

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 22nd April 1970****The Council met at half past Two o'clock**

[Mr PRESIDENT in the Chair]

PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR DAVID CLIVE CROSBIE TRENCH, GCMG, MC
THE HONOURABLE THE COLONIAL SECRETARY
SIR HUGH SELBY NORMAN-WALKER, KCMG, OBE, JP
THE HONOURABLE THE ATTORNEY GENERAL
MR DENYS TUDOR EMIL ROBERTS, CBE, QC, JP
THE HONOURABLE THE FINANCIAL SECRETARY
SIR JOHN JAMES COWPERTHWAITTE, KBE, CMG, JP
DR THE HONOURABLE TENG PIN-HUI, CMG, OBE, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE ROBERT MARSHALL HETHERINGTON, DFC, JP
COMMISSIONER OF LABOUR
THE HONOURABLE TERENCE DARE SORBY, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, MBE, JP
DIRECTOR OF URBAN SERVICES
THE HONOURABLE GEORGE TIPPETT ROWE, JP
DIRECTOR OF SOCIAL WELFARE
THE HONOURABLE JAMES JEAVONS ROBSON, JP
DIRECTOR OF PUBLIC WORKS
THE HONOURABLE DONALD COLLIN CUMYN LUDDINGTON, JP
DISTRICT COMMISSIONER, NEW TERRITORIES
THE HONOURABLE JOHN CANNING, JP
DIRECTOR OF EDUCATION
THE HONOURABLE KAN YUET-KEUNG, CBE, JP
THE HONOURABLE FUNG HON-CHU, OBE, JP
THE HONOURABLE TSE YU-CHUEN, OBE, JP
THE HONOURABLE KENNETH ALBERT WATSON, OBE, JP
THE HONOURABLE WOO PAK-CHUEN, OBE, JP
THE HONOURABLE SZETO WAI, OBE, JP
THE HONOURABLE WILFRED WONG SIEN-BING, OBE, JP
THE HONOURABLE ELLEN LI SHU-PUI, OBE, JP
THE HONOURABLE WILSON WANG TZE-SAM, JP
THE HONOURABLE HERBERT JOHN CHARLES BROWNE, JP
DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP
THE HONOURABLE MICHAEL ALEXANDER ROBERT HERRIES, OBE, MC, JP
THE HONOURABLE LEE QUO-WEI, OBE, JP

ABSENT

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR DAVID RONALD HOLMES, CMG, CBE, MC, ED, JP

IN ATTENDANCE

THE DEPUTY CLERK OF COUNCILS
MR RODERICK JOHN FRAMPTON

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation: —	
Emergency (Principal) Regulations.	
Emergency (Principal) Regulations (Discontinuance) (No 2) Order 1970	52
Revised Edition of the Laws Ordinance 1965.	
Annual Revision 1969	53
Legal Aid Ordinance.	
Legal Aid (Scale of Fees) (Amendment) Regulations 1970	54
Pharmacy and Poisons Ordinance.	
Pharmacy and Poisons (Agricultural Poisons) Regulations 1970	55
Emergency Regulations Ordinance.	
Emergency Regulations (Repeal) (No 2) Order 1970	56
Sessional Papers 1969-70: —	
No 51—Annual Report by the Commissioner of Mines for the year 1968-69 (published on 22.4.70).	
No 52—Report on the Public Service 1969 (published on 22.4.70).	

Oral answers to questions

Curbs on prices

1. MR FUNG HON-CHU asked: —

In view of public concern over the continual rise in prices which is spreading to affect an increasing number of consumer goods, foodstuffs and services, what steps are being considered to curb the inflationary trends?

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAIT): —Sir, the essential fact that must be borne in mind when considering movements in the prices of consumer goods in Hong Kong is our almost complete dependence on imported goods and on foreign trade. This fact severely limits our ability to influence prices.

There are three main influences on prices at present, to some extent inter-connected; these are the conditions of supply from our main sources of food, inflation abroad and prosperity at home. Internal inflation is not one of these factors; our economic situation ensures that we do not print the money we spend; we earn it abroad.

