

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 15th November 1972****The Council met at half past Two o'clock**

[MR PRESIDENT in the Chair]

PRESENT

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR CRAWFORD MURRAY MACLEHOSE, KCMG, MBE
THE HONOURABLE THE COLONIAL SECRETARY
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 CUMYRN LUDDINGTON, JP
THE HONOURABLE THE FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, JP
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, CBE, JP
DIRECTOR OF URBAN SERVICES
THE HONOURABLE JAMES JEAVONS ROBSON, CBE, JP
DIRECTOR OF PUBLIC WORKS
THE HONOURABLE JOHN CANNING, JP
DIRECTOR OF EDUCATION
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE JACK CATER, MBE, JP
SECRETARY FOR INFORMATION
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 GEORGE TIPPETT ROWE, CBE, JP
DIRECTOR OF SOCIAL WELFARE
THE HONOURABLE DAVID HAROLD JORDAN, MBE, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE WOO PAK-CHUEN, OBE JP
THE HONOURABLE SZETO WAI, OBE JP
THE HONOURABLE WILFRED WONG SIEN-BING, OBE, JP
THE HONOURABLE MRS ELLEN LI SHU-PUI, OBE, JP
THE HONOURABLE WILSON WANG TZE-SAM, OBE, JP
DR THE HONOURABLE CHUNG SZE-YUEN, OBE JP
THE HONOURABLE LEE QUO-WEI, OBE, JP
THE HONOURABLE OSWALD VICTOR CHEUNG, OBE, QC, JP
THE HONOURABLE ANN TSE-KAI, OBE, JP
THE HONOURABLE ROGERIO HYNDMAN LOBO, OBE, JP
THE HONOURABLE PETER GORDON WILLIAMS, JP
THE HONOURABLE MRS MARY WONG WING-CHEUNG, MBE, JP

ABSENT

THE HONOURABLE HERBERT JOHN CHARLES BROWNE, OBE, JP
THE HONOURABLE MRS CATHERINE JOYCE SYMONS, OBE, JP
THE HONOURABLE JAMES WU MAN-HON, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR RODERICK JOHN FRAMPTON

Oath

Mrs WONG took the Oath of Allegiance and assumed her seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT: —May I welcome Mrs WONG to this Council.

Papers

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation: —	
Auxiliary Forces Pay and Allowances Ordinance.	
Auxiliary Forces Pay and Allowances (Amendment)	
Regulations 1972	224
Auxiliary Forces Pay and Allowances Ordinance.	
Replacement of Schedule Notice 1972	226
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Royal Hong Kong Regiment)	
Assignment Notice 1972	227
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Royal Hong Kong Auxiliary Air	
Force) Assignment Notice 1972	228
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Royal Hong Kong Auxiliary Police	
Force) Assignment Notice 1972	229
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Auxiliary Fire Service Unit)	
Assignment Notice 1972	230
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Auxiliary Medical Services Unit)	
Assignment Notice 1972	231
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Civil Aid Services Unit)	
Assignment Notice 1972	232
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Essential Services Corps)	
Assignment Notice 1972	233

<i>Subject</i>	<i>LN No</i>
Prisons Ordinance.	
Prisons (Stanley Prison Annexe) Order 1972	234
Sessional Papers 1972-73: —	
No 15—Annual Report by the Director of Government Supplies for the year 1971-72 (published on 15.11.72).	
No 16—Annual Report of the Hong Kong War Memorial Fund Committee for the year 1971 (published on 15.11.72).	
No 17—Annual Report by the Chairman, Public Services Commission for the year 1971 (published on 15.11.72).	
No 18—Annual Report by the Commissioner for Census and Statistics for the year 1971-72 (published on 15.11.72).	
Reports: —	
Third Report of the Standing Committee on Superscale Salaries—1971 (published on 15.11.72).	
Fourth Report of the Standing Committee on Superscale Salaries—1972 (published on 15.11.72).	

