

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 6th October 1971****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 SECRETARY FOR HOME AFFAIRS
MR DONALD COLLIN CUMYNN LUDDINGTON, JP
THE HONOURABLE THE FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, JP
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, MBE, JP
DIRECTOR OF URBAN SERVICES
THE HONOURABLE JAMES JEAVONS ROBSON, JP
DIRECTOR OF PUBLIC WORKS
THE HONOURABLE JOHN CANNING, JP
DIRECTOR OF EDUCATION
DR THE HONOURABLE GERALD HUGH CHOA, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE JACK CATER, MBE, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE DENIS CAMPBELL BRAY, JP
DISTRICT COMMISSIONER, NEW TERRITORIES
THE HONOURABLE PAUL TSUI KA-CHEUNG, OBE, JP
COMMISSIONER OF LABOUR
THE HONOURABLE IAN MACDONALD LIGHTBODY, JP
COMMISSIONER FOR RESETTLEMENT
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, OBE, JP
THE HONOURABLE HERBERT JOHN CHARLES BROWNE, JP
THE HONOURABLE LEE QUO-WEI, OBE, JP
THE HONOURABLE OSWALD VICTOR CHEUNG, QC, JP
THE HONOURABLE GERALD MORDAUNT BROOME SALMON, JP
THE HONOURABLE LO KWEE-SEONG, OBE, JP

ABSENT

THE HONOURABLE KAN YUET-KEUNG, CBE, JP
DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP
THE HONOURABLE ANN TSE-KAI, OBE, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR RODERICK JOHN FRAMPTON

Papers

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

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Merchant Shipping (Control of Ports) (Amendment) Regulations 1970 (Commencement) (No 2) Notice 1971	111
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Fire Services Ordinance.	
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Sessional Papers 1971-72: —	
No 1—Annual Report by the Commissioner for Housing for the year 1970-71 (published on 6.10.71).	
No 2—Report on the Administration of the Immigration Service Welfare Fund for the year ended 31st March 1971 (published on 6.10.71).	
No 3—Statement of the Accounts of the Preventive Service Welfare Fund for the year ended 31st March 1971 (published on 6.10.71).	

Papers*Subject*

No 4—Report of the School Medical Service Board for the year ended 31st March 1971 (published on 6.10.71).

No 5—Annual Report by the Chairman, Urban Council and Director of Urban Services for the year 1970-71 (published on 6.10.71).

No 6—Annual Report by the Commissioner for Census and Statistics for the year 1970-71 (published on 6.10.71).

Government business**Motion (in Committee)****SUPPLEMENTARY PROVISIONS FOR THE QUARTER
ENDED 30TH JUNE 1971 AND FOR THE PERIOD
FROM 1ST JULY 1971 TO 15TH SEPTEMBER 1971**

Council went into committee, *pursuant to Standing Order No 58(2)*, to consider the motion standing in the name of the FINANCIAL SECRETARY (MR C. P. HADDON-CAVE).

The Governor's recommendation signified by the Financial Secretary *pursuant to Standing Order No 23(1)*.

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

That this Council approves the supplementary provisions for the quarter ended 30th June 1971, as set out in Paper No 1 of 1971-72, and for the period from 1st July 1971 to 15th September 1971, as set out in Paper No 2 of 1971-72.

He said: —Sir, the schedules for the first quarter of the current financial year and for the period 1st July to 15th September 1971 cover supplementary provisions totalling \$98.6 million. The Finance Committee has approved all the items in the schedules and the purpose of this resolution is to seek the covering authority of this Council.

Of this sum, Sir, of \$98.6 million, Public Works Non-Recurrent accounts for \$38.2 million, made up largely of \$11.2 million required to meet the cost of new projects upgraded to Category A of the Public Works Programme since the Estimates were prepared, \$9.9 million required as a result of faster progress on existing projects and \$3.8 million due generally to increased costs.

There are two large items in the schedule under Head 36 Defence: Miscellaneous Measures. \$10.9 million is for maintenance and minor works for the Armed Services on a reimbursable basis for the first six months of this financial year to enable works to continue until such time as a new Defence Costs Agreement had been concluded. I am now able to announce that such an agreement has been negotiated with Her Majesty's Government in the United Kingdom and approved by the Governor in Council and the Finance Committee of this Council. Accordingly, \$34.9 million is required by way of a cash contribution towards defence costs for the current financial year. In due course, further funds will be required for maintenance and capital works, under the terms of this new agreement. The agreement is to run for five years from the 1st April of this year to the 30th March 1976.

Honourable Members may recall, Sir, that in 1966 an agreement was reached with Her Majesty's Government by which Hong Kong contributed for a period of four years beginning on the 1st April 1967 a sum of £ 5 million per annum of which £ 3.925 million was in cash, £ 475,000 for maintenance and £ 600,000 towards a programme of capital works. This agreement came about largely as a result of proposals formulated unilaterally by Her Majesty's Government and we were asked to accept the sums involved. Although agreement was eventually reached on the contribution after protracted discussion, there was no agreement on the basic criteria on which a defence contribution should be assessed. This agreement expired on the 31st of March last.

As honourable Members are aware, the negotiations for a new agreement for the five years 1971-72 to 1975-76 have been difficult and complex. At the outset matters were delayed by uncertainty over the size of the garrison to be maintained here consequent upon changes in the policy to be pursued by Her Majesty's Government regarding the stationing of forces east of Suez. With the changes introduced by the present Government in the United Kingdom, it has now been settled that the garrison here should consist essentially of 6 units. A major unit, I should perhaps explain, is one battalion or an equivalent unit in other arms.

In the United Kingdom, it was initially hoped and expected that our contribution would amount to some £ 12 million per annum for the next five years. You, Sir, of course, quickly pointed out that agreement to a contribution of this magnitude was quite out of the question, and indeed quite unreasonable; particularly in relation to the very heavy calls which we shall have on our resources over the next few years and which will, I fear, begin to be apparent when honourable Members come to consider the draft Estimates for 1972-73.

There is, in our view, as was made very clear by you, Sir, in London, only one line of argument which can be said to justify the

[THE FINANCIAL SECRETARY] **Motion**

making of any defence contribution at all. This is that, since the presence of the garrison contributes very materially to the stability and prosperity of Hong Kong, Hong Kong should make some contribution towards the £ 28 million inclusive of capital expenditure, which it costs United Kingdom taxpayers annually to support the garrison here. As to the amount of our contribution, it should be neither excessively niggardly on the one hand nor over-burdensome on the other, but fair to both parties.

Thus, after much anxious consideration, in London and in Hong Kong, a new Defence Costs Agreement has now been concluded. It can conveniently be considered, I think, in three parts. It will be made largely in kind, but partly in cash. The first contribution in kind will be towards the capital programme. The Hong Kong Government will make available to the Armed Services here, over the five years of the agreement, major capital works—mainly married quarters which are badly needed—to a total value of £ 17 million. All these buildings and so on will revert to the Hong Kong Government if and when they are no longer required by the Services, without cost to us. Expressed as an average annual figure the expenditure involved will be £ 3.4 million compared with the annual figure of £ 600,000 payable under the last agreement; but this figure of £ 3.4 million is a mere average since expenditure will not fall to be met evenly each year, but it will fall as and when works proceed and because the cost of the necessary works was calculated at a time when building costs had risen steeply. Though they have risen again, nevertheless much can happen in so far as building costs are concerned in a period of five years; and for the protection of both sides it is intended that the figure of £ 17 million (or part of it) should be reviewed if costs rise or fall 50% over or below April 1971 building costs. Until very recently the base date for this review clause was April 1970, being a date conveniently near the time when the protracted negotiations for the new agreement began, but the Finance Committee felt that Her Majesty's Government should be asked to consider making the base date coincidental with the beginning of the agreement period. I am happy to be able to inform honourable Members that Her Majesty's Government conceded the point a few days ago.

The second contribution in kind is in respect of maintenance of Services buildings and the provision of minor capital works, in continuation and extension of the maintenance arrangements under the previous agreement. The cost of this second contribution in kind will depend on contract prices from time to time but, over the five years, the average annual cost is expected to be of the order of £ 2.2 million. The actual cost is less than this figure at the present time, but £ 2.2

million is thought to be as realistic an average annual figure over the period as can be guessed at. This work also will be done under the control of the Public Works Department, as now.

Finally, Sir, there is to be a cash contribution. This will be paid at an annual rate of £ 2.4 million over the five year period; and it should be compared with the figure of £ 3.925 million payable in cash each year under the last agreement. So here there is a substantial reduction in the contribution.

Since five years is a long time it has been accepted that we may seek consultations about the operation of this new Agreement if we in Hong Kong face severe economic difficulties arising from, for example, a decline in our export earnings. In addition, consultations will take place at any time if the permanent garrison is increased or reduced by more than one major unit.

It is not easy, Sir, to pull these figures together and give a straightforward answer to the simple question: by how much is the contribution to be increased? The contribution will amount to £ 40 million over the five years of which £ 28 million will be in kind and £ 12 million in cash. This gives an average of £ 8 million a year, but I must stress that this figure too is a mere average. The actual budgetary cost in any one year will always vary from this average. A total contribution of £ 40 million spread probably rather unevenly over five years compares with £ 20 million spread evenly over the four years of the previous agreement.

That at least two-thirds of the contribution will be spent on the construction of new buildings, and on keeping them under proper maintenance, is important and I think should be underlined; Her Majesty's Government has agreed that all capital works paid for by Hong Kong will revert to Hong Kong if no longer required by the Armed Forces stationed here. Thus we have a reversionary interest in the property developed as a result of the contribution. Because we have a reversionary interest in these assets we have a continuing interest in keeping them under proper maintenance.

But there will also be a substantial offset against this expenditure in both financial and social terms. The building programme, by modernizing existing structures which use up an extravagant amount of land, will allow the Armed Services to return lands free to public use. As a result of the 1966 negotiations we got back 160 acres of land to the value of £ 15 million (including, for example, Whitfield Barracks) and this figure of £ 15 million is to be compared with the £ 20 million we paid over the four years of the previous agreement. I cannot say with complete certitude how much land we shall get back as a result of the capital works programme planned under this new agreement, but it appears likely that the Services will, in due course, be able to release

[THE FINANCIAL SECRETARY] **Motion**

some 520 acres at Lei Yuc Mun, in the New Territories and along Chatham Road and Argyle Street. It is very difficult to estimate how much this land might be worth to us in either financial or social terms but it will represent a very considerable offset against what we shall be paying out. It would, therefore, be a misconception to regard the contribution payable in kind and in cash under the new Agreement as an unqualified gift to Her Majesty's Government.