The most substantial element in price increases in recent years and in recent months has been in food, of which we import 90% of our requirements. If one compares the first quarter of this year with 1963-64 (when the present Consumer Price Index was set up), the general index has increased by 22 points or 22%; of this food accounts for not less than 20 points. If one compares the first quarter of this year with the first quarter of 1969, of the total rise of 5 points, food is responsible for 4 points.

During the last two years or so there has been a reduction in the volume of food supplies from our normal neighbouring sources and a rise in their price levels to somewhere closer to the cost of supplies from alternative, but more distant, sources. It is not wholly clear to what extent this reflects a deliberate marketing policy on this source of supply or to what extent it is a consequence of supply difficulties abroad. There are other, but minor, influences, such as an increase in distribution costs, to which I shall refer later. There is little we can do about the import price of food.

Some people advocate price controls; but attempts to control prices are more likely to lead to a further reduction in supplies, the emergence of black markets with even higher price levels, and so on. We can perhaps do something, and indeed are doing it as I explained to my honourable Friend at the Committee stage of the Budget debate, by encouraging internal production, which is in any case encouraged by higher import prices; but the scope is not large or the results immediate and the cost is not necessarily less.

There is one important commodity, rice, in which the current trend is more favourable. An easing of recent shortages in the main exporting countries and self-sufficiency in some former importing countries has relieved the pressure on prices and we can expect them to continue to fall as they have been falling since the beginning of this year. Rice is not quite as important in our diet as it used to be but it remains our single most important food.

So far as goods other than food are concerned, we are affected by prices abroad which have been rising under the influence of inflation there. We have been to some extent protected against this in some fields by the growing acceptance of our own products in the domestic market but there is nothing Government can do to control import prices.

[THE FINANCIAL SECRETARY] **Oral Answers**

The final influence I have mentioned, our own prosperity, is partly at least an indirect consequence of the second, that is, inflation abroad. The last two years have seen our export trade expand, at an unprecedented rate, to a substantial extent as a consequence of inflation in our markets. We have been able to increase our export prices much faster than the cost of imported materials and these improved terms of trade have not only produced higher profits but, by reason of the competitive pressure on the labour supply, a rapid and substantial increase in wages particularly in manufacturing industry. When industrial wages are rising sharply as they have been, we cannot expect labour (or, for that matter, capital) in the internal service industries to remain content with their previous rewards, whether they be shop assistants, waiters, barbers or bus drivers; and in these kinds of trade increased prices are inevitable when wages rise. This is because they depend largely on labour and there is little scope for greater productivity through the substitution of machines; although there is some in the direction of self-service. This is a wholly normal experience; it is one of the consequences of economic advance.

It is a curious feature of the public attitude to price increases that there seems to be much more concern at increases in the field of services than of food, although both the importance of these in an average family budget, and the increases experienced in recent years, are much less significant. Possibly it is because the causes are less direct and less easily understood and therefore cause greater unease. Also, of course, in the case of food, it is rather easier to substitute less expensive for more expensive items, so that the full impact of apparent price increases is not felt.

Government, it is true, could take certain action against these tendencies, for example, by imposing export taxes on manufactured goods, designed to divert the benefit of increasing export prices away from capital and the wages of labour to official reserves; or by a squeeze on bank advances designed to damp down the economy and forego our present economic opportunities. Such actions would not, I believe, be very popular and rightly so, for they would tend to impoverish us without having much effect on prices.

In general, I believe we can and must continue to rely on our policy of free and unrestricted imports and exports to give us the best balance between supply and demand and optimum price levels. Having said that I would agree that there may occasionally be a special field to which these general remarks do not apply and where Government interference in the market is not necessarily ineffective or harmful. One that readily comes to mind is housing rents. The supply of housing cannot readily be increased or reduced significantly in the

short-term and the social consequences of significant rent increases, even if not generally imposed, are more serious than most, as people are particularly vulnerable to them. A temporary control may, therefore, be justified and may not be harmful in the longer run, so long as further production of housing is not thereby inhibited.