Oral answer to questions

Exhaust discharge from vehicles

1. MR WOO: —

In connection with the "Keep Hong Kong Clean" Campaign, will Government state the extent to which use has been made of the powers in regulations 106 and 167(2) of the Road Traffic (Construction and Use) Regulations regarding the emission of smoke from vehicles? How many notices have been served during the last two months

(a) on all types of public transport vehicles; and

(b) on private motor cars?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —I am grateful to my honourable Friend for giving me the opportunity to clarify the position regarding the nuisance to which he has referred. When a police officer sees a vehicle emitting excessive exhaust smoke,

[THE COLONIAL SECRETARY] **Oral answer**

a report is made to the Traffic Division which decides whether to prosecute under regulation 106 of the Road Traffic Regulations, or to call the vehicle up for inspection under regulation 167.

In September and October this year, the two months to which my honourable Friend refers, 878 notices were served by the Police requiring owners to produce vehicles for inspection because of excessive smoke. These notices related to 348 public transport vehicles, 324 private cars and 206 goods vehicles. During the same period, there were 77 prosecutions for the offence.

Most complaints about excessive smoke relate to diesel-engined vehicles because they often produce black smoke and an offensive smell, and their exhaust fumes are therefore only too obvious to all those of us who drive around Hong Kong. But, according to the scientists on the committee reporting on air pollution, fumes of this kind are not toxic. Gentlemen, you may or may not believe this, but this is as reported. (*Laughter*). In fact, the most dangerous pollutant emitted by vehicles is the almost invisible carbon monoxide, of which only a low level is produced by diesel engines.

My honourable Friend will, I hope, be pleased to learn that legislation to impose stricter control over motor vehicle exhaust fumes, particularly carbon monoxide and unburned hydrocarbons, is in draft. There are separate proposals which have not yet come before the Finance Committee of this Council for a new mechanical inspection centre, at which a wider range of vehicles could be inspected annually before their licences are renewed.

MR WOO: —Sir, may I ask my honourable Friend, of the 77 prosecutions how many convictions were registered?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —I cannot answer that offhand, but I think I am right in saying 77.

Stock exchanges

2. MR WOO: —

Sir, I seek your permission under Standing Order No 17(4) to ask a question without notice. I consider its subject to be one of urgent public concern and, for the convenience of honourable Members, a copy of it was distributed before this sitting.

I have already informed my honourable Friend the Financial Secretary of the matter and therefore the requirements of Standing Order No 17(4) are met.

The question is:

“Has Government any intention of allowing the establishment of any more stock exchanges in Hong Kong?”

HIS EXCELLENCY THE PRESIDENT: —The question is in order.

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, the Government cannot at present prevent the establishment of any more stock exchanges in Hong Kong. The fact is no statutory powers exist to forbid the formation and operation of stock exchanges, but only to withhold recognition under section 2A of the Companies Ordinance.

Under the bill dealing with securities, which I hope to introduce into this Council within a few months, only those stock exchanges approved by the Financial Secretary will be allowed to operate in Hong Kong after the bill goes into force. I intend to approve only those which are recognized for the purposes of section 2A of the Companies Ordinance. It follows that any exchange which is not recognized cannot continue to operate; and any new stock exchange which may be established between now and the date of the enactment of the Securities Bill will not be recognized. In other words, it is our intention to restrict the number of exchanges allowed to operate and this will be coupled with a system of registration of all dealers.

Having said this, Sir, unless there be any misunderstanding, may I say, in addition, that the Government reaffirms its view that there is scope for improving the organizational arrangements and procedures of the existing stock exchanges.

The Securities Bill is designed, among other things, to achieve this.

MR WOO: —Sir, may I ask my honourable Friend, with regard to the existing stock exchanges which are at present four in number—of which one, the Kowloon Stock Exchange, has not yet been recognized by Government—can my honourable Friend inform this Council as to whether this exchange will be recognized?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, any exchange which is already established will be considered for recognition in its own right.