An annual average level of expenditure of £ 8 million is less than one-third of the cost to British taxpayers of maintaining a garrison here, which will average around £ 28 million a year (including capital works). This figure of £ 8 million is probably a smaller proportion of the total annual cost than we contributed under the last agreement. Of this total annual cost of £ 28 million it has been estimated that the direct economic benefit to Hong Kong is also of the order of £ 8 million a year making the agreement in a sense neutral in its effect. That is to say, it can be said that the defence contribution will be offset by the value to Hong Kong of the military presence in the Colony; and we surely ought not to expect to make a profit, as it were, from having a garrison here.

Finally, honourable Members may wish to note the increase from £ 5 million a year to £ 8 million a year in relation to the increase in General Revenue between 1967-68 and 1971-72, the first year of each of the two agreements. Total estimated revenue in the year 1967-68—total estimated revenue because the last agreement was negotiated in 1966—was \$1,886 million of which the annual contribution of £ 5 million even at an exchange rate of \$14.54 to the pound sterling represented 3.9%. Revenue for the current financial year is estimated at \$3,118 million, of which an annual contribution of £ 8 million represents 3.7%. At the moment we cannot claim that the contribution proposed is not within our means. However, I should remind honourable Members again that the agreement with Her Majesty's Government provides for a review of the contribution if the rate of growth of our economy should suffer such a serious adverse change that continued payment of a contribution at this level should constitute an unreasonable burden.

To sum up, Sir, over the five years 1971-72 to 1975-76 Hong Kong is to make a contribution amounting in kind and in cash to £ 40 million, bearing in mind that

first this represents only about one third of the recurrent cost of the garrison to the United Kingdom taxpayer including capital works;

second it is no more and probably less than the direct economic benefit to Hong Kong of Services spending;

third costs here, as elsewhere, have risen sharply since the previous agreement was negotiated in 1966, and thus our contribution will probably be a smaller proportion of the total cost than we contributed under the last agreement;

fourth the annual figure of £ 8 million a year is a somewhat smaller proportion of our annual revenue than the old one;

fifth no less than £ 28 million of the total contribution of £ 40 million will be spent in Hong Kong on capital works in which we shall have a continuing and reversionary interest, and

finally we shall recover valuable land in the urban area and in the New Territories which will be of both financial and social benefit to Hong Kong.

The supplementary provision of \$34,908,100, which the Finance Committee of this Council has approved, represents only the difference between the first cash contribution of £ 2.4 million and the token sum of \$1,000 provided under Head 36 (Defence: Miscellaneous Measures), Subhead 1 (Defence Contribution), and this figure is to be compared with \$57.1 million in each of the four years 1967-68 to 1970-71. Total expenditure in 1971-72 is likely to be in the order of \$109 million after allowing, in other words, for the two contributions in kind, but this figure will depend on the capacity of the Public Works Department to get the capital works programme under way.

MR P. C. WOO: —Sir, I rise on behalf of the Unofficial Members to make clear our own position in regard to the payment of the revised defence contribution of £ 8 million a year for 5 years from 1st April 1971 onwards. The Unofficial Members have, of course, been consulted previously on the amount to be paid to Her Majesty's Government which has been offered by Hong Kong as a voluntary contribution without reference to any specific rules or formulae. The Unofficials cannot accept that the Colony should pay for any specific proportion of the costs of keeping troops in Hong Kong. The amount which is now to be paid is offered freely and has due regard to Hong Kong's other financial commitments including those for the expansion of housing, education and other social services as well as the vast sums which will be required for public works and public transport. There can be no question of the defence contribution taking automatic priority over these other commitments. Furthermore, any contribution which is voluntarily offered by Hong Kong must be subject to reduction if there should be a seriously adverse change in the Colony's economic position.

My honourable Friend, the Financial Secretary, made it clear in his speech that there has been much consideration both here and in London as to what would be a suitable sum in the light of these considerations.

[Mr Woo] **Motion**

As the Financial Secretary has said, the amount should neither be too small nor too large, but it should be seen by both the people of Hong Kong and by the British Government to be a fair amount bearing in mind the existing financial and economic circumstances of the Colony.

In the event the sum which has been agreed is less than one third of the overall cost to Britain of keeping troops here. In terms of our own revenue, it represents a slightly less proportion than we have previously been paying over the past four years. It is still a substantial sum of money for this Colony to afford but I believe myself that the amount is about right in the light of all the various considerations. There can be no question but that the presence of the troops here does make a valuable contribution to the stability and internal security of the Colony. The Unofficial Members accept that for this reason we should pay a share.

I particularly invite attention to the fact that the contribution in cash will be £ 2.4 million a year as compared with the previous cash payment of £ 3.925 million a year. Another important point made by the Financial Secretary is that substantial areas of land will revert free of charge from the Army to the Hong Kong Government as a result of the modernization of existing buildings and facilities belonging to the Armed Services.

In these circumstances, Sir, the Unofficial Members will vote in favour of the resolution now before Council.

MR H. J. C. BROWNE: —Sir, the financial commitment for defence should normally have been considered, I believe, at the budget debate in February, and the fact that it has been postponed until now is some measure, I imagine, of the hard bargaining that has been going on between Hong Kong and London to try and negotiate a fair figure.

It is perhaps worth recalling that when this subject was last debated in this Council in March 1967 the honourable Colonial Secretary said, and I quote: —

"The final sum agreed is very much less than the original sum asked for and we have offered it to Britain as a gift in recognition of her very real economic difficulties."

I am glad that the UK balance of payments anyhow has recovered since then. It is also satisfactory to hear that the UK will be prepared to reconsider the contribution from Hong Kong if we get into economic difficulties in the next five years.

I therefore endorse everything my Colleague, the honourable P. C. Woo, has just said. I think the proposed contribution is fair in all the circumstances. We want the Armed Services here and we have not forgotten the help and stability they gave us during the long hot summer of 1967.

Confidence can be a fragile concept—Hong Kong's strong economic position depends to a large extent from our overall stability; and it is from this point that I view our contribution for defence.

Finally, Sir, the shortage of land for housing and recreation is becoming more and more pressing. I therefore particularly welcome the further return of land from the Armed Services. I hope Government will be able to announce, within say 6 months, the programme for the release of this land, and in particular that along Chatham Road and Argyle Street.

Question put and agreed to.

Council then resumed.

THE FINANCIAL SECRETARY (MR HADDON-CAVE) reported that the motion had been agreed to in committee without amendment.

Question agreed pursuant to Standing Order No 58(4).

Motion

ADDRESS OF THANKS TO HIS EXCELLENCY THE GOVERNOR

Resumption of debate on motion (1st October 1971)

Question again proposed.

MR WOO: — Sir, in your review of the past performance of your administration as Governor of Hong Kong you rightly pointed out that one aspect of our society had not advanced but really retrogressed, namely, robberies and other crimes committed against persons during recent months. It is a most disturbing state of affairs to all of us, who are law abiding, that the activities of our younger generation have given rise to apprehension of insecurity to our person and property.

I entirely agree with you, Sir, that we must make a fresh enquiry not only as to ways and means of counter-measures but also to find out the basic causes which we hitherto have not been able to ascertain.

[MR WOO] **Motion**

The sharp rise of violent crimes at present being committed in Hong Kong, particularly by young offenders, causes us great concern.

Which one of us can pick up a morning or evening newspaper without seeing in the headlines a report of a murder or a rape or a robbery accompanied with violence or some other crime of a similar nature?

Being held up at knife point in a lift or on the staircase or being stabbed by a young robber in a public street used to cause us great concern, but these offences now pale almost into insignificance by comparison with the current spate of brutal crimes being committed. No person or thing seems to be secure; even robberies of banks and jewellery shops are commonplace, with the result that the public is worried about what it reads and sees and hears.

Our pundits make it unfashionable to talk about the punitive aspects of justice and they say the law should be concerned more with the rehabilitation of the offenders. This is indeed a noble sentiment but has this been effective in Hong Kong?

It is cold comfort to be told, as we so frequently are, that local crime rates are lower than elsewhere, but what the general public wants to know is when can they walk in the streets at night without the fear of being assaulted or robbed? And particularly the female, who is in fear of worse things which may happen to her person. When will this reign of terror cease? What do we, in this Council, propose to do to stop this wave of crime? Do we not, each one of us, owe a solemn duty to the public to do something positive and effectual to contain and to eradicate crimes of violence and to act promptly and expeditiously? These are questions each one of us must answer.

Let me say right away that I do not advocate importing any element of vindictiveness into penalties to be passed by the Courts, but I do expect the Courts to pass realistic sentences on offenders, particularly young offenders, sentences that would fit the crime instead of the inadequate sentences now meted out. One should expect that any penalty imposed will necessarily reflect the seriousness of the offence in the hope that it will be a deterrent to others. But recently the Courts seem to neglect the deterrent aspect of sentences and adopt, with almost unfailing regularity, the "soft" approach when a young offender is brought before them. Yet, the most serious crimes committed in Hong Kong today are perpetrated by young offenders.

Does section 109A of the Criminal Procedure Ordinance, which directs the Courts not to send young persons from age 16 to 21 to prison

unless no other method of dealing with them could be found, inhibit the Courts to such an extent that they are unable to mete out the appropriate sentences and this despite the fact that in February this year this Council amended section 109A to exclude the application of this section to persons convicted of excepted offences under the Third Schedule of that Ordinance? The declared excepted offences are manslaughter, rape or attempted rape, affray, offences against certain sections of the Dangerous Drugs Ordinance, the Offences against the Person Ordinance, the Arms and Ammunition Ordinance, the Theft Ordinance and the Protection of Women and Juveniles Ordinance. If the answer is in the affirmative, let us then in this Council immediately pass a resolution to suspend the operation of this section *pro tem* until the deluge of violent crimes has subsided, for it is a truism that one of the first principles of sentencing should be that the Court should have the widest possible measure of discretion in order to individualize the sentence as much as possible.

Before I proceed further let me examine the criminal statistical report prepared by the Commissioner of Police, the latest report being for July 1971.

On page 13 of this report the number of persons prosecuted for robberies shows that 30% of that number committing this type of crime were persons of 21 years of age and over, 48% were young persons between the ages of 16 and 20 years, and 22% were juveniles under the age of 16 years. Adults therefore were responsible for 30% of the robberies and young persons and juveniles were responsible for 70%.

In the turbulent year of 1967 there were 73 cases of murder and 1,065 serious assaults. For the first nine months of that year the figures for these crimes were 48 and 836. For the first nine months of this year the figures were 76 murders and 1,197 serious assaults.

The figures shown on page 18 of the report also make interesting reading. These are statistics of a comparison of crime for the period from May to July for 1970 and 1971. The total number of crimes for these 3 months in 1970 amounts to 6,954 and that for 1971 is 8,210 cases, an increase of 1,256 cases.

In this short period the number of offences of rape in 1970 was 4 but in 1971 there were 10 cases; indecent assaults on females were 91 cases in 1970 and 101 cases in these 3 months period in 1971. Again for these 3 months period robberies in 1970 stood at 702 but in 1971 they rose to 1,341 cases.

