

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 10 November 1982****The Council met at half past two o'clock****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR EDWARD YOUDE, K.C.M.G., M.B.E.

THE HONOURABLE THE CHIEF SECRETARY
SIR CHARLES PHILIP HADDON-CAVE, K.B.E., C.M.G., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
MR. JOHN HENRY BREMRIDGE, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL
MR. JOHN CALVERT GRIFFITHS, Q.C.

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR CITY AND NEW TERRITORIES ADMINISTRATION

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.
SECRETARY FOR LANDS AND WORKS

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE LO TAK-SHING, C.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
SECRETARY FOR EDUCATION

THE HONOURABLE ALEX WU SHU-CHIH, O.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

THE HONOURABLE LYDIA DUNN, O.B.E., J.P.

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE McGOVERN, O.B.E., S.J., J.P.

THE HONOURABLE ALAN JAMES SCOTT, C.B.E., J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.

THE HONOURABLE JOHN MARTIN ROWLANDS, C.B.E., J.P.
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, J.P.
COMMISSIONER FOR LABOUR

DR. THE HONOURABLE HO KAM-FAI, O.B.E., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, O.B.E., J.P.

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE GERALD PAUL NAZARETH, O.B.E., Q.C., J.P.
LAW DRAFTSMAN

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE WILLIAM DORWARD, O.B.E., J.P.
SECRETARY FOR TRADE AND INDUSTRY

THE HONOURABLE JOHN MORRISON RIDDELL-SWAN, O.B.E., J.P.
DIRECTOR OF AGRICULTURE AND FISHERIES

THE HONOURABLE DONALD LIAO POON-HUAI, O.B.E., J.P.
SECRETARY FOR HOUSING

THE HONOURABLE GRAHAM BARNES, J.P.
REGIONAL SECRETARY (HONG KONG AND KOWLOON), CITY AND NEW TERRITORIES
ADMINISTRATION

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, O.B.E., J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

THE HONOURABLE SELWYN EUGENE ALLEYNE, J.P.
DIRECTOR OF SOCIAL WELFARE

THE HONOURABLE COLVYN HUGH HAYE, J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

THE HONOURABLE CHEUNG YAN-LUNG, M.B.E., J.P.

THE HONOURABLE MRS. SELINA CHOW LIANG SHUK-YEE, J.P.

THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, J.P.
REGIONAL SECRETARY (NEW TERRITORIES), CITY AND NEW TERRITORIES ADMINISTRATION

THE HONOURABLE MARIA TAM WAI-CHU, J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING

THE HONOURABLE PIERS JACOBS, O.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR SECURITY

ABSENT

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. JENNIE CHOK PANG YUEN-YEE

Papers

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

Subject *L.N. No.*

Subsidiary Legislation:

Public Health and Urban Services Ordinance. Colouring Matter in Food (Amendment) Regulations 1982	376
Road Traffic (Public Service Vehicles) (Amendment) Regulations 1982. Road Traffic (Public Service Vehicles) (Amendment) Regulations 1982 (Commencement) Notice 1982	377
Dangerous Drugs (Amendment) (No. 2) Ordinance 1982. Dangerous Drugs (Amendment) (No. 2) Ordinance 1982 (Commencement) Notice 1982	378
Evidence Ordinance. Evidence (Authorized Persons) (No. 16) Order 1982	379
Lifts and Escalators (Safety) Ordinance. Lifts and Escalators (Safety) Ordinance (Amendment of Schedule) Order 1982	380
Public Health and Urban Services Ordinance. Public Health and Urban Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 13) Order 1982	381
Public Health and Urban Services Ordinance. Public Health and Urban Services (Public Markets) (Designation and Amendment of Tenth Schedule) (No. 5) Order 1982	382
Public Health and Urban Services Ordinance. Declaration of Markets in the New Territories (No. 3)	383

Sessional Papers 1982-83:—

No. 13—Report on the Administration of the Fire Services Welfare Fund for the year ended 31 March 1981.

No. 14—Supplementary Provision for the quarter ended 31 March 1982 (Final).

No. 15—Supplementary Provision for the quarter ended 30 June 1982.

Government business

Motion

MOTION OF THANKS

THE CHIEF SECRETARY moved the following motion:—That this Council thanks the Governor for his address.

Resumption of debate on motion (28 October 1982)

THE FINANCIAL SECRETARY:—Your Excellency, as I believe profoundly in the continued prosperity and stability of Hong Kong, the present problems that we face appear to me to be clearly ephemeral. Of course they exist, of course they are creating concern, of course intelligence, courage, confidence and hard work will prevail as they have before.

Amongst the questions raised by Members are several relating broadly to the economy, budgetary policy and fiscal issues to which it is my responsibility to respond. My underlying theme is the last sentence of your opening address: ‘It is the policy and the firm intention of this Government to invest vigorously in the future of Hong Kong and its people and that we shall continue to do.’

The world at present is suffering from what is hopefully the tail end of the worst recession since the 1930s. It cannot be too often repeated that Hong Kong is reliant on export trade. If people overseas cannot buy from us because they have no money, or because of creeping protectionism, we are in trouble and the only help we can get is from ourselves. Hong Kong is however special in that in this difficult year we still expect 4% growth in G.D.P., do not face serious unemployment problems—though they are probably increasing—and have experienced a noticeable drop in inflation which presently is running at about 10%. Let us count our blessings.

The problem about forecasting future economic trends is that they depend so much on the future of the U.S. economy, which itself sets the lead for so many others. As you will know there is no consensus amongst economists or bankers or (not surprisingly) politicians. I have to make some assumptions, however, and presently I assume that there will be the shadowy beginnings of a recovery in the U.S. economy in this last quarter of this year, and that next year it is conservative to forecast a U.S. G.N.P. growth of the order of about 2½%—with more emphasis on the second half of the year. I believe that the U.S. retail trade will first reflect this change of tide, and that Hong Kong will thus benefit with our concentration on flexible light industry designed for export. I share Mr. CHEONG’s view that there are signs now that our order books are lengthening. But no one must relax into optimism, for there are many bear traps around in the world—and the current M.F.A. negotiation is clearly one. Mr. BROWN

sensibly recognized this situation, while himself seeing encouraging signs of recovery. Mr. LEE's views were similar. I would point also to the considerable growth in our exports to China.