Statement

Third Report of the Standing Committee on Superscale Salaries—1971

Fourth Report of the Standing Committee on Superscale Salaries—1972

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, I laid on the table this afternoon the Third and Fourth Report of the Standing Committee on Superscale Salaries.

The Third Report was almost entirely concerned with the grading of superscale posts as distinct from any question of salaries. The Committee's review of gradings was comprehensive, and I must express my gratitude. All their recommendations have already been accepted by the Finance Committee of this Council and have been put into effect. Certain recommendations regarding superscale conditions of service overlapped with more generalized conditions of service and of course had to await the outcome of the 1971 Salaries Commission.

The Fourth Report, dealing principally with superscale salaries, flowed largely from the accepted recommendations of the overall salaries review by the 1971 Salaries Commission. So far as the Committee's recommendations on salaries are concerned, they have been accepted by you, Sir, in Council and by the Finance Committee of this Council. But the Fourth Report also deals with a number of matters affecting officers in the superscale, some of which have service-wide implications, and on some of which the further advice of the Committee may have to be sought. As regards salaries, the functions of the Standing Committee are to ensure that the remuneration of senior officers does not fall seriously behind salaries in the private sector, and remains consonant with the salaries of the time-scale officers. Thus, as usual, the senior officers are being dealt with not first, but last.

It is not necessary that heads of Government departments and other senior officers should be remunerated exactly on a par with the heads and senior executives of major business enterprises, but it is vital, as I have said, that the rewards should not be too much out of line with those in the private sector, though we must take into account the greater security of tenure of the civil servant, and the lack of flexibility in Government salaries. In the private sector individual salaries may be adjusted by bonuses, which also reflect the profitability from time to time of a particular business enterprise. A balance must therefore be struck, and the Committee, I am glad to see, paid special attention to this point including bonuses, on this occasion, and have produced a judgement of Solomon.

I think it is opportune to remind the public why superscale salaries are considered by an entirely independent committee, which is composed entirely of Unofficials, and to place on record my assurance that no intervention is made by senior officials in the Committee's deliberations on salaries, and that the Committee's recommendations are not in any way prejudiced by official views. As in the United Kingdom, where there is a similar Committee under Lord Boyle, we consider that senior civil servants should have no part in adjudicating their own remuneration—not only would this be improper but it would be most embarrassing for the officers concerned if such an obligation were laid upon them.

Finally, because of the dating of this Fourth Report of the Committee, it might be represented that this is the first in another round of civil service pay awards. Far from this being the case, it is in fact the last of the awards made as a result of the 1971 Salaries Commission, and dates back not to April 1971 but only to April of this year; certain minor adjustments to superscale salaries were made in January this year but these were principally related to the new method of calculating rent payments introduced in April 1971.

The Standing Committee was set up in 1963, and the first and second reviews were made in 1964 and 1969. As the revision now accepted by the Finance Committee of this Council was based on a review of the position in the private sector as at 1st April 1972, it was agreed that only this degree of retrospectivity was equitable in the circumstances.

I would like to express my gratitude to Mr Ross, as Chairman of the Committee, and to the Members of the Committee for the thorough review they have carried out and for their conclusions, which Government accepts as being both fair to the officers concerned and to the public whom they serve.

Government business

Motions

Address of thanks to His Excellency the Governor

Resumption of debate on motion (2nd November 1972)

Question again proposed.

MR ALEXANDER: —Sir, this afternoon I shall deal with my honourable Friend Mr LOBO's remarks concerning certain sporting, recreational and cultural matters.

[MR ALEXANDER] **Motions**

Mr LOBO has suggested that consideration should now be given to having a central pool of heavy recreational equipment and supplies from which voluntary agencies can borrow their requirements ("until other plans eventually materialize"). He has also proposed that all recreation, cultural as well as physical, should be integrated in one department whose responsibility would be to organize all activities through district centres and schools; these centres to be responsible for co-ordinating all cultural and athletic activities, whether official or voluntary, with the aim of developing highly skilled national performances.