Various reasons for this upsurge of crime have been advanced by many people including penologist, sociologist, members of the public and the newspapers. All of these reasons everyone of us has read

[Mr Woo] **Motion**

in the local newspapers, and there is no need for me to repeat them except to say that they are all valid reasons in the context of what has been said and written. And perhaps, in time, a solution may be arrived at.

What sticks out like a sore thumb is the need for an immediate halting of this current spate of crime.

Lord Chief Justice PARKER has said that when the criminal law unnecessarily favours the criminal at the expense of the public, it brings the legal system into disrepute, and that is precisely what is happening in Hong Kong today. Lord PARKER was then speaking on a particular aspect of the criminal process, but his dictum is equally applicable to the problem now facing this Council. Section 109A of the Criminal Procedure Ordinance was passed in 1967, and for 4 years the Courts have given effect to this section, which section was designed for the rehabilitation of young offenders giving them an opportunity to reform. In recent years young offenders seem to flout the law with disdain knowing full well of the benign provisions of this section.

I am indeed happy to see that the Government is planning to set up detention centres for young offenders who commit violent crimes, but this system should be applicable to convicted persons whether or not they have had previous convictions and leave the matter entirely in the hands of the Court to exercise its judicial discretion to send or not to send the accused to this new penal institution. We must not tie the hands of the Courts. Criminals who now calculate that there is little more risk involved if they use excessive violence or even commit murder in the course of robbery than if they merely commit robbery must be disabused of this idea.

I would submit for this Council's consideration

- (a) that the operation of section 109A of the Criminal Procedure Ordinance be totally suspended until the present spate of crime in the Colony subsides; and
- (b) that the new detention centres and the legislation relating thereto receive the foremost priority from Government for their implementation.

Sir, I would now like to say a few words on another subject to which you have also referred in your speech, namely the increasing use now being made by the general public of the UMELCO Office for dealing with public complaints and representations. There are five times as many cases reaching the Office now as there were a year ago. The Office deals with complaints against maladministration by Government

departments, that is to say, action or lack of action which involves bias, neglect, inattention, delay, incompetence, ineptitude or arbitrariness. The Office also investigates many types of representations from persons who are experiencing difficulties over a wide range of matters dealt with by Government departments. These vary from difficulties regarding Government permits and licences, land transactions, matters of immigration, identity cards, transport facilities, demolition of squatter structures, Government low-cost housing, conditions in resettlement estates, Government hospitals and schools and so on.

The Office carried out over 2,000 interviews last year and received about 600 letters from the general public. I believe that the improved system which we have now introduced for dealing with the wide range of matters is now working well and that we have a flexible system which can continue to be adapted to meet the needs of the ordinary people of Hong Kong. It is particularly noteworthy that three quarters of our clients would not be able to seek redress from a statutory Commissioner for Administration. The Commissioner in Britain, for example, had to turn away more than half of his clients in the years 1967-69 because the matters complained of were outside his own jurisdiction. There are comparatively few cases involving Government action which UMELCO are unable to deal with. I do not doubt myself, Sir, that our own system is both more comprehensive and more speedy.

There is, however, a second job which the UMELCO Office should be doing. The Unofficial Members of the two Councils need more help than is available at present in carrying out our research, obtaining facts and information, analysing legislation and draft bills, compiling reports and speeches and so on. The Administrative Secretary by his second term of reference is required to give such administrative and secretarial support to the Unofficial Members. It has not yet been possible to do this. The Unofficials feel that the time has now come when this task should be taken on. With this purpose in mind we shall seek in next year's estimates funds for an additional senior post for an officer whose primary task will be to provide a more comprehensive service to the Unofficial Members.

Sir, I support the motion before the Council.

MR SZETO WAI: —Sir, although no attempts were made in your review of our achievements in physical and social development over the past 10 years to forecast future policies, you have nevertheless pointed in which direction these policies would lie and indicated our immediate objectives.

You have emphasized, Sir, that since the war we have had to concern ourselves primarily with massive problems of housing and providing

[MR SZETO] **Motion**

other essentials of life for a great multitude of people which left us few resources for anything else, but now with our well-earned economic prosperity we could hope and even plan for the refinement and sophistication of our existing services as well as establishment of new and essential ones hitherto beyond our reach. This is indeed a most gratifying and heartening tonic to the people of Hong Kong who welcome it as an indication of the future policy which your successor may adopt for their general advancement and well-being, climaxing many long years of hardwork and frugal life to help Hong Kong achieve its present international status. Indeed, Sir, it is the aim and hope of every conscientious citizen to look forward to a better and fuller life, and it is in this context that I now bring forth to this Council certain aspects of our community services which, notwithstanding our already proud achievements, could most certainly be improved through refinement, sophistication, modification or even rectification which deemed desirable or essential.

First among these is in the field of public and Government-aided housing where we have indisputably the proudest record of achievement. To be able to provide housing for 43% or 1.5 million of our total population under such difficult conditions as experienced in the post-war years is by any standard a great achievement. But this numerical superiority will disintegrate in the face of material provision when human dignity and amenities are considered. Visitors have come and praised our achievements, but upon their return to their own lands, they built better housing with the resources at their disposal. Much of the public housing built in the earlier years is being looked upon as sub-standard in its planning and provision and these estates have rapidly deteriorated into high-rise concrete jungles with their appalling congestion and lack of basic amenities. Although resettlement estates were designed on the basis of 24 *sq. ft.* living space per person thousands of families are now living in accommodation of little over half this area mainly due to natural family expansion. Extreme congestion breeds crimes and these new slums generate sociological problems and delinquencies that are far more serious than anything we have experienced in the older type of slums. They are also notorious for their grossly inadequate sanitary facilities and complete lack of other amenities which are the essentials of living, and their continued toleration is a blot in our records of prosperity. Many of our older resettlement estates need complete replanning and to provide for improved community and recreational amenities and a mere conversion or improvement of their internal layout will hardly be adequate. An attitude of urban renewal should be applied to the worst of these estates as it is now being applied to some of our older type of slums.

It is most heartening, Sir, to hear of our continued buoyant economy and the very high rate of growth of our domestic exports. Whilst buoyant economy brings prosperity and affluence, in their train come problems the solution of which calls for our urgent attention and resources. Among these problems, Sir, you mentioned pollution, litter and traffic congestion.

Pollution is a subject that has attracted universal attention for many years, and advanced countries throughout the world are studying methods of its control. Although Hong Kong is blessed with its geographical aloofness, we have our own problems of pollution resulting from physical restrictions and congestion. In attacking these problems, whether they be pollution of our air, land or sea, we can claim to have laid our ground work which should now be followed up with earnest and intensive action. The work of the Committee on Air Pollution should be continued and their 1969 recommendations should be implemented as soon as possible.

As regards sea pollution, my honourable Friend, the Director of Public Works, has assured us that considerable efforts are being made to ensure that our harbours are not polluted by untreated domestic and industrial wastes and has indicated that treatment and disposal works estimated to cost \$1,000 million will be required in the next 10 years. I hope these works will be accorded the same priority as that given to our water supply.

Coupled with pollution problems is the growing awareness of the public on the need for conservation of our countryside which has hitherto been subjected to careless spoliation and wanton destruction by the uncivic-minded section of the public and illegal industrial processes. Our countryside and its flora are of special value to our predominantly urban population, offering relief from tense high density living. The countryside is now subjected to a new form of pollution—invasion of the urban dwellers in their newly gained leisure; empty beer cans and bottles, plastic and paper bags, newspapers, food crumbs, *etc.*, all these in addition to dilapidated illegal structures, polluted water-courses and eroded and burnt hill slopes. It is ironical, Sir, that such pollution and spoliation of nature should have been brought about by increasing affluence and greater leisure. The recent outcries against pollution of our streams in the New Territories are indicative of organized public reaction in pollution control, and this increased awareness of the importance of environmental standards may be compared with the amenity movement in Britain which resulted in the enactment of the Civic Amenities Act in 1967. Sir, the time has perhaps come for similar legislation to be enacted in Hong Kong for the conservation and improvement of our environment.

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Littering as a source of land pollution, whether in the countryside or in the urban areas, is a contributory cause to the pollution of our atmosphere and our waters. It has lately assumed a very serious proportion in our over-congested urban areas: in our narrow streets, in our resettlement estates and in our public spaces. Refuse disposal from our high density, high-rise residential buildings is in itself a serious problem which is aggravated by the large number of unruly and undisciplined hawkers. Our building regulations should be reviewed to make adequate refuse disposal facilities in any high-rise building a statutory requirement and the existing refuse collection system should be improved. Whilst education through special campaigns and civic lessons in schools are useful, littering offences should be viewed with greater severity. The control of hawkers is a problem of no easy solution, but experience gained in Singapore where they are generally confined to fixed uniform colourful stalls in established bazaars may be studied, though the problem encountered there is of a much lesser dimension.

Sir, one typical but ill-conceived aspect of our urban pattern is the high-density mixed-usage development in which it is common to find residences, shops, commercial offices, factory workshops, restaurants, schools, day nurseries, places of worship, dance halls, *etc.*, all situated within one huge block of several hundred units. Such conglomeration of diversified human activities is an inevitable source of pollution. Experience has also shown that industrial workshops operating in such premises have often been the cause of disastrous fires, and to condone the continued existence of factories in these premises is a blot in our record of industrial success. On environmental consideration alone, a target date should be set for factories exceeding a certain capacity to be removed to statutorily designed industrial buildings, and henceforth no industrial workshops of any size should be permitted to operate in any building designed principally for domestic use.

Traffic congestion which has existed on our roads for some years is now being aggravated with our increasing affluence. We have been repeatedly warned that our motor vehicles will outgrow our road capacity and thus adversely affect the efficiency of our public transport. This is already happening today. Progress in automobile development will always outstrip road building techniques, and road construction in Hong Kong has for some reason or other always progressed at a very slow pace. With a 16% annual growth of vehicles, our road engineers will never be able to match this increase in road capacity even given the necessary resources in finance and space. There appears to be two solutions to the problems; one is to discourage private car ownership by a general increase in licence fees and fuel duty which is simple in application, and the increased revenue will go a long way to

help finance new roadwork and the construction of the Mass Transit; the other, less drastic, less effective and more tedious, is to maintain a ceiling on traffic in our busy areas by pricing the use of road space in these areas. Undoubtedly, both methods will find disfavour with the car owning section of the population in our present state of inadequate public transport. But some measure is clearly necessary together with an acceleration in road construction if congestion to be checked. Public transport efficiency will improve when road congestion is reduced.

The most welcome traffic news of the year is the planned construction by a big property company of elevated walkways linking the waterfront with Des Voeux Road. The pedestrianization of Central District will not only help improve traffic conditions in this busy area but also enhance its commercial activities. I hope Government will follow this up and extend the system in this district as mooted some years ago by the Transport Advisory Committee.