May I conclude with two specific points. Firstly, although as I have made clear we cannot wholly escape an infection from inflationary tendencies abroad, price increases in Hong Kong since 1963 have been significantly less than in many other important communities. Taking 1963, as a base, and using the latest available comparative figures, our Consumer Price Index was 119 in December 1969; while it was 138 in Japan, 130 in Britain and 123 in the USA. Even Germany was 118.

Secondly, consumer prices have been far outstripped by the growth in incomes, both wages and profits. Real wages continue to grow fast. While this is so, one must also recognize that these are true only on average, and prosperity can leave behind and impose some hardship on certain citizens on fixed incomes. As I said earlier, this is one of the consequences of economic advance and it is one which no country has been fully successful in dealing with.

I have spoken at much greater length than is normal in reply to a question but, in view of the public concern my honourable Friend noted on this matter, it seemed to me important to offer brief analysis of both the causes of recent price increases (not all of which are harmful and which are all of a limited rather than a "spiral" nature, to use the present catch-phrase); and to explain the severe limitation on official action if it is not to do more harm than good in both the short and long run. We must continue to have confidence in the power of a free economy in our circumstances to produce the best results.

MR FUNG: —I wish to thank my honourable Friend for the very encouraging and detailed report. May I ask that on the basis of sufficient statistics that Government has, he has not misjudged the market condition?

HIS EXCELLENCY THE PRESIDENT: —Would you like to repeat the question? I think it has not been understood.

MR FUNG: —The question I ask is whether Government has got enough statistics on the basis of which my honourable Friend has been able to present such an encouraging report?

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAIT): —Yes, Sir.

Oral Answers

MR WILFRED S. B. WONG: —A supplementary question, Sir. As a means of stabilizing food prices would Government consider paying more attention to increasing our internal supply of foodstuffs such as vegetables, poultry and pigs?

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAITTE): —I have already dealt with this point in my answer to the original question.

MR Y. K. KAN: —Sir, to what extent has the recent labour legislation that has been passed, desirable as it is, contributed to the increase in prices?

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAITTE): —I am afraid I really have no information on this point but I would be surprised to find that it had any significant effect.

MR KAN: —May I be a little more specific? It has been alleged that the recent legislation, namely the four day holiday legislation, has in fact resulted in increase in prices because employers have been driven in some cases, such as restaurants and so on, to engaging extra labour and that has been the cause of the increase in prices. Would that be a correct view?

THE FINANCIAL SECRETARY (SIR JOHN COWPERTHWAITTE): —I would think that this is a very plausible consequence, but again I doubt whether the effect is very significant in the total picture.

Use of poisons in manufacture of patent medicines

2. MR FUNG: —

In the interest of public health, would Government consider conducting a survey to ascertain the extent to which certain poisons are used in the manufacture locally of patent medicines, including Chinese medicines?

DR P. H. TENG: —Sir, the answer to my honourable Friend's question is in the negative, as no useful purpose would be served by undertaking such a survey. Manufacturers of patent medicines are not obliged to disclose the various ingredients in their preparations if these do not include substances which come under the provisions contained in the Dangerous Drugs Ordinance and the Pharmacy and Poisons Ordinance. As regards Chinese patent medicines, I would

quote section 37 of the Pharmacy and Poisons Ordinance, which was revised and enacted on 1st January 1970 after very careful study by a Working Party consisting of Government representatives and representatives of the pharmaceutical and medical professions

“Nothing in this Ordinance shall apply to the sale, manufacture, dispensing or compounding of traditional medicines as listed in the Chinese Herbal Materia Medica or which are made from herbs customarily used by the Chinese people.”

MR KAN: —Sir, it is a well-known fact that certain types of Chinese patent medicine have been known to be manufactured with things which are considered to be poisons. Now, to what extent would the provisions of the section which my honourable Friend has just quoted affect the manufacture of that type of Chinese medicine?

DR TENG: —If the formula is known then in specific instances this would be brought to our notice and we would submit the preparation to an analysis. I would quote the case of Hung Wong which is included in a Chinese throat powder which contains arsenious trioxide but there is probably that element of insolubility in the arsenious trioxide which has not poisoned people who have used the powder.