As Mr LOBO (in his capacity as an Urban Councillor) knows, the question of making full and effective use of our sport and recreation facilities is now receiving careful attention by Government and it is realized that some organizations do experience problems of the kind mentioned by him. Naturally, his remarks in this debate will now be taken into consideration—though, to my mind, the Urban Council cum the Urban Services Department already provide one roof under which recreation and culture flourish.

With regard to his other remarks concerning our music festival, youth orchestra and children's choir. Government and particularly the Urban Council are well aware of the problems.

The City Hall is very heavily booked and, under undiminishing pressure, finds it impossible to satisfy all the demands for the use of its facilities for performances, much less for rehearsals. The Urban Council has suggested that a complex be built in Kowloon to relieve this pressure, which has led to an examination of possible sites and costs. But even if, in consequence, a decision can soon be reached to build, so large a project must take several years to complete.

Mr LOBO has also suggested or implied that the three organizations concerned merit special consideration and encouragement. I am glad to say that all of them (over and above the privilege they share in common with other non-profit making societies of having some priority when it comes to balloting for the City Hall facilities for themselves) also, like many other such societies, have had their performances at the City Hall presented, either under the direct sponsorship of the Urban Council or in association with it as joint presentations. And, no doubt, this practice will continue to the advantage of the Urban Council, the public and the organizations concerned. The requirements of the Schools' Music and Speech Association in organizing their annual festival are also recognized by the Urban Council and special arrangements are made for the booking of facilities for some of their many sessions.

Mr LOBO also made reference to the practical problem faced by the Hong Kong Youth Orchestra in the matter of accommodation and asserted that it has nowhere to practise. In fact, the Orchestra has been granted by the Urban Council, albeit on temporary terms, the use of one floor in one of the buildings in Kowloon Park. The rental is \$1 per year and the place is now used not only for extensive rehearsals and practice for members of that Orchestra every weekday evening and all day on Saturdays but also for the storage of their musical instruments.

Further, I have no doubt that if the plans of the Hong Kong Arts Centre come to successful fruition, very useful and practical developments in the fields of the arts, particularly of music and drama and dance, will flow therefrom.

Sir, I support the motion.

MR BRAY: —Sir, the motion before Council is one of thanks for Your Excellency's speech on the opening of this session and it is one on which I do not need even the gentlest flick of the whip by my honourable Friend the Colonial Secretary to persuade me to support. The social programmes which your Excellency announced have been extremely well received in the New Territories by a discriminating public. This welcome, which has been expressed to me by several Councillors of the Heung Yee Kuk, is not based on a cursory reading of such extracts of Your Excellency's speech as reached the press but on a study of the full text. My request for 150 copies of the full Chinese version for the Heung Yee Kuk was by far the largest request that was received in the Information Services Department. All were glad to learn from the fine print that these far-reaching programmes, which must mainly be directed at the urban areas, will also be extended throughout the New Territories.

There were references in speeches of some of my Unofficial colleagues to certain development matters in the New Territories which involve the fields of the Public Works Department and my department, and these matters will be dealt with by my honourable Friend Mr ROBSON.

My honourable Friend Mr CHEUNG made a delicate and brief reference to the quite incredibly complicated web of logic, law, administrative practice and plain commonsense that go to make up our practices for compensating land owners when land is required for public purposes. My honourable Friend complains of a lack of logic in our methods but I believe we have quite as much logic as is good for any policy.