While therefore remaining prudently on our guard, we shall continue calmly with our tested economic policies. There is no need for change in our basic belief in non-interventionism and in our reliance on free markets. The Government will carry on steadily on the course that has long been set.

There are two pressing reasons for firm control of the growth rate of public sector expenditure in relation to the G.D.P. The more important is the need to ensure that Government does not pre-empt resources which might better be used by the private sector including the production of all-important exports. I underlined this in my budget speech. The second but still material reason is budgetary exigence; in other words the need to cut our coat to suit our cloth.

Growth in real terms in public sector expenditure in 1981-82 was 22%. In my 1982-83 budget I set out to restrict growth to 10.7%: the end result will be something over 12% for reasons which I mentioned in my mid-term review. Without giving away budget secrets, in 1983-84 I hope to arrange that real growth will not exceed whatever may be the expected growth in G.D.P.—which it is of course too early to predict. To be safe, therefore, it is proper now to aim low, and initially I shall set out for a real public sector growth figure below whatever expected G.D.P. growth may be. This means a target growth in monetary terms of 10% or so—Civil Service pay considerations firmly included. I hope that this statement will reassure Mr. Peter WONG, Mr. LEE and others. Miss DUNN, I know, will expect no less.

Nevertheless there will be no stringent cutbacks, no stop and go, no failure to continue with existing major programmes, no petty meanness. In your address, Sir, you have made this clear. I expect that at the beginning of the 1983-84 fiscal year subject, of course, to this Council's approval we shall have commitments in the Public Works Programme funded via the C.W.R.F. of about HK\$25 billion, having admitted new works including land acquisition whose costs to completion in today's money will be at least \$5 billion. The Low Cost Public Housing programme continues as before outside the P.W.P. Members will of course remember that commitments mean insertion in Category A in the P.W.P. There is far more included in lower categories. With this background I believe that the intelligent concerns of Mr. BROWN, Mr. WONG PO-yan, Mr. CHAN, Mr. HU and Mr. WU in particular can be eased.

I must agree that it is at least arguable that the large surpluses which we have experienced in recent years may have promoted the proclivities of those unreconstructed advocates of big Government spending amongst us. The clock has however now moved on. While we intend to proceed with our commitments steadily and carefully, many Members may agree with me that the discipline of a rather more austere approach to public spending is overdue. In brief a little belt tightening is indicated. Even if some do not agree, I fear that it is going to be

applied. While therefore I sympathize with Mr. WU's suggestions, I must point out that availability of external finance in no way contradicts the principle of limiting public sector growth as reflected in the Consolidated Account. Public sector expenditure at present is equivalent to 25% of G.D.P. This is not only high; it is too high.

I share Mr. WONG Lam's concern for a quick decision on the cross-harbour bridge at Lei Yue Mun, to be built I hope in the private sector. Nevertheless I do not intend to reflate out of present difficulties. Failure to control public sector expenditure is a recipe for inflation and unemployment. This is no way to engender public confidence. Thus decisions on really large projects such as a replacement airport can only be approached after the major sub-regional studies have been completed and we know what cash commitments are likely to be. We cannot do everything at once. We simply must not overspend. Initial excitement over new projects could so easily give way to long-term despair if expenditure exceeds what we can properly afford. I cannot emphasize too strongly that prudence is more important than short-term popularity.

The second reason for control of public sector expenditure reflects budgetary pragmatism. There is clearly now going to be a budget deficit this year arising out of a pronounced fall in revenue from land sales, and understandable caution at this juncture exercised by buyers about entering into major land deals. Before Members say 'I told you so' let me get my story in first. Without quoting large extracts from my budget speech may I refer them to the footnote to paragraph 70 about land sales. Moreover in my concluding speech in the budget debate I said: 'Miss DUNN and Mr. BROWN have spoken apprehensively about possible future problems with regard to the relationship between capital expenditure and capital revenue, and the allied possibility of falling revenue from land sales. I agree with much they say. Bearing in mind that recurrent expenditure is always the main enemy, both make excellent points. But having said that I must confess that there is not much that I can do in advance about such hypothetical horrors, beyond constantly being on guard. If for instance Government land sales or profits tax or any other major head of revenue fall off sharply, then initially any deficit in overall outturn will be taken up by our satisfactory reserves. This is what savings are for, and we must not get excited about one or possibly two difficult years. For subsequent budgets we would then have to consider whether to raise taxation, cut expenditure, use the reserves, or raise loans; or various combinations. I certainly hope to avoid deficits in general—meaning over a period of years as opposed to one bad year, and nothing that I say should be taken to mean that I approve of deficit financing.'

My views have not changed since then. I think that all Members will agree that the land sales component of revenue is likely in future to form a less significant part of total revenue than it has for the past seven years. We have in fact had a welcome windfall; and I remind Members that as a result our fiscal reserves now total over \$22 billion. This sum represents purely and simply a surplus of revenue over expenditure. After allowing conservatively for

contingent liabilities we have in hand free reserves of over \$16 billion. In family language these are savings which are open to us to spend on rainy days. It is raining now. But of course Mr. HU and others are right when they say that the present situation underlines the permanent and lasting importance to Hong Kong of the manufacturing sector. They are right—particularly if they will agree to emphasize export rather than just manufacture. While the importance of large-scale employment is clear, it is nevertheless wise also to recognize the growing contribution of the financial sector, of hotels, and of export-based services in general. Growth is presently concentrated in all these areas. We need to advance on a broad front, diversifying as much as we can so that all our eggs are not in one basket.