MR KAN: —Sir, that may well be so if the poison contents of the medicine are in fact brought to the notice of my honourable Friend; then of course some control could be effected. What I wish to know is, if such a case is not brought to his knowledge, would not the point that my honourable Friend Mr FUNG made in his question be an important one?

DR TENG: —This would be a very Herculean task in getting at all the preparations in order to ascertain the contents of these preparations but if at any time there is any suspicion of any preparation containing any ingredient which comes within the provisions of these Ordinances then appropriate action would be taken.

MR FUNG: —May I ask my honourable Friend what actually is the reason that Government has not been able to make any survey on this?

DR TENG: —As I said, the task is quite a big one and there are so many preparations which would require a very big organization to undertake such a survey.

MR FUNG: —Well, in view of this will Government be ready to reconsider having these patent medicines surveyed in the future?

Oral Answers

DR TENG: —Sir, I am going to answer this question in my answer to question No 3 which will refer to the appointment of a poisons committee which will investigate the feasibility or otherwise of recommending certain medicines to be included in the poisons list.

Labelling and sale of patent medicines

3. MR FUNG: —

Would Government be prepared to consider making it compulsory for all locally-manufactured and imported patent medicines to be appropriately labelled with details of their ingredients listed on the labels and for some measure of control on their sale to the public?

DR TENG: —Sir, my honourable Friend asked a similar question in this Council on 9th November 1969 about the constituents of all drinks and foodstuffs and in his reply on that occasion my honourable Friend, the Director of Urban Services did partially cover the question of drugs when he said that the Food and Drugs (Composition and Labelling) Regulations already require that certain food and drugs must be labelled in a particular manner. I would reaffirm that in the case of medicines containing poisons, the Pharmacy and Poisons Ordinance and the Poisons Regulations already require that such medicines must be correctly labelled showing the name of the poison or poisons, particulars as to the proportion each poison bears to the total ingredients in the preparation, the word "poison" or such other warning as may be prescribed for that particular substance, and the name of the seller of the poison and the address of the premises in which it was sold. There are certain exemptions in the case of wholesale dealing and sale for the purposes of export.

Under the recently enacted Pharmacy and Poisons Ordinance a Poisons Committee has been established and one of the functions of this Committee will be to look into the question of the feasibility or otherwise of introducing legislation for more effective control of patent medicines imported into or manufactured in the Colony.

First reading

COMPANIES (AMENDMENT) (NO 3) BILL 1970

BANKRUPTCY (AMENDMENT) (NO 2) BILL 1970

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

Second reading**COMPANIES (AMENDMENT) (NO 3) BILL 1970**

THE ATTORNEY GENERAL (MR D. T. E. ROBERTS) moved the second reading of: —"A bill to amend further the Companies Ordinance."

He said: —Sir, section 221 of the Companies Ordinance confers powers on the Supreme Court, when a provisional liquidator has been appointed, or where a winding up order has been made, in respect of a company. In these circumstances, a judge of the Supreme Court may summon before him and examine in private any officer of the company, any person suspected of being in possession of company property, any debtor of the company and anyone else who can give information about the company's affairs.

Section 222 of the same Ordinance, the Companies Ordinance, also enables a judge to conduct a public examination of a director or other person if the Official Receiver reports that, in his opinion, a fraud has been committed by any person in connexion with the promotion or formation of a company in respect of which the court has made a winding up order, or by a director or other officer of such a company in relation to its affairs after formation.

At present, examinations under section 221 and 222 have to be carried out by a judge of the Supreme Court. In the United Kingdom, however, such examinations under the Companies Act are conducted by an examiner of the court or by the Registrar of the Companies Court and the purpose of this bill is to confer similar jurisdiction on the Registrar, Deputy Registrar and Assistant Registrars of the Supreme Court, since these examinations are not usually of such difficulty as to demand that they should be conducted by a judge of the Supreme Court, whose time is most valuable.

However, subsection (2) of the proposed new section 222A provides that the Registrar may refer any examination to a judge, who may hear it himself, or send it back to the Registrar. Thus, it will remain possible for a difficult examination to be conducted wholly or in part by a judge of the Supreme Court.