Pedestrianization of existing streets has achieved good progress in cities in Britain since the enactment of the City of London (Various Powers) Act 1967. It is pleasing to note that we in Hong Kong, Sir, are moving in the same direction. The Town Planning Board has in recent months produced Outline Zoning Plans for the Yau Ma Tei and Wan Chai areas incorporating pedestrian precincts by removing vehicular traffic from certain existing streets to promote higher environmental standards.

Sir, I cannot conclude without referring briefly to the Rapid Mass Transit Scheme as the general public is very anxious to know of its fate. Since the feasibility study of the scheme was, through your foresight, commissioned in the early years of your Governorship, it would have been ideal if a positive decision on the scheme's implementation is made within the tenure of your office. Whilst the complexity of the scheme and its financial implications are fully appreciated, the public dreads to think that Hong Kong with all its congestion and traffic problems will survive on only surface transport.

I understand that a Government working party has already spent considerable time in assessing the consultants' final scheme and its economic viability and in determining the most satisfactory means of financing the scheme. It is, however, important to avoid a current short-coming of mass transit development as is happening in the United States which is a hiatus between planning and implementation. Much money and time were spent in prolonged experiments and research and the delay between planning and construction largely resulted from a desire to build the "ideal" system. To my mind, Sir, it is impossible to build an ideal system for a community because no such system exists; and as far as mass transit is concerned, no system is commercially viable.

[MR SZETO] **Motion**

Nevertheless such systems are being built all over the world to solve congestion problems and to bring general economic and social benefits to the community.

Sir, I support the motion.

MR WILFRED S. B. WONG: —Sir, this debate has been called "the cross country debate" and I trust I will have your indulgence as I gallop over the ground.

An Australian lady writing to "Time Magazine" last June said "I am a transplanted Australian who likes the United States but I would take exception to your comment that Australia should 'think big'. In so doing, the US smothered its cities, ruined its magnificent waters, defaced much of the land and forgot its poor and minorities."

Hong Kong, while growing big in population and trade, may well take to heart the lesson contained in this letter. To a lesser extent we will be subject to the same problems coincident with material achievements which are usually attained at the expense of natural beauty, ecology and social justice.

In the present state of progress, our only city will inevitably be smothered. Nevertheless, to reduce the extent of pollution, our town planners must proceed boldly with the satellite cities of Tsuen Wan, Yuen Long and Sha Tin. By attaining some balance on cities, the smothering of the mother city may be alleviated or reduced.

Concerning the ruining of magnificent waters, my honourable Friend, Mr SZETO Wai, dealt at length in his adjournment speech on "sea pollution". Being a regular swimmer for the last 24 years, the extent of pollution is increasingly evident to me. I am pleased to learn from the Director of Public Works of the programme of sewage treatment but I am afraid we must "think big" on that.

There is one thing we cannot avoid, and that is defacing land in so far as we shall have to continue to cut from the hills and to reclaim land wherever possible. Public housing is the most important single project because it is not only socially desirable but economically sound. It is economically sound because if we could stabilize the rental of the low income group, we would have gone a long way in stabilizing wages and salaries of the blue and white collar groups which form the backbone of industrial and trade costs. The Swedish economist, CASSEL, said "Stabilization is the condition of health in our economic society". He had in mind the cost of living, the cost of production and prices of commodities. In the cost of production, rent is the only item which

we can control or on which we can exercise our influence. Therefore, sites for low cost housing have to be found by hook or crook. That is to say, even if they have to hang out by cantiliver or are hooked up.

In some of the resettlement estates, flats designed for 5 persons are now occupied by twice the number, largely due to growth of family. The obvious step is to move them to two adjoining units and relet the flat to families of 5 persons or less again. This programme presently applied to Shek Kip Mei and Pak Tin should be extended to other estates to relieve overcrowding.

In the 3 old estates of Wong Tai Sin, Lei Cheng Uk and Tai Hang Tung, there are 3,301 persons in 547 families living at substantially below the minimum density of 24 *sq. ft.* per person, ranging from 10 to 15 *sq. ft.* per person.

About forgetting its poor, while everyone likes to help the poor, Hong Kong's political and economic structure is not built on the premises of a welfare state. Its free economy is based on the principle of harvesting the maximum productivity from incentive associated with such freedom. Also, the present tax structure is not designed for a welfare state. If the tax structure were altered upwards without compensating Government expenditures, the GNP would fall and a lower standard of living would result.

On the other hand, there is virtually no unemployment and there is a job for practically everyone who wants one. Therefore, there is no abject poverty. However, relative poverty is evident, judging by the wide difference in the standard of living. But of the 4 essentials of living, namely, clothing, food, housing and transportation, Government has undertaken low cost housing. There is no necessity to clothe and feed people, except those who are handicapped. Transportation costs are reasonably low although motorists are having a hard time.

Finally, in the field of culture, I maintain we should keep the pattern of society on which Hong Kong grew—a midpoint between the code of ethics as propagated by Confucius as the backbone of Chinese civilization and Christianity as the backbone of Western civilization. We should disallow vice and pornography and, when confronted, make it difficult as a social institution; we should not allow the blind following of such institutions as the topless and bottomless. They serve no good purpose. The theory that Government governs best when it governs least is not only out of date but proven wrong.

The overall housing policy of Hong Kong, therefore, must be to plan for low cost housing for every family whose income is \$1,000 or less per month. Why the figure of \$1,000? It is an empirical figure for the time being to draw the demarcation line between low and high

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income. There has to be some line for practical reasons. One statistician suggests a figure of \$1,080.

Concerning eligibility criteria for Government low cost housing, I am definitely in favour of raising the present assessed family income limit of \$500 for Government low cost housing to \$600. With the general rise in incomes since the limit was fixed some years ago, many families eligible at the time this limit has set have now progressed beyond this figure and are disqualified. And with the dynamics of economics, raising the income limit year by year and the time which it will take to complete the estates, the eligibility limit must be increased to coincide with planning and not to deprive people who need low cost housing badly on a mere technicality. With the present cost of living, there are very few families of five persons who can live within an income of \$500 per month. Similarly, the income limit for the Government low cost housing Estate at Kwai Chung should be increased from \$600 to \$700 a month because of greater travelling costs and because we should have a wider range of families eligible for Kwai Chung in order to relieve the pressure on Kowloon. Such new eligibility criteria would help in the planning of low cost housing.

Again, at this point I would like to stress the point I made in my speech in 1969 that all low cost housing including resettlement estates should be consolidated into one Department of Housing. This step would eliminate duplication and also improve standards and efficiency.

As an example of *laissez faire* on the street, I was reminded of a city councillor who once took the view that hawkers should be allowed on all the streets as they are only making a living, until one day a hawker was hawking right in front of his own residence. As Legislative Councillors, we must not allow these topless and bottomless bars until one day a son or daughter of our own becomes involved. In America, permissiveness has taken a heavy toll in sex crimes and, what is worse, a rupture in the fabric of the family structure. We are responsible for the pattern of society and Hong Kong can have its own civilization.

A prominent Member of this Council once said "You cannot legislate against sin". He is right only in a technical sense. The whole purpose of civilization is to create conditions for a better society. While we cannot exactly legislate against sin, we can legislate for conditions which will harness people's energies into constructive and productive channels of life; hence, legislation for compulsory education and against vice. If we do not legislate for such conditions, we will drift toward irresponsibility and degeneration of culture.

As for forgetting the minority, paradoxically Hong Kong's minority are the British born. As they are the bureaucrats and professionals, there is really nothing much that could be done for them except reducing the English school fees. This problem no doubt is being resolved after due consideration. Hong Kong cannot afford to be criticized for mistreating its minority.

Lastly, a word on inflation. The term "inflation" refers to sustained increases in the general level of prices. Normally, it is caused by the excess of aggregate demand over aggregate supply. This kind of inflation is called "demand-pull" by economists. It is a condition where a disproportionate amount of the media of exchange, *i.e.*, money, is freely bidding against a more or less constant quantity of commodities amongst which land may be classified. To the general public, it simply means rising prices.

In Hong Kong, there really is not a disproportionate amount of money in relation to its growing economy. Generally speaking, the amount of notes in circulation and bank deposits have been increasing in a reasonable proportion with the rising standard of living. In one respect, in the case of land, there is an inflation of value because of its fixed supply in Hong Kong, and this is the very reason why housing holds number one priority in the economy of Hong Kong.

In the study of inflation, it is now appropriate to bear in mind the effect of crown rents, psychological or real, on the inflationary trends in Hong Kong. This should be studied at the highest level together with the question of rents in general and the part it holds in the overall economy of Hong Kong. The renewal of legislation for the security of tenure and rent increases control for domestic flats at or below the rateable value of \$1,500 a month or less for another year is an essential factor in the stabilization of the cost of living in Hong Kong.

It is interesting to note that, notwithstanding, there are other countries where there are more cogent reasons for inflation. Even the President of the American Federation of Labour and Committee of Industrial Organization in the United States has called for wage and price controls. That was on 1st August and the measures which were taken by the American Government on 16th August are now well known to all. Hong Kong should use its power of persuasion to stabilize wages and prices in general.

One can imagine someone jumping up and asking how we can control prices in Hong Kong. We cannot, but we can advise that holding prices and wages level is beneficial to the economy as a whole and allowing prices and wages to spiral is harmful to all except a few. Even an authority in economics like Paul SAMUELSON advocated moral persuasion which had not been tried on any large scale. I need go no

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further than to say it is the purchasing power of money and not money itself which counts.

While I was watching television on the Chinese channel the other evening, a question was asked "What is the most important thing in the announcer's mind?" His reply was "salary increase". I think the proper concept should have been "increased value".

It is true that the standard of living is higher and that real wages have risen due to more distribution of wealth to labour. However, unless a planned effort is made, the spiralling rise of prices and rents could erase the benefits which have accrued.

With these remarks, I have much pleasure in supporting the motion.

MRS ELLEN LI: —Sir, last week you made a brief review of some of the more outstanding changes and achievements in Hong Kong during the years of your leadership as Governor of this Colony. Our phenomenal recovery from the 1967 recession is without doubt the most remarkable financial success story the world has ever seen. Our Plover Cove Reservoir has been acclaimed by the world as a piece of engineering marvel and our intensive housing projects for nearly 40% of our population are also making world history. Because of these and the many other remarkable achievements in the field of medical service, public works programme, international trade, education, just to mention a few, Hong Kong now has attained an identity among the developed countries of the world. You, Sir, are chiefly responsible in making this possible within the shortest possible time. To coin a phrase: you, Sir, have led Hong Kong to accomplish so much for so many in so short a time.

In mentioning our progressive achievements, I cannot and must not forget to mention that, since your Governorship, women in Hong Kong have been given their rightful place in society and unquestionably a much higher status and much better legal protection. In the short period of three years, we have introduced or amended in this Council no less than 7 items of legislation in family laws to bring them in line with other civilized and developed countries. I believe this is something of a world record. This does not necessarily mean that we are ahead of other countries. It simply means that we had been falling behind sadly but have now caught up, with a speed in time which is considered a world record.