I turn now finally to fiscal questions. You will bear in mind my need to be discreet about budgetary intentions. I think it however safe to refer Members yet again to the general principles and accompanying guidelines which we bear in mind when we construct our fiscal policies. They can be found in Appendix A of the bound version of my last budget speech. One obvious conclusion to be drawn from the principles is that given the clear need for a moderate degree of intelligent austerity, it is important that we continue to observe a proper balance between direct and indirect taxation. As for the guidelines themselves, Members will particularly note the proposed ratio suggested in 1981 between recurrent revenue and recurrent expenditure. I need no lesson on the essential need to concentrate on the creation of sound, long-term, non-speculative industrial and commercial wealth, on which all Government spending in Hong Kong depends. I am sure also that the majority of those who acquire such wealth will continue to remember whence it came and therefore where their duty lies.

Various Members in their speeches have made specific suggestions for improvements to current fiscal, economic and social policies. For example Mr. HU proposed the abolition of the interest tax on Hong Kong dollar deposits, a suggestion that will certainly not be overlooked. Nor should Members overlook the fact that what goes up fast may one day come down equally fast: many in Hong Kong seem unaware of this despite frequent proof. I refer, of course, to movements in the U.S. exchange rate. Unfortunately no Member indicated how they thought their proposals might be compensated for by equivalent increased taxation. This is perhaps as well as my very rough estimate shows that acceptance of their suggestions might cost over \$3 billion a year, which at this juncture in Hong Kong's budgetary history is, as they say, absurd.

Let me end by saying that despite our present local difficulties, the future looks prosperous and stable provided that Government's economic, financial and fiscal policies continue to reflect pragmatic prudence and the lessons we have learned the hard way. Sir, our policies will do so.

SECRETARY OF TRADE AND INDUSTRY:—Sir, Government assistance to industry is a perennial subject which is aired, with rather varying degrees of perception, by manufacturers, trade and industrial associations, academics, business writers

and others. A traveller from a distant land could perhaps be forgiven if he formed from some of these statements an impression of consistent neglect, apart from the occasional introduction of unhelpful legislation.

Speakers in this debate have, however, given a truer picture; they have recognized that a good deal has been and is being done, but argued that a good deal more is needed. I propose to address their specific remarks and suggestions against a background statement of our industrial development policy activities and plans.

During the thirty years which have taken Hong Kong from a run down entrepot to a major industrial centre, one consistent Government policy has been to define its role as being to provide the infrastructure within which decisions on entrepreneurial activity remained the prerogative of the entrepreneur.

The answer to critics of that policy, often inaccurately described as *laissez-faire*, is that it has undeniably worked. The industries which have survived and prospered in the Hong Kong environment have, of necessity, been competitive in international terms. Their record of export growth speaks eloquently for that. And it is a fact that our problems in international trade relations have been almost all due to *success*, in a world where what Mr. WONG PO-yan described as 'sunset industries' are often given massive Government aid and protection. These actions, for the avowed purpose of job preservation and import substitution, have created distortions and led to the workforce whose jobs were artificially maintained for years being all the more cruelly punished when economic recession forced them into a depressed labour market which could no longer absorb them; and import substitution, of course, has led inexorably to a loss of export competitiveness.

I doubt that even our sternest critics would wish to see the Hong Kong Government follow that path.

In the earlier years, the form and extent of Government assistance to industry was essentially limited to the provision of land and the maintenance of consistent fiscal and other policies which allowed manufacturers to plan with some confidence. There were, however, several significant landmarks along the way. In the sixties were established a number of statutory bodies whose existence today may be taken for granted but whose contribution to industrial development continues to be significant and dynamic. I refer to the Trade Development Council, the Federation of Hong Kong Industries, the Hong Kong Productivity Council and the Export Credit Insurance Corporation.

Here today I would like to make particular reference to the Trade Development Council and the Hong Kong Productivity Council and pick up something which Miss Maria TAM said in her thoughtful speech. She suggested that Government should set out to advise would-be manufacturers which field of production is reaching saturation point, so they can avoid moving into those 'sunset' areas; and to provide information on overseas market trends.

I believe that the same ends could be, and indeed are being, achieved—and more effectively—by using the facilities of the Trade Development Council. It is, I suppose, inevitable that the best known activities of the Council are the more publicized ones, fashion shows and missions and the like. But day by day the Trade Development Council is providing an unspectacular but very valuable service in bringing together local and overseas businessmen to satisfy their mutual needs. They handle over 40 000 overseas enquiries a year, mostly received by their network of 21 offices around the world. Over 50 000 Hong Kong firms a year use the Council's services to find *local* manufacturers. And about 20 000 requests for assistance are received from Hong Kong firms seeking export outlets and so over 110 000 points of contact are created by these means.

The Trade Development Council produces a range of excellent and widely distributed publications, which carried 8 700 advertisements from local firms last year. And the demand for space indicates the effectiveness of these vehicles.

There is also a library and research information service which dealt with 17 000 enquiries. Market studies on particular products in particular countries are done on a regular basis and are available on request.

I suggest that this is a service which is already being used extensively for the purpose Miss TAM identified, or one close to it; and it could, I am sure, be expanded to meet greater demand if local firms sought to make fuller use of it.

Then there are the activities of the Hong Kong Productivity Council in the field of technology transfer. Both Mr. TIEN and Mr. Allen LEE laid emphasis on the pressing need to improve access to modern technology from abroad. I am glad to say that funds have just been provided for a technology transfer study to be conducted by the Hong Kong Productivity Council. Its purpose is to assess the requirements of industry in this respect by means of intensive study of selected segments. It will seek to identify the services and facilities currently available and consider how and to what extent they should be increased. A consequence of the study may be the establishment of a technology transfer agency.

The Hong Kong Productivity Council is expanding its services to industry in other ways. A micro-processor development laboratory has been established and is already providing facilities for product development as well as consultancy services to the industry.