[MR BRAY] **Motions**

When the Crown requires a lease from one of its lessees for a public purpose, logic alone would require the Crown to offer no more in compensation than the wording of the lease justifies. In particular, when compensating for the loss of a lease entitling the lessee only to cultivate the land, the Crown should compensate for just that. Similarly, when accepting such a lease in surrender for the grant of a new lease entitling the lessee to build on the land, logic could be held to require the payment of a premium precisely equal to the difference in value between the two types of lease. Pure logic has over the years been eroded by administrative practice. Premia charged on the conversion of leases have in practice failed to absorb the full value of the difference between the benefit to be derived from different types of land use. Commonsense on the part of land owners soon spotted this and thus created market values for agricultural land in development areas which reflected expectations which in turn could not possibly be justified by a logical reading of the leases for agricultural land. The law however still requires arbitration boards to award compensation in strict accord with the covenants of the lease.

The Letter B system, with a peculiar logic of its own, was introduced by one of my distinguished predecessors to deal with areas where logic had lost too much ground to commonsense. But even the Letter B system has its weaknesses, to one of which my honourable Friend drew attention. The present situation is not satisfactory. I am therefore having discussions with the Heung Yee Kuk with a view to seeking a solution which is satisfactory, practical, logical, sensible, and fair—if indeed any solution can ever contain all these excellent ingredients in full measure.

MR CANNING: —Sir, it is clear from the speeches made by my Unofficial colleagues and public comment generally that there is wide acceptance of the proposition which you advanced in your speech that in education the main thrust of our effort must be in secondary and technical education.

Unofficial Members especially welcomed your statement that one of our objectives is the provision of 3 years secondary education for all in the 12 to 14 year age group and that it was the intention of Government to address itself to this objective forthwith.

Honourable Members may wish to know that this year it was possible to allocate places in Government and aided schools and in places purchased in private schools to 44 per cent of the pupils who entered the Secondary Schools Entrance Examination. We shall do

even better next year as we can reasonably expect that 26 new secondary schools will be completed in 1973. This is an average of a new secondary school every fortnight and I have every confidence that it will be possible to achieve the interim target of 3 years post-primary education for 50 per cent of all children in the 12 to 14 age group by 1976.

The proposal to double the percentage of places in secondary schools for the full five year courses leading to the Certificate of Education Examination was warmly welcomed. The point was taken that if rapid progress is to be made towards achieving this target a degree of bi-sessionalism is essential. The honourable Mrs Joyce SYMONS said that she was not frightened unduly by the prospect of bi-sessionalism and I have since heard similar comments from others who are prominent in the field of education.

Honourable Members may be assured that urgent steps are being taken to reconstitute the Board of Education and it is my hope that a full and detailed paper will in the very near future be presented to the board outlining our programme for secondary expansion.

I would like to emphasize however that the targets which we are setting ourselves are indeed formidable. The capital and recurrent expenditure necessary to achieve our aims amount to levels which can truly be described as daunting to all but the brave in heart. It will be necessary too for the voluntary agencies engaged in education to extend their efforts considerably if the great tasks which lie ahead are to be accomplished. The rewards however are great and as you, Sir, said in your speech an expansion in secondary education to the extent proposed implies possibilities which are as exciting as they are far-reaching for our whole educational system.

Not the least of the benefits which will flow from increased secondary provision is that the Secondary School Entrance Examination will be less of an agony than it is now for the children who take it. I am frequently asked how soon it will be before this examination is abolished. I can assure honourable Members that I am well aware of the undue influence this examination has over parents, pupils and teachers. It would be an ideal situation if pupils in our primary schools could progress without hindrance to their neighbourhood secondary schools where they could receive an education within that neighbourhood secondary school which was tailor-made to their abilities and preferences. I am very much afraid however that in a situation where there are insufficient places for all pupils to proceed up the educational ladder, a measure of selectivity has to be imposed. Even in the tremendously expanded secondary education system which is envisaged with some 40 per cent of our primary pupils progressing to

[MR CANNING] **Motions**

five-year courses and the remaining 60 per cent to three year courses, some form of selection will still be necessary and a public examination held by my department with advice and help from heads of secondary schools remains the fairest method of selection. The alternative is for pupils to sit a whole multiplicity of entrance examinations held by individual schools and this would clearly be even more undesirable. The proposed increase of secondary provision will however take much of the heat out of this examination and this will be to the benefit of all concerned. I take a keen personal interest in this examination and it has proved possible in recent years to reduce somewhat the complexity of the questions asked. This process will continue. It is my intention that this examination will be as fair as is humanly possible and will be so graded that excessive cramming and coaching will not be necessary.