Some people have criticized Government for dragging its feet on some of the programmes recommended by expert Committees. The

usual reasons were the lack of money and personnel, and the question of priority. Recently two priority schemes have been implemented: public assistance and free primary education. Under the new Education Ordinance, the Director of Education is given power to prosecute irresponsible parents for willfully preventing their children from attending schools. During the debate on this bill, I mentioned 3 categories of children in this connexion which warrant special consideration, namely (a) the over-age children and children who are a year or few months below the age limit, (b) the children kept at home to look after younger children while their parents are at work and (c) the children of fishing families who go out to sea for months. In answer to these points, the Director of Education said "I shall not ignore the special needs of these children as referred. Parents can then be informed as to the facilities which exist and persuaded to make use of them. I hope that only in rare cases will it be necessary to make use of compulsion".

I am sure the public would be very much interested to know what facilities or provisions the Director has in mind. As far as I know, there are hardly any boarding facilities in existence and although there are many nurseries, partly supported by Government subvention, many more are certainly needed with a much bigger per capita subvention than the present level of \$20 per child per month.

I have no doubt the Education Department will resort to "compassion" rather than "compulsion" and accept many such "reasonable excuses" for keeping children from schools. I would like to suggest that Government exchange this rather negative attitude for a more positive approach by placing the emphasis on the provision of enough facilities to overcome difficulties which prevented children from attending schools, in order that the system can be more effectively and successfully applied. The aim, therefore should be to promote and encourage attendance rather than to prosecute for non-attendance.

From women's rights and compulsory education, I now turn to the problems of population in general and family population in particular. "Population explosion" is now being considered top priority by the WHO of the United Nations as well as many developed countries whose governments have declared and adopted family planning as their national policy. In Europe, Germany, Sweden, Denmark and other Scandinavian countries have succeeded in achieving a "zero population" growth rate. "Zero population" means no increase in population. In other words the population growth rate becomes "zero" when the birth rate equalizes the death rate. We are still a long way from such an ideal target but we can aim high and steadily work towards it. Our record during the last 10 years in cutting the birth rate by half proves that remarkable results can be achieved by determination and hard work. I think it is

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high time that Government should adopt a policy, or if not a policy, then a defined determination in favour of family planning by amending a few regulations governing housing, tax exemptions and paid maternity leaves which are in favour of large families, for those who can least afford them, and seem to be working at cross purposes with the work of the family planning movement.

Our birth rate has been falling from 37.1 per thousand in 1960 to 18.9 in 1970 (in actual numbers from the height of 115,263 in 1963 to 77,465 in 1970), due to a large extent to the determined effort of the Family Planning Association by its direct service and indirect influence through its intensive education and publicity programmes which include personal contacts and the mass media. The Association served 100,000 patients last year and the number is rapidly increasing. 16 of its clinics are far too over-crowded and the demand for more clinics is over-whelming. We are constantly reminded by statisticians and experts that our large bulk of young people are reaching marriageable age and come within the child-bearing age group, the size of which will double within 5 years. This means that unless we have a clear cut policy now and embark on an extended programme to cope with the demand and need, we shall see the birth rate rising again.

Extension of the family planning programme means a determined policy and active participation on the part of Government and adequate finance for the programme. For many years now, the programme has been receiving more support and sympathy from overseas than from our own Government. Many expansion projects have to be postponed or abandoned due to insufficient Government subsidy and lack of qualified staff.

We must now know whether Government is in favour of or against a family planning programme for Hong Kong. If the answer is in the affirmative, then Government must at least share the responsibility. The programme is too vital and too heavy for a voluntary organization to carry alone anymore.

Sir, my ambition is to see our trade figures go sky high and our population growth rate go down to "zero". If we aim at an average of 2 children per family, we might hope to see the realization of "zero population" in the next generation.

I realize that the comments I have just made this afternoon could have been repetition of what has been said in this Council on many previous occasions but as Confucius has said "in reviewing the old is the way of discovering the new".

Sir, I have much pleasure in supporting the motion before Council.

MR WILSON T. S. WANG: —Sir, I would like to begin by referring to that part of Your Excellency's address which inspires and forms the basis of what I want to say today. You pointed out to us, Sir, that in Hong Kong we are reaching a situation, well known in many developed countries, in which increasing affluence and greater leisure are giving rise to certain new problems. Chief among these in Hong Kong is the present wave of crimes of violence. Living in a densely populated urban area, we must expect to suffer from some of the social ills associated with town life and overcrowding, but the present upsurge of violence is very disturbing, particularly as we seem at the moment to know so little about its real causes and the way to curb it.

We have also just listened to the remarks of my honourable Friend, Mr Woo on this subject and I share his view that the safety of the community is being put in jeopardy at the present moment, and that we cannot afford to be too lenient in our treatment of offenders. There is an urgent need for an immediate halting of the current spate of crime and for this reason I, for one, would find it difficult to debate against any move to suspend the operation of section 109A of the Criminal Procedure Ordinance until the present spate of crime in the Colony subsides. But, having said this, I would like to state in the strongest possible terms that I view such a measure as a very regrettable expedient and as a course of action which should be regarded as strictly temporary. I must stress that it is not the final answer. Such methods may at best be no more than a surface cure for, as long as the social disease is left where it is, the germs will stay there in the body.

Fully aware of the problems which face us, Your Excellency indicated the course of action that you deemed advisable in the days ahead. You expressed your earnest belief that a fresh enquiry must be made not only into appropriate counter-measures but also into basic causes. We have a double-barrelled problem facing us and there is neither the time nor the room for half-hearted or one-sided methods in the way we tackle it. A fresh enquiry is essential and we must see to it that it bears fruit in a fresh policy, both more enlightened and more effective than any we have had in the past.

I recommended that a special commission be set up to take up this task. It should be composed, as I see it, not only of officers in the Public Service, the Police, Prisons Department, Probation Officers and the like, but also of citizens who are concerned not only about law and order but also about the individual victims. I visualize such a commission not simply as an advisory body but as an effective steering committee, keeping a most careful watching brief, with its finger on the pulse of our society, empowered to recommend additional measures whenever it sees the need. I envisage this commission as a body very sincerely concerned to discover the basic causes of criminal violence in our

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community, recognizing the truth of Your Excellency's words "we have yet to identify these causes with any certainty at all".

In making fresh enquires we must not just think of the immediate cause such as greed, lust and selfishness, but of the fundamental cause, the cause of the cause, the actual ground of discontent, bewilderment and unhappiness from which the criminal springs.

Is it a lack of love and care for which we as a community are responsible or is it the product of an environment which, though reasonably prosperous, is unhappy—where the atmosphere is undesirable, either inadequate to meet psychological needs or even in some cases a hotbed of corruption?

"Environment" is a word too often wrongly restricted in its meaning. It doesn't cover simply physical surroundings—the actual accommodation, the premises. It embraces influence and atmosphere, the entire home setting and the social setting in which the individual finds himself outside the home. If the moral climate which forms the background of his everyday life is pernicious, how can we expect a young man, naturally susceptible to influence, not to be affected by it? When drug addicts and drug traffickers roam about almost in the open, and bars, "clubs", boarding houses and prostitution mushroom and sparkle with neon signs in the busy districts in the heart of our city; when pornography and acts of brutality are found in abundance in publications and on the screen; when liquor is cheap and readily available; when gambling dens are found in lanes and end-streets in open "secret" places, can anyone feel the least surprise that we have a crime problem on our hands?

Of the many counter-measures that we must study, punishment is but one. Preventive action and rehabilitation are equally if not more important.

It would be useful to know how many people return to crime after serving their sentence. We may be helped in our thinking by studying such statistics in evaluating the various types of sentences which can be imposed—probation, caning, imprisonment or the use of training centres and detention centres or suspended sentences. In order to discover what penalty best fits the crime, many factors have to be considered and not one of them can be applied to all with equal effectiveness, while adult and juvenile crime obviously require different treatment.

Recently I read with interest an article in a Chinese paper. It was reported that in a certain city a juvenile, convicted of reckless driving, was sent by way of punishment to work in an emergency ward of a

hospital. Another who had robbed a shop was sentenced to work for that same shop to pay for the damage. And in the case of a young man who had given a lot of trouble to the police, it was decided to send him to a police training school as an external student. It was also reported that members of a "Young Citizens Association" were accepted as "Friends of the Court" among the jury and as a result juvenile delinquent cases showed a drop of 50%. This is an example of how a court can take advantage of the fact that it is the young who best understand the young. Such examples of the imaginative handling of young offenders may provide us with some food for thought.

Having dealt at some length with the problem of crime and on the need for fresh enquires into its causes, I cannot restrain myself today from returning to my two pet subjects: education and recreational facilities. Ironically enough these are two fields in which the progress we have made has been but tremendous, especially during the last seven years under Your Excellency's leadership. However, I'm afraid it must be admitted that in our provision of these facilities we are still very backward compared with many other countries, when we consider the number of our children who are *not* in school instead of the number who *are* in school.

Your Excellency has pointed out to us the dramatic disparity in the number of children here and in those other countries. For example, whereas in the United Kingdom about 16.8 per cent of the population are children in the primary and secondary age group, here the figure is 28 per cent. The proportionately much greater task that faces us here in education has always to be borne in mind.

While the multi-facets of the causes of crime may yet require identification, who can doubt that a major cause is that tens of thousands of children have been deprived of education and compelled to roam the streets in their formative years?

At the moment it is proposed that by 1975 50% of all those under the age of 15 will be able to receive subsidized post-primary education and that we shall have to wait until 1980 before everyone can have the chance. This is a progressive programme but it is not nearly ambitious enough. If we want to do all that we can in the present emergency, this programme must be greatly accelerated. We have seen the red light in the present upsurge of juvenile crime and, if we don't take warning from it, we shall only have ourselves to blame.

How true it is, as Your Excellency has said, that increasing affluence and greater leisure are not an unmixed blessing. Young people, growing up in this new social climate, naturally want to grasp the opportunities that it offers. They want to enjoy themselves, develop their responsibilities and make a place for themselves in a world in which

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the individual can so easily seem to play an insignificant part. They need to play and dare and try their strength and work out relationships with friends in the wider community. The Duke of Edinburgh saw this 15 years ago and introduced his Award Scheme to help them and to stimulate their enthusiasm and energies by presenting a challenging programme of leisure-time activities.

This leads me to my second pet subject; opportunities and facilities for our people to make the best use of their leisure time. There is already indeed a whole range of opportunities that did not exist ten years ago, but there are many many more in urgent demand. May we just ask ourselves this simple question: after all these years of pleas and public outcry, are we able to say exactly when we are going to have our new museum, covered games halls, Kowloon civic centre, indoor stadium, Kowloon stadium, and a Government supported Council for Physical Recreation?