A techno-economic study on the electronics industry is expected to be completed by the Hong Kong Productivity Centre in January 1983 to provide guidance on future development needs and resources. A similar study by the Centre has just been completed on the metal and light engineering industries and is now under consideration by the Industrial Development Board.

Mr. TIEN urged the speedy establishment of the Government's Standards and Calibration Laboratory. Preparations are, in fact, well advanced and we expect it to be operational by mid-1983. Initially it will serve industry's needs

in respect of electronic and electrical standards and calibration. Consideration is, however, being given to expansion of activities into other fields of measurement.

These activities, and a growing range of others based upon the two universities and the Hong Kong Polytechnic (which, it is fitting to remark, is celebrating its 10th anniversary this year) are adding to the industrial support and back up facilities which were identified by the Advisory Committee on Diversification as needful of development.

I am, however, conscious that there is much still to do. Greater emphasis on production technology, both in tertiary educational establishments and industry itself, is something we cannot afford to neglect. I certainly hope it will be kept in mind as the planning for a second polytechnic progresses.

As part of the total contribution to industrial development, the Department of Industry has continued to restructure itself. Three overseas offices have already been opened this year for industrial promotion purposes—in Tokyo, London and Stuttgart—and a fourth will officially open in two weeks time in San Francisco. Mr. Allen LEE's point about stressing quality rather than quantity in selecting personnel for these activities is very well taken. I am able to assure him that we have had this in mind and are conscious of the need for what one might call a professional approach in the activities of these offices when we select representatives. They must be able to meet overseas industrialists on their own terms and earn their respect. This is no field for the amateur.

This may seem like a strange time to be expanding these activities, given the general economic climate. I believe, however, that this is in fact the right time to establish and expand promotional facilities so that when the expansionist spring follows the winter of recession we shall be poised to take maximum advantage. It is, I think, a sustainable argument in any case that promotional activities are more important in bad times than in good.

The activities I have just described, many of them fairly recent innovations, reflect a sustained effort to provide adequate Government or Government related infrastructure to assist industry. There are others which, for time reasons, I have not touched upon, such as industrial training, export credit insurance and, notably, the study of Government's non-medical, non-engineering scientific services now being undertaken by the Government Science Adviser, Dr. WRIGHT. One area I must take a little time on, however, is industrial land and premises.

For some years Government has been exhorted to interfere with the market mechanism so as to provide cheap, or perhaps I should say less expensive, land for industry. I was surprised to see such an appeal, in fact, only a few weeks ago, but I assume it was made by someone who had dusted off one of his old speeches from round about the beginning of 1981, without bothering to update it.

The Special Committee on Land Supply, under the Chairmanship of my Friend Miss DUNN, estimated in March 1981 that the required industrial land for the six year period 1981-82 to 1986-87 was 46.6 hectares, or an annual average of 7.8 hectares. They estimated the actual supply, however, would be about 193 hectares. This was later revised downward to 152 hectares, because of the degree of excess of supply over probable demand, and a total of 14.3 hectares was actually sold in 1981-82.

In producing this land the Government was following the recommendation of the Advisory Committee on Diversification, and I quote, 'to increase further the supply of industrial land in appropriate places, with a view to stabilizing prices fetched at sales of industrial land, provided they do not fall below the costs of replacement.' End of quote.

I think it is important to consider the effectiveness of this policy in considering industrial land values today. There are, of course, other factors at play—economic and political—but the reduction in these values is to a substantial degree the consequence of a deliberate Government policy to assist industry by providing more, and therefore less expensive, land.

The accommodation value of industrial lots (accommodation value being the price divided by permitted floor area of the building) sold at Kowloon Bay declined from \$3,500 a square metre in early 1981 to \$260 a square metre in October 1982. And to show that not only recent circumstances caused that marked decline, the accommodation value per square metre in Tuen Mun fell from \$740 in September 1981 to \$209 in May of 1982.

The operation of the law of supply and demand can be slowed down, but it cannot, in the end, be stopped.

It is difficult to make exact comparisons, for there are a number of variable factors, but it is fair to say that the selling prices for completed industrial space in Singapore today is now *higher* than in the New Territories.

Rents for factory premises have not yet declined significantly, but appear to be on a plateau. A substantial amount of new space is already available, however, and more is coming on stream. Factory stock in 1982 is estimated to rise by about 1 million square metres and forecasts for 1983 and 1984 are for an additional 1.75 and 2.2 million square metres respectively. One conclusion I would draw from this is that when the world economy revives, Hong Kong industry will be well placed to improve and expand to capitalize upon it.

Sir, it is popularly believed in the West, although my Chinese friends deny it, that there is an ancient Chinese curse which says 'May you live in interesting times'. No one can deny that we do, whether it is a Chinese curse or not. Hong Kong is not immune from the effects of the greatest world recession in fifty years. And although fairly recent experience indicates that Hong Kong tends to be affected later and recover faster than most economies, as the Financial Secretary said a few moments ago, the sharp contraction of consumer spending

overseas has taken its toll on our exports. This comes, inevitably as a shock to a society used to sustained and substantial growth, although we are still turning in growth figures in exports most industrial economies would envy in these recessionary times.

I note that electricity consumption by industry, which is a fair measure of activity, is slightly down in the year ending September 1982 when compared with the same period a year earlier. But the decline is almost entirely in the troubled textile mill sector which is incidentally the heaviest electricity user in the industrial sector, where production has declined to about 75 per cent of what it was a decade ago. Most other key industries, by contrast, have recorded real growth in consumption of electricity this year.

In the significant garment sector, quota utilization for the first nine months of 1982 in the U.S. market was only 72.1% compared with 73.3% for the same period in 1981. For the European Economic Community, it was 49.8% compared with 52.6% for the first three quarters of 1981.