The other major examination for which I am responsible is the Certificate of Education Examination and I have already taken steps to make this examination less of a hurdle. Candidates are no longer required to present a group of five subjects and are no longer branded as failures if they fail in one subject in the group.

I have also taken steps to combine the English Certificate of Education and the Chinese Certificate of Education into one examination and this process is now well in hand. A new board has been established and in 1975 it should be possible for most of the major subjects to be common. This will mean that for those subjects the papers may be answered in English or in Chinese.

Any suggestion however to abolish this examination and replace it by a system whereby individual schools issue certificates claiming standards of achievement by their pupils must in our situation here be considered as being unreal. All the evidence shows that employers, the universities here and overseas, the professional institutions and others concerned value our Certificate of Education and it would be a retrograde step to abandon it.

I have, I fear, spoken at some length on examinations and, lest I be accused of being ignorant or unaware of the fact that there is more to education than examinations, let me repeat your remark, Sir, that the Government appreciates that we need to improve the quality of education in our schools.

Some of the comments made about our schools are unfair and untrue. The quality of education provided and the standards achieved in our long established schools in the public sector of education are very high and compare favourably with standards reached in state supported schools in other countries. We are however dedicated to

the proposition that our schools can be made better and to that end have established curriculum renewal and development teams to survey the whole content of primary and secondary education. Considerable progress has been made and I have every confidence that the very hard work that is now being done will be of enormous benefit to the children in our schools.

Several honourable Members have stressed the need to encourage a fuller range of activities in schools. I am in absolute agreement. We must try to move away from the present excessive emphasis on the academic courses. Schools are being actively encouraged to indulge in a wider range of activities in order to broaden the interests of pupils. These include games and sport, social activities, creative pursuits and excursions of educational and sociological interest. I am also particularly keen on introducing activities with an element of social service, and the Luen Yi Scheme whereby secondary schools in town link up with rural schools is going well.

Honourable Members have made a number of other valuable points, whilst I am unable today to comment in detail on each one, I welcome their interest and advice and I assure them that each will be borne in mind.

May I conclude by saying, Sir, that I sense a determination in the speeches made by the honourable Unofficial Members that our education service should be as big as we can make it and as good as we can make it. It will be the job of the new Board of Education and my Department to achieve this as expeditiously as possible.

Sir, I have much pleasure in supporting the motion.

MR CATER: —Sir, I am grateful to my honourable Friend Mr BROWNE for his kind remarks about my appointment as Secretary for Information. I have of course noted his comments on the relationship between Government Information Services and the Press.

As honourable Members are aware, I have recently been charged with the responsibility for the Government's total public relations effort. I am therefore concerned not only with the work of GIS and Radio Hong Kong, but with the public relations aspects of the work of all Government departments.

Since taking up my appointment, I have had several meetings with editors, journalists, and representatives from the television and radio stations in order to hear at first hand their comments on the Government's public relations organization and effort.

[MR CATER] **Motions**

There is always room for improvement and I, therefore, accept that there is room for some improvement in the work of GIS and Radio Hong Kong. However, the main criticisms I have heard so far from representatives of the media have centred on difficulties encountered in making direct contact with Government departments to obtain information. As a result GIS often acts as agent for journalists in obtaining information from departments. Inevitably, if GIS finds it difficult to obtain that information, it comes in for criticism by some sections of the media as being "obstructive" or "protective". In addition, some Government officers, who are perhaps reluctant to deal directly with the press, encourage journalists to submit requests for information through GIS in order to avoid direct confrontation with the media. It is easy to see, therefore, how some journalists may gain the impression that GIS is hindering them in their legitimate quest for information. In fact, of course, senior officers in GIS spend a good deal of their time and effort in obtaining information for journalists from other Government departments.