It should be noted that, although the Registrar will generally have the powers of a judge when exercising this jurisdiction, subsection (6) of the new section 222A, which is in clause 2 of the bill, ensures that he will not have power to commit for contempt.

Question proposed.

Companies (Amendment) (No 3) Bill—second reading

Motion made (pursuant to Standing Order No 30). That the debate on the second reading of the bill be adjourned—THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER).

Question put and agreed to.

Explanatory Memorandum

For the purpose of misfeasance proceedings or to ascertain what assets of a company are outstanding, the Supreme Court may, under section 221 of the Companies Ordinance, at any time after the appointment of a provisional liquidator or the making of a winding-up order in respect of a company, summon before it for examination on oath—

- (a) any officer of the company or person suspected to be in possession of property belonging to the company, or to be indebted to the company; or
- (b) any person who may be able to give information concerning the promotion, formation, trade, dealings or property of the company.

Under section 222 of the Companies Ordinance, a public examination of a director or other person concerned may be held, if the Official Receiver reports that in his opinion a fraud has been committed by any person in the promotion or formation of a company in respect of which the court has made a winding-up order, or by a director or other officer of such a company in relation to the conduct of its business after formation.

At present, examinations under sections 221 and 222 can only be held before a Supreme Court judge.

The purpose of this Bill is to confer upon the Registrar and any Deputy Registrar of the Supreme Court (and on any Assistant Registrar of the Supreme Court specially appointed for the purpose by the Chief Justice) power to hold such examinations.

BANKRUPTCY (AMENDMENT) (NO 2) BILL 1970

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

He said: —Sir, this bill confers on the Registrar, Deputy Registrar and Assistant Registrars of the Supreme Court those powers to hold examinations of a bankrupt, and of others who can give information

about the affairs of a bankrupt, which are at present exercisable only by a judge of the Supreme Court.

The reasons for this bill are the same as those for the Companies (Amendment) (No 3) Bill 1970, which has just been considered by Council. It is, of course, desirable that the law governing the bankruptcy of an individual or firm should, as far as possible, be the same as that which applies on the liquidation of a company and this bill will achieve that object in relation to examinations of persons who can give information about a bankrupt's affairs.

Question proposed.

Motion made (pursuant to Standing Order No 30). That the debate on the second reading of the bill be adjourned—THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER).

Question put and agreed to.

Explanatory Memorandum

The object of this Bill is to confer upon the Registrar and every Deputy Registrar of the Supreme Court (and on any Assistant Registrar of the Supreme Court specially appointed for the purpose by the Chief Justice) power to hold public examinations of bankrupts and examinations relating to the property, dealings and conduct of bankrupts.

COMPANIES (AMENDMENT) (NO 2) BILL 1970

Resumption of debate on second reading (8th April 1970)

Question again proposed.

Question put and agreed to.

Bill read the second time.

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

BANKRUPTCY (AMENDMENT) BILL 1970

Resumption of debate on second reading (8th April 1970)

Question again proposed.

Bankruptcy (Amendment) Bill — resumption of debate on second reading (8.4.70)

Question put and agreed to.

Bill read the second time.

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

CENSUS (AMENDMENT) BILL 1970

Resumption of debate on second reading (8th April 1970)

Question again proposed.

DR S. Y. CHUNG: —Your Excellency, in a community of fast increasing complexity and sophistication like ours in Hong Kong, the collection, compilation and publication of certain common basic national statistics is becoming more essential as these statistics greatly help improve the planning and operations of both the public and private sectors. The intention of Government to extend the Census of Population to include a Census of Housing and, later on, a Census of Industrial Establishments is therefore a step forward in the right direction.

It is hoped that, before long, Government will eventually change its mind and compile the two most important and common national statistics of gross national product and per capita annual income. With due respect, I find it most difficult to accept the view of my honourable Friend, the Financial Secretary, expressed recently in this Council that the use and application of GNP statistics did not warrant the effort and expenses incurred. If my honourable Friend is correct, I would imagine that most countries in the world would not have the GNP statistics. On the contrary, Hong Kong is one of the handful number of territories which do not have official GNP statistics.