Sir, I support the motion.

4.13 p.m.

HIS EXCELLENCY THE PRESIDENT: —Honourable Members may welcome a short break at this point and I will adjourn the sitting of Council for 15 minutes, that is to say until 25 minutes past 4.00 p.m.

4.29 p.m.

HIS EXCELLENCY THE PRESIDENT: —Council will resume.

MR BROWNE: —Sir, like many others I have studied with great interest your review of the substantial progress that has been made in various fields over the past few years.

Perhaps the most dramatic item has been the expansion in our trade figures. But I agree with you, Sir, that we cannot expect annual growth rates of around 20% to continue.

The present currency problems are perhaps only one symptom of the difficulties that lie ahead. Indeed, despite all the talk about trade liberalization, it seems that the world is in danger of becoming more restrictionist, Hong Kong appears to be almost the only significant industrial territory that genuinely practises its free trade.

I hope that those countries that sell in Hong Kong for cash the major share of our imports will not forget that we have taken in their products without quotas, duties or other restraints—sometimes even to the detriment of our local industries.

The USA has been our largest export market for a number of years and we are grateful to Uncle Sam for enabling us to develop our export industries, and in the process helping us to diversify and improve the quality of our products. I am sure I speak for my colleagues when I say that we sympathize with the Americans over their financial difficulties; and while no one likes their 10% import surcharge, we are prepared to live with it provided it applies without discrimination to all their imports. I hope that the US dollar will recover, for a weak dollar is bad for our trade, and the same goes for sterling. It would be very unjust, to put it mildly, if because of problems which the USA has been having over the entry of American goods to the Japanese market, the US were to impose unilateral restrictions on imports from Hong Kong.

Hong Kong has also become an increasingly important market for Japan and quite rightly they have taken full advantage of our free trade position. Japan is Hong Kong's largest supplier and in 1970 sold goods valued at HK\$4,200 million. This figure does not include all the ships that Hong Kong based shipowners have ordered in Japan during that year.

In return Japan only bought from Hong Kong in 1970 goods worth HK\$492 million. Now we are not about to put restrictions on Japanese goods, as does almost every other country in the world, but I do hope that our Japanese friends will think about this imbalance in trade and do something to make it easier for the exporters of Hong Kong to sell goods to Japan.

The Director of Commerce and Industry spends a lot of his time in lengthy trade negotiations, and I would like to record my support for the various actions that have been taken over the years by Government in our international trading arrangements. Some of the decisions are very difficult, and I am glad that close consultation exists between the private sector and the Commerce and Industry Department—long may it continue. We wish him well during the particularly tough negotiations that will be taking place in Washington during the next week or so, but I am glad to hear that he is going to be supported in force by members of the Textile Advisory Board.

If there are storm clouds ahead in some of our overseas markets, what of the problems faced by our industrialists on the home front. Wages and other costs continue to rise, which makes it increasingly urgent to improve productivity. And there is still a serious shortage of skilled labour and technicians.

We were all glad to hear you announce, Sir, that two more Technical Institutes are to be built as soon as possible. We really need these Institutes right now, and I hope the Director of Education

[MR BROWNE] **Motion**

or Director of Public Works will tell us later in this debate what progress has been made in planning these Institutes, when building is to start, and what the target date is for opening. I ask this because I understand that it took about 7 years to get the Morrison Hill Technical Institute operating—and we really cannot afford to wait that long. I therefore urge Government to institute a crash programme for this project.

Can we also be told, please, when the report of the Industrial Training Advisory Committee is to be published, what progress is being made in considering its recommendations and when we can expect some decisions?

Sir, I would like to support my Friends, the honourable Messrs SZETO Wai and Wilfred WONG in their request for expanding the housing programme. The points they made about overcrowding in some estates are particularly distressing, and there seems to be no short-term solution apart from speeding up the building programme.

But for the long term surely the honourable Mrs Ellen LI has the answer. That is a positive approach by Government towards Family Planning and the adoption of a population policy.

Now I am not going to be so bold as to suggest what form this should take. Any amount of expert advice is available if you care to ask for it—from Lord CARADON; Mr Robert MCNAMARA, the President of the World Bank; or the special agency of the United Nations which deals with population problems—to name just a few.

But we probably know most about our own domestic problem, and I would like to propose that Government set up a working party to consider as a matter of urgency the points made by the honourable Mrs LI; and the proposals made to Government in September 1970 by the Family Planning Association, to see what greater use might be made of Government's facilities both medical and non-medical in order to make Family Planning services more readily available throughout the Colony, and especially to the poorer sections of the community.

I am sure that even with increased Government participation there will still be plenty for the Family Planning Association to do. As Mrs LI has said, voluntary body can only do so much, and the population problem is surely too vital, at this stage of our development, for Government not to get actively involved.

The policy we adopt towards population growth will have a direct effect on the number of new schools to be built in the years ahead, on the housing programme; public transport; maternity and health facilities, and many other aspects of our society. Many Government departments

are involved—Education, PWD, Resettlement, Medical, Social Welfare and, in the end, our friends in the Finance Branch—so I hope that the Colonial Secretary himself will be able to give us the benefit of his views when this debate resumes next week.

Finally, Sir, I would like to support the remarks that my Friends, the honourable Q. W. LEE and the honourable G. SALMON will be making on the subject of the management structure of Government.

As Hong Kong develops things have inevitably become more complex, and it is apparent that the top policy makers in Government are and have been, under severe pressure. I hope some way can be found to reduce the burden on these relatively few over-worked, conscientious and hard working men.

Sir, I support the motion.

MR Q. W. LEE: —Sir, on the occasion of your swearing in as Governor in April 1964 you called for faith and confidence in the future of Hong Kong despite the many problems we were facing. You were confident that we would surmount our problems and would maintain the momentum of progress. At the opening of the present session you used annual averages in certain economic indicators for the ten years ending 1970 to illustrate our achievements. The main weight of such annual average increases actually occurred in the second half of the decade during which Hong Kong under your able leadership had undoubtedly made most remarkable progress. Indeed, with faith and confidence, this fast growing community is able to survive and prosper even under the most trying circumstances.

Sir, while these figures illustrate progress, they also remind us that the Government today has a great deal more to do and a far more complicated task to perform. As Your Excellency also correctly pointed out in your inauguration speech, we must avoid self-satisfaction in all fields and seek constantly for new and better procedures. To achieve this, we must therefore ensure that our administration is efficiently organized and run. We must be able not only to make the right decision but also to act fast. We cannot risk being led to believe that what was good for yesterday must necessarily be good for today.

As the Colonial Secretariat is the central administrative system of the Government, I would like to express the long-held view of my Unofficial Colleagues that time is due for an over-all examination of its organization and method of operation. I hope my honourable Friend, the Colonial Secretary, will not take this remark as a criticism of the Secretariat or of those serving in it. Quite on the contrary, we all acknowledge, as you did last week, the devotion, the industry, the

[MR LEE] **Motion**

integrity and the quality of the great majority of the Civil Service, especially those in the Secretariat who are in most cases overworked and highly conscientious of their responsibility. However, the truth of the matter is that the volume of work in the Colonial Secretariat has so increased in the past few years that the present procedure becomes cumbersome and tends to breed delay. To give an example, delays are obvious in land matters, particularly those concerning modification of the terms of Crown Leases. They take invariably as long as 4 to 6 months to finalize and, in complicated cases, 9 to 12 months are not uncommon. Surely they are not left unattended to. What causes the delay is the long procedure involving various branches, departments and conferences under which applications are being dealt with. To give another example, the Finance Committee of this Council has quite often been invited to approve expenditure of incredibly small sums of money on items that have not been included in the annual estimates. Obviously this can be delegated to the heads of departments concerned or, in cases of bigger amounts, to the Financial Secretary or his deputy. There are, of course, some other instances which I do not propose to elaborate. The present process, if not improved and simplified, will no doubt slow down progress and further increase the loss to both the Government and the community in labour, money and time which is already very considerable.

I understand that the need to improve the efficiency of the Colonial Secretariat is always in the minds of the senior officers and changes have in fact been made from time to time. However, these changes do not seem to have improved the situation very much and we believe there may be a case for a radical new approach, particularly for wider and greater delegation of financial and administrative authority. During the past few years there have been references in this Council indicating that the organization of the Colonial Secretariat was under review. I would like to know, Sir, whether any formal machinery has been established for this purpose and what conclusions, if any, have been reached as a result of this study. If no extensive study of any kind has yet been carried out, I would suggest that consideration be now given to the setting up of a special committee to look into the Government machinery in depth with a view to recommending changes likely to result in a more efficient operation. This committee should comprise mainly experienced officers who are either working, or have previously worked, in the Secretariat.

I now would like to follow up the question I raised in this Council on 21st July 1971 about the Public Assistance Scheme. On that occasion, my honourable Friend, the Colonial Secretary, indicated in his reply that the monthly expenditure on public assistance payments was below the budget provision: \$1 million as against a budget

provision of about \$1.4 million a month and an estimated expenditure of about \$1.7 million a month at the end of this financial year. He anticipated a steady rise in applications. I am glad that you mentioned that the need for an upward revision of the scales of assistance was now being studied and you were hopeful that it would be possible to reach a decision on this shortly. In my opinion, the level of assistance is really low in relation to the cost of living and somewhat out of proportion to the expenditure involved in administering the scheme.

Finally, I wish to turn to the subject of sports. Suggestions have been made from time to time that Government should give more positive support for promotion of sports. Here I have two suggestions to make. First, consideration should be given to the setting up of an advisory body similar in nature to the Social Welfare Advisory Committee for the purpose of advising the Government on policy administration and subvention for sports activities. My honourable Friend, Mr Wilson WANG, mentioned a Government supported Council for Physical Recreation. This also has merit. Of course there are many practical problems in both ideas which need to be examined before positive recommendations can be put forward. But it seems necessary something along this idea should be pursued. Secondly, as an immediate step, I would suggest for consideration the possibility of giving tax exemption to moneys donated to sports associations with creditable achievements as well as expended by employers for the purpose of providing sports activities for their employees. If my proposal is accepted, donations to sports associations can be treated as an extension of section 88 of the Inland Revenue Ordinance under which tax relief is provided in respect of donations to charities. As for amounts incurred by employers, it should be allowed to charge as expenditure in accordance with the provisions of the Inland Revenue Ordinance. My proposal has the merit, I submit, of placing this responsibility on both Government in an indirect way and on the employers and those genuinely interested in the promotion of sports in Hong Kong. In the past Government has too often been looked upon as the party responsible for providing almost everything that the community needs; this is not a healthy attitude and I believe that in certain fields, of which sports is one of them, there is a justification for a partnership between the Government and the interested bodies.

Sir, I support the motion.

MR G. M. B. SALMON: —Sir, may I first say something in amplification of the references to Housing made by my Friends, Mr SZETO Wai and Mr Wilfred WONG.