I believe that it should be possible to make arrangements for Government departments to deal more directly with the media, and intend in the near future to propose suitable ways of doing this. I hope that GIS will then be able to spend more time on the important aspect of its work of advising Government officers on the presentation of information.

This criticism does not apply of course to *all* departments and some have very good direct relationships with the media. Journalists also tell me that the situation seems to be better in departments which have their own public relations officers, seconded from GIS. By 1st January next year nine major Government departments will have their own public relations officers and I am hoping that this number will be increased during the course of the year. It is important to ensure, however, that information officers of the right calibre fill these important posts and, for this reason, it may not be possible to appoint departmental public relations officers to all the major departments as quickly as I should like.

The GIS has recently introduced one new facility which has been welcomed by representatives of the Chinese language media: I refer to simultaneous interpretation which was provided for the Secretary of State's press conference and for Mr ROYLE today. We intend in future to continue to provide this facility for all major press conferences. We also intend to introduce a facsimile service in Chinese, in addition to the GIS teleprinter service, early in the New Year.

Sir, I have pleasure in supporting the motion.

MR JORDAN: —Sir, it is, I suppose, just possible that when my honourable Friend Mr WILLIAMS spoke of the offices "insufficient in space and standard" in which "some of the most important Government departments are housed", he may have had at the back of his mind some thought of the Fire Brigade Building, in which he is often a welcome visitor. (*Laughter*). I must admit that we made a grave error some years ago in not accepting a takeover bid from my honourable Friend the Secretary for Home Affairs. My predecessors preferred to go it alone—and look where it got them. (*More laughter*).

But seriously, I am afraid that the demand for new office space for Government departments is such that there seems to be little hope of the Commerce and Industry Department being able to move out of its admittedly unsatisfactory accommodation before 1976. In the meantime, I hope we can soon achieve some improvement by what has been called elsewhere "some elements of refurbishment".

Although I would not attempt to deny my honourable Friend's proposition that a move to better offices would be followed by a marked improvement in efficiency and productivity, I would like to say that the converse is not necessarily true. Since I have just taken over as Director of Commerce and Industry, I can, perhaps, almost as an outsider, associate myself with my honourable Friend's tribute to our "shrewd and tenacious negotiators". I should like to say however that they would not have had their successes without the backing they get from many devoted public servants within the Department. I believe that I can claim that the Commerce and Industry Department has served Hong Kong well, and I can assure honourable Members that we will do our best to maintain the standards that have been set for us. We couldn't do this without the continued support and advice of our many colleagues in commerce and industry, who include past and present members of this Council. We shall continue to keep in close touch with bodies such as the Federation of Hong Kong Industries, the Trade Development Council, the Chambers of Commerce, the Chinese Manufacturers' Association, in our efforts to further the continued progress of our commerce and industry, on which, as you, Sir, reminded us in your address, our social progress depends.

If I may turn now to the speech of my honourable Friend Dr CHUNG, I am sure, Sir, that he would not wish me to take any of the little time available to me to say where I agree with him—but that I should come straight to the point. After all, we both spent some of our formative years north of the Trent.

My honourable Friend expressed concern over an "unfavourable trend" of slowing down in the rate of expansion of our domestic exports. This concern was shared by my honourable Friend Mr WU.

[MR JORDAN] **Motions**

Dr CHUNG also referred to the substantial increases in input costs for manufacturers, including wages and factory overheads, which were creating difficulties for industry in terms of competitive sales of their products, particularly for the export trade. With respect, I think it is fair to say that these increases in costs, particularly wages, have been largely the product of the rapid growth of exports in the late 1960s. We couldn't really expect to have one without the other. The growth in trade was not an unmixed blessing but the rise in costs was not an unmixed curse either. It brought about a greater sharing of prosperity in Hong Kong than I think has ever occurred before—and it provided a stimulus to improved productivity in our manufacturing industry.