Hong Kong, because of its very small geographical area and high concentration of activities, is, in fact, most ideal for collection of national statistics and undertaking of censuses. In other countries, not only costs are involved but human lives are at stake, whenever a national census is undertaken. When I was in Thailand last week attending an ECAFE session, it was reported that during the first two weeks of a Population and Household Census, two census enumerators had been killed, five injured, one robbed and another asked to pay a sum of 2,000 bahts to guarantee his safety. The Census would still require many weeks more to complete.

I am sure my honourable Friend, Sir John, would realize that in the course of collection and compilation of GNP statistics we also obtain other important national statistics relating to such areas as employment, wages, industrial production, capital investment and inventories as useful by-products. Whether it is micro-economics or macro-economics and whether it is planned economy or *laissez faire* economy, I firmly believe that the time has come for Government to look at this issue in a more objective manner and that an annual recurrent expenditure of only half a million Hong Kong dollars for such an important exercise would be well worthwhile and justifiable.

Taking this opportunity, I welcome the first publication about a few weeks ago of the Hong Kong Monthly Digest of Statistics and would like to offer my compliments to the Department of Census and Statistics as well as to other Departments concerned. These statistics, which were previously published in the *Government Gazette*, certainly deserve a separate publication of their own. I have, for the improvement of this new publication a few points which also have some relevance with the three censuses to be undertaken next year, and with your permission, Sir, I would like to raise them briefly on this occasion.

The first concerns employment statistics. Statistics showing the number and percentage of vacancies in different branches of the manufacturing industry can provide useful information and, in view of the important role the manufacturing industry plays in the economy of Hong Kong, should be included in Section 4 of the Monthly Digest. Table 4.1 in the same section shows the number of persons employed in industrial establishments registered with or recorded in the Labour Department by International Standard Industrial Classification (ISIC) major groups. Under the heading of Division 6 relating to commerce, it is reported that by the last quarter of 1969 there were 13 establishments employing a total of only 628 workers in the entire wholesale and retail trade in Hong Kong. These figures are very misleading. I do realize that the term "industrial establishments" refers only to those industrial establishments which either are equipped with power-driven machinery or employ 20 or more manual workers, and are registered with or recorded in the Labour Department. Nevertheless, it is certainly of little significance and usefulness in collecting and publishing statistics of such limited scope. I think a more comprehensive and complete picture should be given.

Still on employment statistics, the communication industry in my opinion includes the services of telephone, mail and cable. I was therefore surprised to find, under the heading of communication in the same Table 4.1, only one establishment which, I believe, refers to the Hong Kong Telephone Company. Will Government explain why the employees of the Post Office and Cable and Wireless are not included in the employment statistics? These two organizations surely are

[DR CHUNG] **Census (Amendment) Bill—resumption of debate on second reading (8.4.70)**

within the definition of the terminology “industrial establishment”. I do recognize that the Post Office belongs to the public sector but I do not think either the ownership or the management should be the criterion for inclusion or exclusion in the employment statistics. The real objective or criterion, in my view, is to present a true picture on the number of persons employed in the communication industry.

My next point, Sir, deals with statistics relating to gas, cement and electricity. I believe the statistics on gas production and distribution in Table 5.6 relate to the sales made by the Hong Kong and China Gas Company only. The development and increasing popularity of the bottled liquefied petroleum gas in Hong Kong cannot be ignored if we want to present a true overall picture of gas consumption in Hong Kong. It therefore appears that consideration should be given to include the sales statistics of bottled LP gas in Table 5.6.

Similarly, the statistics on cement production shown in Table 5.8 represent the production and business activity of one industrial establishment, namely the Green Island Cement Company, and do not show the more important and meaningful statistics on the total consumption of cement in Hong Kong. Although import and export statistics for cement are already available in other publications, a handy table compiled to show the respective statistics of import, production, export and re-export of cement would help to calculate the consumption of cement and hence to depict the activities of civil engineering and building construction industry in Hong Kong.

Table 5.5 showing statistics for electricity production, in my view, can and should be made more comprehensive by including statistics on both installed capacity and maximum demand.