Export prospects are hard to predict, but it was encouraging to hear Mr. Stephen CHEONG's view that the worst is behind us. Order books are presently fairly short but fairly full and I would hazard a guess that we shall be able to look back next year and see that the third quarter of 1982 was where we touched bottom.

This statement would be incomplete today, Sir, if I did not make some reference to the critical textile negotiations with the E.E.C. which are to resume in Brussels next week.

As everyone must by now be aware, the Community is seeking from Hong Kong and other so-called dominant suppliers a cutback in quota limits on five categories which represent nearly 60% of our total textile and clothing exports to that market.

In our view the Community's demands are inconsistent with the provisions of the Multi-Fibre Arrangement which govern these negotiations. Acceptance of these demands would not only result in a sizeable reduction of our export earnings from the Community market, but would set a damaging precedent for others to follow and, by condoning this disregard for a freely negotiated code of discipline, would put the fabric of international trade law under great strain.

Ironically, this harsh attitude to this, the freest of markets, is coinciding with great emphasis being placed in Community countries on the need for reciprocal market access if they are to maintain their liberal trade policies. I hope it will be recognized that their international credibility is under strain unless they show some recognition of the free and substantial market which Hong Kong provides.

We believe that a bilateral agreement fairly negotiated under the M.F.A. is in the best interest of Hong Kong and the Community. This view is shared by the

Textiles Advisory Board which will join the Hong Kong delegation in Brussels next week, as will I in my capacity as Chairman of that Board.

At the end of the last round of the negotiations in September, there was a wide measure of agreement between the two sides. We hope and trust that the remaining gap can be bridged at the next round, but it would not be profitable for me to speculate at this stage as to the outcome.

Sir, with these remarks I support the motion.

SECRETARY FOR ECONOMIC SERVICES:—

The Schemes of Control

Sir, the Schemes of Control for the public utilities have recently become the subject of much public debate. This is understandable. The people of Hong Kong have never resented paying a fair price for services. But they want to know that it is fair. So before I turn to some of the points made in the speeches of my Unofficial Colleagues, I would like to say a few words about these Schemes.

Last Monday, with the agreement of the companies concerned, the Government published the text of the existing Schemes of Control in full. I hope, Sir, that by publishing the Schemes we will have gone some way towards removing the air of mystery that has previously surrounded them.

The Schemes of Control constitute one method whereby the Government monitors the affairs of the public utilities. The purpose of this monitoring is briefly as follows:

- to see that consumers get full and reliable services, not only today but in future;
- to see that consumers get those services at reasonable prices;
- to see that the companies remain financially viable; in particular, so that they can obtain funds in the various financial markets and continue to service their long term debt;
- to ensure that shareholders get a *reasonable* financial return on their investment;
- and last but not least, to achieve the preceding four objects with the minimum of interference in the companies' affairs.

There are two other points, Sir, that should be stressed. *First*, the Schemes of Control constitute binding contracts between the Government and the companies concerned. These contracts cannot be altered unilaterally. *Secondly*, it is on the basis of the Schemes of Control that the companies finance their operations. Let me elaborate, Sir.

environment for a large and active insurance market providing direct cover, reinsurance and specialist insurance services, which together constitute a strong international insurance centre at its best.

I believe that the Bill that has been introduced into this Council goes a long way towards achieving its main purpose, that is to say the protection of policyholders, without impeding the insurance industry in its future development. With the improvements that we hope to introduce following upon our discussions with Mr. LO's U.M.E.L.C.O. group, I am confident that we will achieve the right framework of insurance legislation for Hong Kong.

Sir, with these remarks I support the motion.

SECRETARY FOR LANDS AND WORKS:—Sir, in his address in support of the motion before Council, Mr. WONG Po-yan urged that we should neither be shortsighted nor adopt a piecemeal approach towards highway development in the New Territories and he made specific reference to the New Territories Circular Road.

I can assure Mr. WONG that an adequate road system to cater for the needs of the increasing population in the New Territories has been carefully planned. However, because of the immense scale of the works involved in the New Territories Circular Road and its links to present and future border crossings into China, it has not been possible to undertake its construction all at once. For example, in the section from Yuen Long to Sha Tin via Fanling some 30 km of high-speed dual carriageway are involved, together with interchanges and service roads. It is therefore necessary to proceed in stages and accord priority to those sections of the route where the need is greatest.

Work on the section most urgently needed, the coastal road from Sha Tin to the southern edge of Tai Po, is proceeding satisfactorily and is expected to be completed by the end of 1984 at a cost of some \$680 million. The continuation to North Tai Po is also under way and should be completed by mid-1985. Work on other sections of the route and its interchanges has either already commenced or will start next year, so that by the end of 1985 most of it, including all the sections from Sha Tin to Fanling and an extension to the border at Lok Ma Chau, will have been completed. The final section of the route, from Lok Ma Chau to Au Tau, will be built and brought into use in stages between 1985 and 1987.

Mr. CHAN Kam-chuen, in his address, while accepting that further increases in the value of outstanding commitments on capital works projects are not possible for the time being, proposed that studies be undertaken to improve the infrastructure of Hong Kong. He mentioned specific items as worthy of study, namely a reservoir at Tai Tam Bay, the use of solar energy to transform sea water into fresh water and the provision of a container terminal on Stonecutters Island. I would like to consider each of these briefly and then address the general question of planning for the future.

The Tai Tam Bay reservoir proposal has to be seen in the context of current thinking on future water supplies. Basically, the position is that by far the cheapest source of additional water available to us is China, and we have an ongoing agreement with the Chinese Authorities to meet predicted additional demands. We also have adequate storage facilities. Any capital works aimed at tapping new sources or providing additional storage capacity could not therefore be justified either in terms of need or having regard to other competing demands on available funds.