In April this year, I was in a small group which went to two Resettlement Estates in Kowloon by night, on one of the most useful

[MR SALMON] **Motion**

visits organized for Members of UMELCO, and this was an eyeopener that I recommend to all Members of this Council, both Official and Unofficial; because, to be frank, the conditions in these two Estates were appalling and have to be seen to be believed. Indeed I wonder whether Government even now fully realizes the extent of the problems they face in effecting the improvements that are needed, particularly in the older estates.

Looking backwards does not usually help much, and suffice for me to say here that the whole planning and design of the old estates, even though they may be said to have been something of a crash programme, was sadly lacking in some respects. For example, there was quite clearly a failure to provide sufficient shopping or market facilities so that now unlicensed hawkers, whose numbers have been allowed to get quite out of control, take up practically every inch of what was supposed to be open space. The health and fire hazards from these people are serious, but until new markets can be provided, which because of limitations of space can only be provided I believe if accommodation blocks are pulled down, hawkers are needed.

In these older estates, there is primarily a problem of congestion and it is obvious that a room, such as one we saw, allocated to a couple with two small children in 1959 is hopelessly inadequate now that the family has increased from four to eleven in 1971. It seems that we quickly need plans for a further decantation of overcrowded families in considerable numbers, which is in line with what you have said, Sir, of paying more attention to individual rather than mass needs. I believe there are plans in the pipeline for the conversion of various blocks, and the demolition of various blocks, and I hope action will be progressed as a matter of real urgency. I myself would advocate the improvement of old estates getting no less a priority than the building of new ones, except of course that we need new ones to take the overflow from the old ones.

There is also the problem of the management of Estates by the Resettlement Department at all levels. It seems to me that the Housing Authority's Commissioner for Housing, who manages low cost housing estates, is sensibly provided with a team of professionals in the form of architects, structural and building services engineers, housing managers, and so on; whereas my honourable Friend, the Commissioner for Resettlement, with a far bigger task, is nowhere near so fortunate. His ground staff, who doubtless do a good job in very difficult circumstances, are surely too thin on the ground to manage effectively what are in effect big townships with problems not only of congestion and hawkers, as I have mentioned, but lighting, cleanliness, sanitation, and many others.

In my view, Sir, the time has come for a high-powered Committee, chaired possibly by my honourable Friend, the Colonial Secretary, himself, to consider urgently, first, whether all Government low cost housing and Resettlement Estates should not now be put under one authority and under one management of professionals, as suggested by my Friend, Mr WONG; and, secondly, to plan and put into effect a concentrated attack to reduce the grave problems of congestion in the older estates, to lessen the hawker conglomerations, to create more shops and markets, to provide better arrangements for rubbish disposal, more restaurants, more open spaces and playgrounds, and better facilities generally. While the 1970 Annual Report says that housing its millions is one of Hong Kong's proudest achievements, and indeed the massive housing programme over the last fifteen years or so has been a remarkable one statistically, I suggest, Sir, that no one visiting Tze Wan Shan this evening, with its population of 130,000, would be in the least proud of it.

I would now like to turn to my Friend, Mr Q. W. LEE's speech and his reference to delays in the Colonial Secretariat and other Government departments. I too do not wish to appear critical of my honourable Friends, the Colonial Secretary and the Financial Secretary, as both have my full admiration and both are known to us all of being fully capable of moving fast. But I wonder whether they do not have far too much on their respective plates, whether too many policy matters have to go to these two officers and whether their heavy work load could not somehow be spread wider afield.

I venture to suggest that directly under the Colonial Secretary and the Financial Secretary there might be what in UK are known as "Overlords", as many as are necessary to cover the entire range of Government policies and departments. The Colonial Secretary would, of course, retain ultimate responsibility and he together with the Financial Secretary, Attorney General and Secretary for Home Affairs would continue to be Members of the Executive Council. I don't know, and I am sure I never shall, how my honourable Friend, the Colonial Secretary, gets through his work during a day, and he probably needs half the night as well. But his responsibilities as "the Governor's principal adviser on policy, the chief executive of the Government, the head of the civil service and the chief Government spokesman", to quote the Annual Report again, are so wide that one wonders how he can possibly cope with departmental policies, the co-ordination of such policies when more than one department is involved, discussing policies and problems with Heads of Departments, and so on. In the same way, the Financial Secretary with responsibility for all financial and economic matters, as well as for many important Government departments, would seem also to be burdened with far too much.

[MR SALMON] **Motion**

My suggestion would not involve changes in the constitution of the Colony. But there should I think be a substantial change in the practice of the Secretariat which, because of the constitutional position, requires the Colonial Secretary and the Financial Secretary to satisfy themselves personally on all matters coming before the Executive Council and the Finance Committee. It seems to me that it is no longer possible for them to do so. The Overlords whom I referred to should be fully capable of taking responsibility for decisions and recommendations within their own spheres and they, in practice, would prepare papers for the Executive Council and the Finance Committee and would attend before those bodies to answer questions. I am speaking now, Sir, of a real devolution of responsibilities from the top downwards, in such a degree as to break down substantially the present single or rather double pyramidal structure of the Secretariat and to substitute for it as many pyramids as are necessary. The work of any one of the new and small pyramids should then be capable of being properly controlled, co-ordinated and expedited by the particular Overlord in charge. No Overlord should change his job in less than five years provided he could satisfactorily give an annual account of his stewardship of office and to account for any delays or deficiencies in the performance of the range of public services for which he is responsible. The present system of posting senior administrative officers from one job to another at frequent intervals cannot do much to encourage a sense of personal responsibility, whilst the lack of real delegated power inhibits it.

My suggestion for Overlords is not merely to take the pressure off the Colonial Secretary and the Financial Secretary, but to speed up decision-making and action. I imagine all my Unofficial Colleagues in this Council have at one time or another, if not fairly often, heard someone in a department say "such-and-such a matter has been bogged down in the Colonial Secretariat for months". These long delays can cause great inconvenience or even hardship for the public and must be frustrating for department heads wishing to get on with things. The pin-pointing of responsibility at the level of the Overlords would help eliminate these bottlenecks.

My Friend, Mr LEE gave as an example of delays the processing of applications for modification of terms of Crown leases. Another example that has been brought to my attention is the delay in dealing with objections to the Town Planning Board against District Zoning Plans. Certain property owners in the Western District whose properties are within the area of the urban renewal scheme have been left in a prolonged state of frustration by lack of decisions for some 16 months; I hope it will be possible for an Official Member of Council to state when this matter will be resolved. Examples of projects which seem to

have been bogged down for ages are the new General Post Office, which got into Category B of the PWD's programme as far back as 1962, and the Civic Centre for Kowloon, which is so badly needed. As my Friend, Mr SZETO Wai has said, it would seem that every possible fact and figure must now have been assembled to make possible a decision on the underground transit system; but from month to month, if not from year to year, the decision is not forthcoming. In June of this year, the then Financial Secretary in reply to a question regarding welfare for seamen said that Government had received a proposal from the Port Welfare Committee a year before and the matter would only now be given "urgent consideration". These are the sort of delays, to which many more could be added, which indicate that as pressure of work grows in Government, decisions and action are taking longer. I fully support my Friend's suggestion of a new look into the Secretariat machinery to see how best the wheels of Government could be made to turn faster.

Reverting to the GPO, there is every indication that there has been some drop in efficiency, probably also in morale because of the conditions in which the staff have to work. I myself cannot think of any good reason why the new GPO, which has been in the planning stage for so long, is to be on this side of the harbour and not in Kowloon, but it is doubtless too late to suggest a change of site at this stage. The important thing is to get a new one built, so that the staff have a chance to work efficiently. In this connection, I wonder when other departments in old buildings, for example, Commerce and Industry and Marine—are going to get modern accommodation. I would suggest that not only is efficiency improved when people work in reasonable surroundings but it increases the standing in the public eye of the department concerned. The present accommodation of the Commerce and Industry Department, which has to receive high-powered visitors, must surely be an embarrassment to the Director and his senior colleagues as well as depressing to work in, although few of us, I think, see my Friend, Mr CATER, in any state of depression in spite of the problems with which he is currently faced. I would like to support all that my Friend, Mr BROWNE, has said on trade in general and to emphasize how important it is that Government and Commerce and Industry should continue to keep in close touch and consultation so that there is unity of view over principles and tactics, and a unity of resolve.

Sir, I support the motion.

MR OSWALD CHEUNG: —Sir, the activities of the criminal elements in our society over the past few months reinforce the conviction, which I voiced in January, that the time has finally come to strip section 109A

[MR CHEUNG] **Motion**

of the Criminal Procedure Ordinance from the statute book. I pressed for that and other associated measures then. I said that the milder measures which commended themselves to the majority of honourable Members might, with luck, level off crime. It is obvious that we have not had the luck; violence and killing have risen to more dreadful levels. We cannot gamble with the lives of our law abiding citizens nor with their persons or property, and the sooner we stop wasting our inheritance by putting our money on untested and doubtful theories of criminal punishment, the sooner we secure lives, person and property. To me it is scandalous that we allow laws to remain on the statute book that could bring about this state of affairs; that a young man who was allowed to plead guilty to manslaughter a few years ago should have been charged with another killing shortly after completing the mild sentence that was passed on him.

In the midst of the many statements on this subject made in the past few months, I detect sentiments which suggest that Government has been deficient in measures that bring about social welfare and progress, that such deficiencies are really responsible for the increase in crime, and not just greed or lust or evil, and for that reason severe punishment is to be withheld until there has been such social progress that no blame can be laid at Government's door; in fact no blame can be laid upon anybody until Utopia has come. I do not for one instant subscribe to such counsel of despair, and I have every confidence that no member of the Government does. The less the need for the suppression of crime, the less that our energies are absorbed in that direction and the quicker social progress can come. I sometimes suspect that certain sociologists wish to hold this Government to ransom and agitate for social reform and social betterment, charging that the lack of it is the cause of violent crime and so make use of a matter of great public concern to draw attention to their priorities.

One kind of crime which makes the headlines less than crimes of violence, but which is as much as cancer in our body politic, is traffic in dangerous drugs. I repeat it is time we increased our penalties in that direction, both as regards imprisonment and fine. As regards imprisonment, a life sentence is not the answer; for it really means 10 to 12 years only behind bars. If the Lord Chief Justice of England thought fit to imprison the traitor Blake for 40 years—40 years certain—we should not be wrong if we increased the maximum sentence to 20 or perhaps even 30 years. As for the maximum fine of \$100,000 for trafficking, it is quite inadequate. It is time to raise the ante and, in my personal view, nothing short of a maximum of \$10 million would be sufficient to hit at the pockets of those engaged in this trade; but I would let the Government name its own figure so long as it amends

the present derisory one. I cannot see objection to such a penalty—such a fine—coming from the most liberal minded of our criminologists; nor would the framers of Magna Carta turn in their graves: they said no freeman should be excessively amerced, but they did not at any time have such scoundrels within their contemplation.