Sir, my final and third point concerns statistics on building and construction in Section 10. This section is useful not only to the building construction industry and property investors but to many sectors of our community. Whilst statistics on completed buildings are useful records, statistics showing the number and size of various types of building being planned as well as under construction are, in my opinion, more cogent and meaningful to developers, investors and occupiers alike.

Honourable Members may recall that during the latter part of last year there was a very steep rise of flatted factory rental rates but since the disclosure in January this year in this Council by my honourable Friend, the Director of Public Works, of the large number and size of industrial buildings under construction and likely to be completed

within this year, there was almost an immediate slowing down of further increases of factory rental rates. That invaluable piece of statistical information given by Mr ROBSON, I think, had timely helped to minimize the disruption in the small-scale sector of our manufacturing industry.

If we take the submission of preliminary plans to the Building Authority as the planning stage and the issuance of constructional work permits as the construction stage, there should be little difficulty in the collection of such statistics.

With these remarks, Sir, I support the motion before Council.

Question put and agreed to.

Bill read the second time.

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

CROWN RENT AND PREMIUM (APPORTIONMENT) BILL 1970

Resumption of debate on second reading (8th April 1970)

Question again proposed.

Question put and agreed to.

Bill read the second time.

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

CROWN RIGHTS (RE-ENTRY AND VESTING REMEDIES) BILL 1970

Resumption of debate on second reading (8th April 1970)

Question again proposed.

Question put and agreed to.

Bill read the second time.

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

STREETS (ALTERATION) BILL 1970**Resumption of debate on second reading (25th March 1970)**

Question again proposed.

MR SZETO WAI: —Sir, since the bill is designed to improve and simplify the existing procedure for dealing with public objections and claims for compensation in connexion with street closures and alterations, it has my general support in view of the large amount of road-works that will have to be executed in the near future to improve our traffic conditions. There are, however, several points in the bill on which I would give my observation.

Clause 3 empowers my honourable Friend, the Director of Public Works to close or to alter substantially a street or any part thereof either permanently or for an indefinite period after giving a suitable notice. Whilst agreeing to the closure of a street permanently or for an indefinite period in respect of traffic consideration, I cannot see why similar action is necessary for the carrying out of alteration work to any street or part thereof however substantial the work may be. Construction works of any magnitude are usually governed by contract completion times, be it 12, 18 or 24 months or longer, and timing must be one of the most important elements in planning roadwork. It is therefore my view that for street closures in connexion with alteration work, the public should be given some indication of the period of time involved as such knowledge is essential in the preparation of any accurate estimate of the pecuniary loss or damage to the property which is likely to be caused by the closing of the street as a result of carrying out substantial alteration or by the operation of the alteration work itself. Such an estimate is required to support a claim for compensation under clause 4(3). And since it is proposed to revise the present standard notification describing the particular alteration or closure involved so as to provide the public with more information, the element of time should be included.

Clause 11 of the bill provides for the temporary closure of a street or temporarily to alter substantially any street or part thereof. As the clause is worded, I find it difficult to understand how any street can be temporarily altered substantially. I presume that the intention is to close a street temporarily to enable alteration work to it of no great magnitude to be executed.

Clause 11(2) proposes that no notice or order by the Director of Public Works is required in respect of any such temporary closure or temporary substantial alteration. In my view this measure is quite unreasonable to the public in general in regard to traffic arrangement, and to the owners or occupiers of property along the street in particular

whose interests are likely to be affected by the undertaking. The general public is entitled to be warned in advance of any special traffic restriction to be imposed on such a street, but more important is that property owners or occupiers affected should be given reasonable notice of the undertaking so that arrangements may be made by them to safeguard their interests. I consider a modified form of notice to that provided in clause 3 is required.

Similarly, I see possible hardship and inequity in the provision of clause 11(3) which limits claims for compensation by owners or occupiers of property affixed to land affected for pecuniary loss or damage caused by temporary closure or temporary substantial alteration of a street to that exceeding a period of six months. It is quite possible that business operators in such a street may suffer decline in business due to closure of the street, or owners of property may suffer material damage as a result of street alteration operation itself, since such undertakings may continue for several months though not necessarily exceeding six months. I consider claims for compensation in such circumstances should also be considered especially in cases where material or physical damage to property is involved.