Sir, the most recent information available from works and studies carried out elsewhere in the world in the field of desalination using solar energy, indicates that it is only feasible where the quantities required are small, that is up to about 200 cubic metres per day. As well as requiring a sunny climate throughout the year, large areas of land are required to accommodate energy collectors. The Lok On Pai desalter occupies a site of about ten hectares and can produce 180 000 cubic metres of water per day but to produce the same amount by solar conversion, a land area of about 10 000 hectares would be needed. It can therefore be seen that for large scale desalting the use of solar energy is both impracticable and uneconomical.

As regards the need for additional container terminal facilities, proposals aimed at bringing about speedy expansion of the facilities at Kwai Chung to meet current and immediately foreseeable pressures are already at an advanced stage of discussion with the private sector interests involved. Longer term port requirements are being considered in the wider context of development studies to which I will refer again shortly.

In a general sense, therefore, rather than with regard to his particular suggestions, I agree with Mr. CHAN that, while we may not be able to accelerate current development programmes at this stage, we must study future needs and lay the planning foundation to meet them. In your address, Sir, you referred to the range of such studies which are already well underway. The broad aims of these studies are to identify development options for the future and to reconcile competing and inter-related demands in the formulation of a development strategy which will produce the best environment possible within the limits of available resources.

The complex task of co-ordinating these efforts began in 1980 with the setting up of a small technical unit in the Government Secretariat especially for the purpose. By mid-1983 sub-regional studies aimed at identifying urban growth potential will have been completed for the North-West New Territories, North-East New Territories, Junk Bay/Sai Kung, North-East Lantau and the Harbour Area. By that time the results of other more particular studies relating to such matters as population and employment, land requirements for housing, industry and other purposes, major infrastructural items including the airport, container port, internal transport and so on will also be available. Full assessment of the long term options, using computer techniques to compare land and transport costs and revenues, will then be possible. By the end of 1983

Housing for the Elderly

As for housing for the elderly, in addition to hostel accommodation and a special quota of flats in housing estates, the Housing Authority has recently taken *another* initiative. This gives priority to those families on the waiting list whose application includes an elderly relative, since it is obviously desirable in many respects that the older generation should continue to live with their immediate family. Care will be taken to ensure that the system is not abused.

Better-off Tenants

Dr. Henry HU also suggests that we should re-examine the possibility of a means test for tenants of public housing. This is a problem which many housing authorities regularly face. We have recently completed our annual review, and again, our conclusion is that such a scheme, while not impossible, would be very difficult to implement and could have serious social consequences. As I have said before in this Council, the periodic means-testing of all Housing Authority tenants, representing over 42% of our total population, would be a massive undertaking which would not be cost-effective in terms of the number of flats likely to be recovered. Such a policy could be seen as discouraging tenants from bettering their lot, and perhaps lead to public housing estates taking on the stigma of ghettos for the underprivileged and low-income families.

However, there are other ways to encourage better-off tenants to move out of rented public housing. First of all, there has always been a steady movement of better-off tenants leaving voluntarily, as evidenced by the substantial number of flats returned each year. This movement has considerably increased since the introduction of the Home Ownership Scheme. The 'double subsidy', as Dr. HU calls it, of allowing a special quota of H.O.S. flats for public housing tenants should perhaps be regarded more appropriately as a 'double benefit'. This arrangement not only enables better-off tenants to buy their own homes, but also releases their heavily subsidized rental flats for reallocation to other families in need of such housing. I therefore entirely agree with Mr. F. K. HU's proposal that the Home Ownership Scheme should be enlarged.

Rent Level for Public Housing

Mr. F. K. HU considers that rents for public housing should be set at a level around 20% of the tenant's income. This is a percentage generally accepted internationally as being a reasonable level. However, rents for existing public housing estates in Hong Kong are among the lowest in the world in relation to tenants' incomes. To bring the present rents to a level as suggested by Mr. HU would require a substantial increase which, I am afraid, would not be acceptable in our situation. It is the Housing Authority's policy that domestic rents should at least cover the ever-growing recurrent expenditure, and this is being achieved through regular and gradual increases. Rent assistance is already being given to needy families under the Public Assistance Scheme.

Squatter Problem

Mr. F. K. HU also raised the problem of squatters. I should like to report that the strengthening of the squatter control force approved by this Council last year has been effective in that practically all new hut buildings are now detected and demolished. Control has been regained, and the number of demolitions required has been considerably reduced.

As regards improvements to squatter areas, a number of pilot schemes have been completed and the results are encouraging. A long-term programme is being drawn up to install, improve and maintain basic services and amenities in squatter areas. These will include, as far as conditions permit in each area, a mains supply of electricity and water, improved drainage and sanitation, refuse collection and street lighting. Priority will be given to those major squatter settlements in the urban area which are not scheduled for clearance in the next few years.

Rent Control

I now turn to the issues which Mr. Peter WONG mentioned as being still unresolved concerning the Landlord and Tenant legislation. These were fully discussed last December when the Landlord and Tenant (Consolidation) (Amendment) (No. 2) Bill was considered; but I can assure Mr. WONG that they will all be covered in the forthcoming review.

In its report published in February 1981, the Committee of Review concluded that rent control should be resorted to only as an expedient measure in the public interest and that as soon as circumstances permit, every effort consistent with the need to avoid adverse social consequences should be made to accelerate the phasing out of rent control. Although a number of significant steps were taken when extending the legislation last December, circumstances have since changed and there appears to be room for further relaxation of rent controls. The future form of these controls is now being considered and appropriate legislation will be introduced in this session. I expect detailed proposals to be ready by early 1983.

Sir, with these remarks, I support the motion.

