there will be a continuous flow of new police recruits who will be well-trained, disciplined and of a fairly good educational background.

Thirdly, in order to recruit more policemen Government has increased the starting pay to as high as \$1,000 monthly.

Fourthly, the Commissioner of Police is planning to set up a traffic warden system which will redeploy 1,000 policemen from traffic control into anti-crime work.

The above four measures plus the setting up of the independent Commission Against Corruption, does demonstrate the Government's willingness to transform Hong Kong into an even safer and more secure place for all our citizens to live in.

Yet, there are many community leaders and residents who still feel that much more can be accomplished.

The battle against crime is a continuing one, with the present phase apparently being more in the nature of a public relations exercise to residents to redouble their personal security efforts at home or at work.

Such advice should be taken by the public most seriously, and be accepted as a practical way to support the Government's effort, since the police are still very much under-staffed.

The question arises: "Will Government be planning another build-up of the 'Fight Violent Crime Campaign' in 1974, with even greater public participation than was the case in 1973?"

[MR CHEONG-LEEN] **Further Measures to Fight Crime**

I would suggest that such a campaign in 1974 would meet the overwhelming support of our population, especially if we improve upon the lessons, experience, and achievements of last year's campaign.

In this connection, I would suggest that Government give consideration to the setting up of District or Area Security Groups (地區安全隊) in all CDO Districts or where there are Fight Violent Crime Area Committees.

The guide-lines under which a District or Area Security Group could be organised would be:

- (1) The members of the group should be carefully selected and be assigned to patrol duties near to their homes to reduce transportation problems and to maintain operational efficiency.
- (2) Joining a Security Group would be entirely voluntary, and persons who are already members of any of the Essential Services could join, providing they receive permission of the head of the Essential Service to which they belong. They should also be given some form of basic training.
- (3) The members of a Security Group will carry out their patrol work dressed in uniform and equipped with a whistle, torchlight and a baton. They could do 4 to 8 hours duty every week, for which they should receive an allowance from Government, and should patrol in squads, accompanied by one senior regular or auxiliary constable who will be armed.
- (4) Security Group members will not have police powers and can make arrests only in a limited number of instances, such as when a person is attacking another person, or is caught committing theft, robbery or house-breaking, and providing that a regular or auxiliary police constable is with the group.

It will be the responsibility of the police, with the co-operation of the CDOs and the Fight Violent Crime Area Committees to organize such District or Area Security Groups, particularly in the larger Group B-type Housing Estates where it is reported that triad gangs, coupled with the attendant activity of extortion, blackmail, revenge and vicious attacks upon unco-operative victims are running rife and have been multiplying within the past 12 to 18 months at a rate that gives cause for concern.

Any security system no matter how well-planned or well-organized, can be open to abuse, but if it has the support of the general public, and is given a try, it will probably succeed.

So it is with the setting up of District or Area Security Groups on a trial basis in one or two designated areas. The results might well be worth the effort in the strengthening of the forces of law and order, not to mention the shouldering of a greater measure of co-responsibility and a deeper involvement by the people in improving and making safer the environment in which they and their families live.

SECRETARY FOR HOME AFFAIRS: —Sir, my honourable Friend's concern with the fight against violent crime is, I am sure, widely shared by the people of Hong Kong. Without it one would despair. It is this public concern that will in the end be the most effective weapon against violent crime.

The Fight Violent Crime Campaign has brought home to us how wide can be the public response and how swift can be police reaction to cries for help and calls on 999. Public involvement not only in the Area Committees but through over 1,000 Mutual Aid Committees was unprecedented.

The fight is not over. There is still far too much robbery, too much mugging by gangs and too much criminal violence for a healthy society.

A further phase of the Fight Violent Crime Campaign will therefore be introduced this summer.

It will not be a repetition of last year's campaign when we started from scratch. This year we shall build on what has been achieved already. My honourable Friend's suggestions are therefore timely. Other suggestions would also be welcome during this planning stage. They can be made to the Commissioner of Police or to me by letter or phone, to City District Officers or Divisional Superintendents.

My honourable Friend's proposals will certainly be considered by my committee, though something very much like it is being done on a small scale. Many Mutual Aid Committees have already employ watchmen in their buildings. The police have launched a training programme for the watchmen, who are already playing a significant part in the prevention of crime. For street patrols we rely on the regular police and some 7,000 auxiliaries.

[THE SECRETARY FOR HOME AFFAIRS] **Further Measures to Fight Crime**

As my honourable Friend states, street patrols must be trained, be uniformed, be paid, be armed, and have some powers of arrest.

Those young men who want to take part in this type of patrol now join the Auxiliary Police. I must say I find it doubtful if many would want to join patrols which were a sort of second-class auxiliaries—less trained, less well turned out, less well paid, less armed, and less powerful in law.

If this was the only comparison between the security groups and the auxiliaries, these security groups would come off second best.

But I suspect that my honourable Friend sees as the chief merit of his proposal the local connection. Can we make better use of the auxiliaries in the areas in which they live? This is a worthwhile proposal, which arises out of my honourable Friend's speech, and one which, together with the idea of security groups, will be studied by the Fight Violent Crime Committee.

Question put and agreed to.

Next sitting

HIS EXCELLENCY THE PRESIDENT: —Accordingly I now adjourn the Council until 2.30 p.m. on Wednesday, the 13th of February.

Adjourned at twenty-seven minutes past four o'clock.