I hope my observations will be given consideration by my honourable Friend the Director before the bill comes to its Committee Stage.

MR J. J. ROBSON: —Sir, dealing with the first point raised by my honourable Friend, the phrase "either permanently or for an indefinite period" used in clause 3(1) of the bill follows exactly the wording at section 3 of the existing Streets (Alteration) Ordinance and has not to my knowledge given rise to complaints in the past. If the street is being closed for an indefinite period on traffic grounds, I think it would be reasonable for any objector to assess his claim on the basis of permanent closure. However, in the case of a closure of a street for longer than six months to enable public works to take place, I think it is not unreasonable for the PWD to give some indication of the length of time for which the street will be closed. I will arrange for this to be done in future and I thank my honourable Friend for drawing attention to this aspect of the legislation.

In respect of the second point dealing with temporary closures or alterations to streets, the wording of clause 11(3) of the bill simply repeats the wording of section 11(2) of the existing Ordinance. The period mentioned therein of six months has not given rise to any objections in the past. Some period must be stipulated and six months is not thought to be unreasonable bearing in mind that this is the total period for the closure or alteration and even if substantial alterations are involved, the chances are that any specific property would only be seriously affected for a much shorter period. I do not think difficulties

[MR ROBSON] **Streets (Alteration) Bill—resumption of debate on second reading (25.3.70)**

will arise in practice in accessing claims for loss under clause 4(3)(c), especially if an indication of the period of closure is given by the PWD, which I have undertaken to. The description of the undertaking to be given by clause 3(2) will indicate the likely effect of the undertaking on the property in question and the pecuniary loss can be assessed either as a total sum or as a sum per month or per annum. In practice, it is also probable that discussions would take place between the owner and the PWD prior to the claim being finalised as is allowed under clause 4(5) of the bill. To sum up therefore, I do not consider that the bill before Council requires any amendment to meet the two points raised by my honourable Friend. I will, however, be suggesting an amendment at the Committee stage to include a definition of property at clause 2 which reads “property means land and any building thereon”. This will require minor consequential amendments to clauses 4 and 11. I will also suggest an amendment to clause 8 to make it clear that compensation will only be payable if the undertaking is authorized by the Governor in Council.

Question put and agreed to.

Bill read the second time.

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

PUBLIC RECLAMATIONS AND WORKS (AMENDMENT)

BILL 1970

Resumption of debate on second reading (25th March 1970)

Question again proposed

Question put and agreed to.

Bill read the second time.

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

FORESHORES AND SEA BED (AMENDMENT) BILL 1970

Resumption of debate on second reading (25th March 1970)

Question again proposed.

Question put and agreed to.

Bill read the second time.

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

ROAD TRAFFIC (AMENDMENT) BILL 1970

Resumption of debate on second reading (25th March 1970)

Question again proposed.

Question put and agreed to.

Bill read the second time.

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

Committee stage

Council went into Committee.

NURSES REGISTRATION (AMENDMENT) BILL 1970

HIS EXCELLENCY THE PRESIDENT: — With the concurrence of honourable Members we will take the clauses in blocks of not more than five.

Clauses 1 to 16 were agreed to.

RESETTLEMENT (AMENDMENT) BILL 1970

Clauses 1 and 2 were agreed to.

Council then resumed.

Third reading

DR TENG reported that the Nurses Registration (Amendment) Bill 1970 had passed through Committee without amendment and moved the third reading of the bill.

Question put and agreed to.

Bill read the third time and passed.

THE ATTORNEY GENERAL (MR ROBERTS) reported that the Resettlement (Amendment) Bill 1970 had passed through Committee without amendment and moved the third reading of the bill.

Question put and agreed to.

Bill read the third time and passed.

ADJOURNMENT

Council adjourned *pursuant to Standing Order No 8(5)*.

3.10 p.m.

NEXT SITTING

HIS EXCELLENCY THE PRESIDENT: —Council will accordingly adjourn. The next sitting will be held on 6th May 1970.

Adjourned accordingly at ten minutes past Three o'clock.