COMMISSIONER FOR LABOUR:—Sir, I listened with a sense of ‘deja vu’ to Father MCGOVERN’s prodding words on the pace of enactment of items of labour legislation. It is certainly true that some employers, though I am sure the minority, take the view that it is never the right time for such legislation, and I suspect that I have been told this forcefully at least, as often as Father MCGOVERN and probably more so. Despite this we have achieved the not inconsiderable record of enacting 159 items of labour legislation in the past ten years. Of course, these are of varying importance but they represent a steady long-term social reform and improvement in the field of labour legislation. We would propose that this measured progress should continue and that we should proceed in a manner adapted to the circumstances of Hong Kong and commensurate with its economic condition and development. I am deeply

should suffer. Indeed a growth rate of 4 to 5 per cent this financial year, as postulated by you, Sir, in your Opening Address will still permit the creation of several thousand new posts, with priority being given to those required to meet the Government's programme objectives.

Mr. LO, in his capacity as Chairman of the Establishment Sub-Committee of the Finance Committee, reminded us that in slowing down the growth of the civil service we should not 'stifle the Directorate and prevent it from having an appropriate sense of being accountable for the planning and execution of its part in the various programme areas'. I would fully endorse that view. Certainly, any adjustment to growth rates must not be an excuse for failing to plan and implement agreed programmes. Rather would I hope that it will provide a stimulus for departments to search vigorously for ways of carrying out their programmes within existing staff resources.

Mr. WONG Po-yan made a most timely reference to the need to enhance the *performance* of civil servants through improved staff management. He was, I am almost certain, referring to the performance of the civil service at the interface with the public, in other words at the point of delivery. Reflecting on his remark over the past fortnight I find myself wondering whether perhaps we have devoted too much effort, relatively speaking, to perfecting our internal civil service procedures and not enough time to monitoring our performance at the point where we deliver services to the public. If further studies confirm me in this view, it could, Sir, have quite considerable implications for the way we manage the civil service and monitor its activities.

Turning now to the shortage of trained social workers I can assure Dr. HU and Dr. Ho that the Administration does share their concern. A working party appointed by the Secretary for Social Services to look into the problem found that the underlying cause was that the demand for trained social workers in our rapidly developing society had outstripped the supply from the Universities and other tertiary institutions. As a first step, as you, Sir, stated in your Opening Address, the University and Polytechnic Grants Committee has been asked to invite the Universities to expand their intakes of social work students. Dr. Ho has pointed out that there is also a shortage of social workers at the diploma level: the Polytechnic has already responded by increasing its intake of such students this year. But larger student intakes into tertiary institutions cannot produce more trained social workers on the ground for several years: we are therefore actively pursuing other short and medium term measures recommended by the working party.

One of these is that the degree grade of Social Work Officer should be opened up to non-social work degree holders who would then be given professional social work training while in the service. Such an arrangement would permit the recruitment of more mature candidates who have developed a sense of vocation for social work, but who for one reason or another studied other subjects at university. The advice of the Standing Commission on Civil Service Salaries and Conditions of Service is now being sought on appropriate arrangements.

Another key recommendation of the working party was that we should examine whether there are some jobs in the social work field which could in practice be done satisfactorily by staff having no formal social work qualification. We have made good progress with this examination and I am reasonably confident that we shall find as many as 100 such posts in the Social Welfare Department.

May I now respond to the remarks by Dr. HU and Dr. HO on the thorny question of the starting pay for Social Work Assistants, which was lowered by the Government following acceptance of recommendations in Report No. 8 of the Standing Commission on Civil Service Salaries and Conditions of Service.

I should like to make it clear *first* that Report No. 8 did not deal only with social work staff. It was in fact a comprehensive report covering more than 60 related civil service grades, and the Standing Commission's advice applied equally to these other grades. The Social Work Assistant grade was one of many whose starting pay was readjusted to what is called M.P.S. 14.

The *second* point I wish to make is that the Social Work Assistant grade has been classified as one of the Polytechnic diploma grades, the revised starting pay for which is \$3,460: this figure is well above the average starting pay reported by the Polytechnic for its diploma holders generally. Moreover it should not be forgotten that although the Standing Commission did recommend a lower starting pay for Social Work Assistants, it recommended an increase to the top of their pay scale and this has been approved. The Commission also recommended increases to both the minimum and maximum of the pay scale for Senior Social Work Assistants. The revised pay scales are now as follows:

Social Work Assistants	\$3,460-\$6,260 a month
Senior Social Work Assistants	\$6,575-\$8,680 a month

These pay scales may strike not inappropriate for holders of a Polytechnic diploma following two years of study.

My *third* point is that the information currently available to me does not suggest that the revised pay scales for the Social Work Assistant grade have had any effect on the numbers of young men and women embarking on a social work career. But I shall, of course, watch the situation closely.

In the light of what I have said, I trust that Members will accept the Administration's view that a case has not been made out for re-opening this question at the present time.

Sir, the speeches by Unofficials two weeks ago triggered off considerable media comment about the supply of qualified and experienced staff for community services, particularly in the social service field. While much of this comment was valid and to the point, it tended in my view to lack a certain historical perspective. Hong Kong is in a sense a victim of its own success, for our sustained economic growth over the past 20 years or so has led to an insatiable appetite for public services of all descriptions. It may be true that we

Motions (in Committee)**SUPPLEMENTARY PROVISION FOR THE QUARTER ENDED 31 MARCH 1982 (FINAL)**

Council went into Committee, pursuant to Standing Order 58(2), to consider the two motions standing in the name of the Financial Secretary.

THE FINANCIAL SECRETARY moved the following motion:—That this Council approves the proposals set out in Paper No. 14.

He said:—Sir, I move the first motion standing in my name in the Order Paper.

The final schedule of supplementary provision for the last financial year 1981-82 totals \$38 million. It includes supplementary provision which has already been approved but for which the documentation was not completed in time for it to be included in previous schedules.

This schedule brings the total supplementary provision for 1981-82 to \$6.6 billion. Because of savings made in other subheads, however, gross expenditure at \$27.8 billion for the full financial year 1981-82 was actually \$2.7 billion more than the original estimate.

Finance Committee has approved all the items in the schedule. The purpose of this motion is simply to seek the covering authority of this Council.

Sir, I beg to move.