I make this small contribution to our debate, Sir, with the object or the hope of securing the many advantages which have been given to our people during your distinguished tenure of office, and in the hope that the foundations in the way of social progress you have laid might be built upon, and not crumble away because we do not tend to the white ants that are eating away at them.

Sir, I support the motion.

MR K. S. LO: —Sir, those of us who have listened to your opening speech cannot help but share your pride in the achievements of this City during your term of office. This is all the more amazing when one stops to ponder that these achievements have been attained during some of the most difficult and turbulent period of our history. This alone speaks well of your leadership as well as the strong will of our people to forge ahead.

Surely, this magnificent record of ours should give us all sufficient confidence in ourselves to face and tackle whatever problems that may beset us in the seventies.

I should like to begin by taking a cue from your concluding remarks in which you said that all Government had done and was now doing was for one purpose only "to provide a better life for all who live here and to create expanding opportunities and better services for our growing population".

As you rightly pointed out this would be wholly dependent upon our ability in maintaining a decent rate of economic growth. And this growth can only be maintained if we double up our efforts in producing higher quality goods and finding markets for them. With the uncertainties in the international monetary system and the trading conditions created by the new NIXON policy, the prospects for our external trade in the coming year must remain cloudy. However, there is nothing that we need to despair about, as long as we brace ourselves for all eventualities, and are sufficiently determined to overcome them. The fact that right at this moment we have three different trade missions knocking at the doors of our trading partners in three different continents is sufficient evidence of our determination to forge ahead come what may.

[Mr Lo] **Motion**

In order to be able to produce high quality goods, there must be two prerequisites. Firstly, we have got to have a better trained labour force and more technicians, and secondly better equipment for them to use in the process of production.

As technical education is the key both to the quality of labour and the development of technicians, I am pleased to see that finally the new Hong Kong Polytechnic is now taking shape. Furthermore, the Government has now committed itself to go ahead with two more Technical Institutes besides the one at Morrison Hill, and I note, Sir, you said that these two institutes would be built as soon as possible. But in view of the fact that the one in Morrison Hill took seven long years to build, I cannot help but share my colleague, the honourable H. J. C. BROWNE's anxiety as to the time it will take to have them finished.

So much on the Government side; but in order to complement with the formal training, the private sector must also step up the in-plant training facilities, and it is hoped that the larger concerns will take the lead in instituting craft and technician apprenticeship programmes in their factories as soon as the scheme is introduced.

I said earlier that our ability of being able to produce higher quality goods was dependent upon better trained labour and better production equipment. It has been said of the developing nations that it is no use having highly sophisticated equipment until their workmen have been sufficiently trained to use them. The corollary is equally true and that is that skilled labour and technicians cannot produce better goods until they are given more sophisticated equipment.

In this respect, I am delighted to see that a low cost Automation Centre has now been opened by the Productivity Centre to teach the small factory owners the advantages that some simple and light automation equipment can bring to their factories. However, to be able to install them finance is required, and it is not often easy for the small factory owners to borrow from the banks. In order to help these small people in the field of finance, the Trade and Industry Advisory Board has after years of study, submitted to Government a very modest scheme involving initially a sum of \$30 million to get a loan for a small industry finance corporation started.

In fact the recommendation for the establishment of a low cost Automation Centre was made to Government by TIAB in conjunction with the loan for small industry so that the two schemes could go hand in hand. Now that one has got started, it is hoped Government will give the green light to the other.

In your speech, Sir, you mentioned about bank deposits showing an average of 16% annual increase for the past 10 years. This is indeed a remarkable accumulation of wealth by our people. It will be a sad day for the banks, and the Government, and for all of us if, in the midst of an astronomical total bank deposits of \$17,000 million and Government's reserves standing at \$3,000 million, a modest sum of \$30 million cannot be found to get this scheme started.

You also pointed out, Sir, that the standard of living of our workers as measured by real wages had risen by 45% over the last seven years. This lends support to the latest survey carried out by the Labour Department showing our wages the second highest in Asia after Japan. We, as a community, are happy and gratified that our hard working workers are getting more and more of their share of the prosperity. Through higher wages and better working conditions, they are today enjoying a standard of living which they have never had so good before. We must see to it that this progress will continue as long as our productivity does not lag behind.

Having just returned after a visit to two of the most advanced countries, and seeing the financial losses sustained by them and chaos created by the ever present strikes and lockouts, I wish to appeal to our partners in industry, both labour and management, to work in greater harmony in order to maintain our economic viability. And this can best be achieved by the recognition of mutual dependence and mutual respect. Unless we can do that, we shall suffer the same consequences as the others are now undergoing. It can only lead to the road of stagnation and eventual downfall.

While we must try to work in harmony, yet it is useful to have some provision for a speedy settlement when a dispute does arise. So it is hoped that the Labour Court which is now under consideration will be established before long. It is noted that a very large percentage of disputes which had arisen over the past year were due to termination due to redundancy. I understand that the Labour Department is working on some legislation governing this eventuality, and I should like to know when this will be introduced into this Council?

While I am still on the subject of labour, Sir, may I put in a plea for a representative of labour to be appointed to this Council, if a suitable candidate could be found. With an industrial working force of over 600,000 strong, they represent a very important segment of our community. Although the Commissioner of Labour, as a Member of this Council, is watching the interest of labour and is always ready to advance or defend their cause, nevertheless it is desirable that they should have a voice of their own.

I should now like to turn to the controversial subject of legalization of gambling which was aired in this Council some time ago by

[Mr Lo] **Motion**

my honourable Colleague, Mr G. M. B. SALMON. Since then so much rumour and speculation has been floating around, that it is time for Government to take a decision on the matter.

I must reaffirm my own aversion to gambling. If it is a simple choice between gambling and no gambling, I shall have no hesitation in choosing the latter. But gambling has been in every street and corner of our city for so long, and is likely to be around indefinitely, that our choice today is not whether there should or should not be any gambling. It is whether we should have legal or illegal form of gambling. We are all aware that illegal gambling is responsible for a large measure of corruption. We are also equally aware that it is the main cause of gang fights and violence arising out of the protection racket. It is the breeding ground for triads. It is also a great drain on our Police resources and manpower.

So why don't we then try to rationalize it if, by doing so, we can rid ourselves of these evils?

I think if by legalization we have some means of ensuring that illegal gambling can be done away with, some of our staunchest opponents might be willing to go along with us. I therefore put forward the following suggestions towards the accomplishment of that end.

Firstly, we must not look upon the legalization of gambling as another source for general revenue, because we shall have to bring down the betting tax to a level where it will leave the illegal bookmakers no margin for rebate on bettings. Secondly, although I do not advocate further introduction of any novel form of gambling, it is essential that the variety to be legalized must cover all existing and traditional forms. Unless there is a sufficient variety to take care of the needs, there will always be room for some one to sneak in one or two which might be in hot demand. Lastly, the number of betting shops or casinos to be licensed should be in adequate number and evenly spread over the entire Colony, so that the illegal operators may not cash in on non-availability of legalized shops.

Having said that, I should like to make another point and that is there must be no advertising or promotion of any kind to glamourize or stimulate gambling. The purpose is to provide the facilities for those who wish to make use of them, and not to encourage or entice more and more people to participate in them.

I said earlier that Government must not regard legalization as a source for general revenue. I therefore recommend that all revenue derived from the betting tax should be set aside for the exclusive use

for the betterment of youth. It should be devoted for the provision of recreational, educational and cultural facilities where our youth can better spend their leisure time. For it must be admitted that many people turn to gambling for lack of better alternative place to go. To be rid of a bad habit will take a long time. But if we could exercise some control over the evil on one hand and provide an alternative on the other, the time may come when our youth may be trained to use their leisure hours in healthy sports and profitable recreations.

Sir, I support the motion.

THE ATTORNEY GENERAL (MR D. T. E. ROBERTS) moved that the debate on the motion be adjourned.

Question put and agreed to.

Second reading

TRAMWAY (AMENDMENT) BILL 1971

Resumption of debate on second reading (1st September 1971)

Question again proposed.

MR SZETO: —Sir, for close to 70 years the tramcars have performed an admirable job in helping to transport our population from one end to the other on the north shore of our Island; and for 25 years their fares have remained static and low. In the 15 years from 1951 to 1966, the total number of passengers carried yearly by tramcars increased from 134 million to 182 million. It was observed by the "1966 Hong Kong Passenger Transport Survey" that the service provided by the tramcars was better than that given by any other form of public transport on the Island when judged in terms of service provided for a given land use. Prior to 1967, half of the passengers carried into and out of Central District from both easterly and westerly directions travelled by tramcars.

Like bus transport, tramway transport was affected by the events in 1967 when the total number of passengers carried that year dropped to 155 million. This was increased to 158 million in 1968 and 162 million in 1969, but again a fall occurred in 1970 and the number dropped to 158.5 million. This falling-off was no doubt partly due to the rising living standards when some of its passengers switched over to other forms of transport but largely as a result of the regularization of the public light buses. Today, tramcars carry about one third of the total public transport passengers on the Island.

[MR SZETO] **Tramway (Amendment) Bill—resumption of debate on second reading (1.9.71)**

Whilst Hong Kong's tramcar cannot claim to be a tourist attraction, it is a trademark of the city. Of late, the grand old lady of our public transport has put on her finery of gay new colours, swinging along our crowded roads and offering her service with improved efficiency and capacity despite dwindling profits.

In view of rising operation costs, especially in wages, the tramways company is facing financial problems similar to those of the two bus companies as my honourable Friend, the Financial Secretary, has said. The present bill seeking to reduce its royalty payable to Government to nil for the current year is therefore equitable and overdue. Further, there is no valid reason to maintain this levy on tram users when a far greater number of bus users are exempt.

Sir, I support the motion.

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, the Government is grateful for my honourable Friend's support but cannot accept that the abolition of royalty is overdue.

Question put and agreed to.

Bill read the second time.

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

Committee stage

Council went into Committee.

**LAW AMENDMENT (MISCELLANEOUS PROVISIONS)
(AMENDMENT) BILL 1971**

Clauses 1 to 4 were agreed to.

TRAMWAY (AMENDMENT) BILL 1971

Clauses 1 and 2 were agreed to.

Council then resumed.

Third reading

THE ATTORNEY GENERAL (MR ROBERTS) reported that the Law Amendment (Miscellaneous Provisions) (Amendment) Bill 1971 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 FINANCIAL SECRETARY (MR HADDON-CAVE) reported that the Tramway (Amendment) Bill 1971 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 and next sitting

HIS EXCELLENCY THE PRESIDENT: —In accordance with Standing Orders I will adjourn the Council until 2.30 p.m. on Wednesday the 13th October 1971.

Adjourned accordingly at twenty-nine minutes past five o'clock.