Question put and agreed to.

SUPPLEMENTARY PROVISION FOR THE QUARTER ENDED 30 JUNE 1982

THE FINANCIAL SECRETARY moved the following motion:—That this Council approves the proposals set out in paper No. 15.

He said:—Sir, I move the second motion standing in my name in the Order Paper.

The schedule of supplementary provision for the first quarter of the financial year 1982-83 covers a total amount of \$73 million. Major items include \$19 million for improvements to squatter areas; \$12 million to meet the cost of radio equipment for the Royal Hong Kong Regiment; and \$11 million for land acquisition and associated costs for the construction of new barracks in Clearwater Bay.

The supplementary provision covered by the schedule has not resulted in a net increase in expenditure. Offsetting savings have been found either under

other heads of expenditure, or by the freezing of funds under the two Additional commitments votes.

Finance Committee has approved all the items in the schedule. The purpose of this motion is simply to seek the covering authority of this Council.

Sir, I beg to move.

Question put and agreed to.

Council then resumed.

THE FINANCIAL SECRETARY reported that the motions had been agreed to in Committee without amendment.

Question agreed by the whole Council pursuant to Standing Order 58(4).

First reading of bills

LABOUR TRIBUNAL (AMENDMENT) BILL 1982

SMALL CLAIMS TRIBUNAL (AMENDMENT) BILL 1982

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

Second reading of bills

LABOUR TRIBUNAL (AMENDMENT) BILL 1982

THE LAW DRAFTSMAN moved the second reading of:—‘A bill to amend the Labour Tribunal Ordinance’.

He said:—Sir, I move that the Labour Tribunal (Amendment) Bill 1982 be read the second time.

This Bill has a similar background and object to those of the next Bill listed in my name in the Order Paper, and to avoid repetition I propose to explain the two Bills together.

Both the Labour Tribunal and the Small Claims Tribunal provide inexpensive, expeditious and informal means of settling disputes and enforcing rights within their respective jurisdiction. And in keeping with the general position in courts and similar tribunals, there is provision for appeal to the High Court from an award of either Tribunal. This requires an application for leave to appeal to be made within seven days of service of the award in the case of the Labour Tribunal, and in the case of the Small Claims Tribunal, within seven

days of service of the award or of the reasons for the award. If such an application is not lodged within the seven-day period, the provision for appeal is lost altogether. This is in sharp contrast to the general position on appeals which enables the courts to extend the time within which appeals may be lodged if there is good cause or where that would be just. It is also of relevance that since barristers and solicitors have no right of audience in these Tribunals, the parties to proceedings are not able to rely on legal advisers to ensure that applications are made in time.

But that, Sir, is not to suggest that there is any evidence of any major problem about appeals from the two Tribunals. On the contrary statistics suggest a remarkable degree of acceptance of awards. For instance, over the last three financial years the annual number of cases in the Labour Tribunal has climbed from 4 227 to 5 146 while the corresponding number of appeals was a minuscule 64, rising to 69 and dropping back to 65. During the same period while the annual number of cases in the Small Claims Tribunal rose from 15 648 to 20 695, the annual number of appeals fell from 25 to 13, which my pocket calculator tells me is one appeal in every 1 591.9 cases.

Nevertheless, Sir, there have been cases where attempts have been made to appeal after the seven-day period has expired. The Registrar of the Supreme Court has told me of only one such attempt last week in which it seemed to him that there would have been good cause for extending time had there been legal provision to do so. Such provision is now made by the two Bills, which, needless to say, were initiated by the judiciary. The Bills will enable the Registrar of the Supreme Court to extend the period of seven days for good cause.

The expression 'good cause' is derived from similar provisions in the Magistrates Ordinance and in Bankruptcy legislation, and its interpretation has been the subject of useful judicial guidance. All this, together with the power itself being vested at so senior a level, should ensure that time is only extended in the judicious and just manner that it is in the courts generally.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE LAW DRAFTSMAN.

Question put and agreed to.

SMALL CLAIMS TRIBUNAL (AMENDMENT) BILL 1982

THE LAW DRAFTSMAN moved the second reading of:—'A bill to amend the Small Claims Tribunal Ordinance'.

He said:—Sir, I move that the Small Claims Tribunal (Amendment) Bill 1982 be read the second time.

Having already explained the object and background to this Bill in moving the second reading of the Labour Tribunal (Amendment) Bill, I now move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE LAW DRAFTSMAN.

Question put and agreed to.

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 2) BILL 1982

Resumption of debate on second reading (13 October 1982)

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).

PEAK TRAMWAY (AMENDMENT) BILL 1982

Resumption of debate on second reading (28 July 1982)

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).

ROAD TRAFFIC (AMENDMENT) BILL 1982

Resumption of debate on second reading (13 October 1982)

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).

GUARDIANSHIP OF MINORS (AMENDMENT) BILL 1982

Resumption of debate on second reading (13 October 1982)

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).

Committee stage of bills

Council went into Committee.

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 2) BILL 1982

Clauses 1 to 5 were agreed to.

PEAK TRAMWAY (AMENDMENT) BILL 1982

Clauses 1 and 2 were agreed to.

ROAD TRAFFIC (AMENDMENT) BILL 1982

Clauses 1 to 5 were agreed to.

GUARDIANSHIP OF MINORS (AMENDMENT) BILL 1982

Clauses 1 and 2 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL reported that the

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) (NO. 2) BILL

PEAK TRAMWAY (AMENDMENT) BILL

ROAD TRAFFIC (AMENDMENT) BILL and

GUARDIANSHIP OF MINORS (AMENDMENT) BILL

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

Question put on each Bill and agreed to.

Bills read the third time and passed.

Suspension of sitting

HIS EXCELLENCY THE PRESIDENT:—In accordance with Standing Orders I now suspend the Council until 2.30 p.m. tomorrow.

Suspended accordingly at ten minutes past four o'clock.