So far as the rate of growth in our exports is concerned, I don't think we could have expected to go on as we did in 1968-1970. In those three years the rate of growth was so high that, despite the falling-off in 1971, the value of exports by the end of 1971 was more than double the 1967 figure.

I don't think we can expect to have steady and sustained growth at such rates. When one takes into account that the base figure is expanding all the time, an average annual growth in exports of 12 to 15 per cent seems to me to be as much as we can expect to achieve over the years. We may not reach this rate in 1972, but I think that, if this happens, it will be due as much to unfavourable general conditions in some of our main markets as it will be to increased competition from other suppliers. But there are already signs that demand is picking up again and I share my honourable Friend the Financial Secretary's optimism about the trading prospects for 1973. I agree with Dr CHUNG however that industry must seek every way open to it to increase its productivity and to expand and improve its range of products.

I accept also that the Government must do all it can to persuade other countries not to apply discriminatory restrictions against Hong Kong products and to have these removed where they exist. We do a great deal of work to this end and, except in the field of textiles and garments and in a few other cases, we have succeeded in safeguarding Hong Kong's access rights under the GATT.

My honourable Friend referred particularly to the French restrictions on many of our products, and to the Japanese Generalized Preferences Scheme. The French restrictions have never been the subject of negotiation. They are certainly discriminatory and unjustifiable and we shall continue to press for their removal. As honourable Members are aware, the Japanese Government has already

agreed, at the request of the Prime Minister, Mr HEATH, to review its list of exceptions for Hong Kong within the terms of its Generalized Preferences Scheme and we must await the outcome of this review before considering what further action may be required.

My honourable Friend also mentioned his concern that the British Government should continue to use its good offices to ensure that Hong Kong is treated justly and fairly by our trading partners. And he was concerned about precedents being established between Britain and Hong Kong which might be used by other countries to Hong Kong's detriment. I imagine he had in mind the recent negotiations about our exports of polyester/cotton products to Britain.

To take the general point first I can assure my honourable Friend that Her Majesty's Government in the United Kingdom does accept its ultimate responsibility for Hong Kong's external commercial relations. Both the Prime Minister by his action in Japan and the Secretary of State for Foreign and Commonwealth Affairs on his recent visit to Hong Kong have made this clear. With Britain's imminent entry into the European Economic Community, we have had to rely very considerably on the appropriate British departments for advice and assistance in determining Hong Kong's position in the changing constitutional and legal framework within which Britain will soon be required to operate. I believe we shall be able to continue to protect Hong Kong's interests both by our own efforts and through close and continuing collaboration between ourselves and the British Government.

There are times, as in the recent polyester/cotton textiles talks, when Hong Kong must negotiate directly with the British authorities and, in these cases, we are able to do so without being inhibited by the strict constitutional position. Such negotiations are conducted on the merits of the actual circumstances giving rise to the need to negotiate. Sometimes these negotiations are fairly tough going. The outcome is never likely to please everyone but, if I may take a leaf from my honourable Friend and predecessor, Mr CATER, I would say that the eventual outcome of our polyester/cotton negotiations with the British Government was not unsatisfactory.

I should like to turn now to another area in which the Government has a part to play and to a specific point made by my honourable Friend Mr WU, who suggested that Government should promote the development of high technology industries by providing land on a restricted user basis for those which cannot operate in multi-storey industrial buildings.

We do still have a relatively narrow industrial base in Hong Kong and 50% of our export earnings still come from textiles and garments. Of course there has been some diversification over the

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years but I would agree that it seems economically desirable that our industrial base should be widened further so as to provide opportunities for developing new markets and, by developing new skills and investment in more sophisticated processes, to increase our productivity and earning power. To this end, the Commerce and Industry Department has for some years actively promoted overseas investment in Hong Kong industry, with some encouraging results. Some of the substantial enterprises attracted to Hong Kong represent new industries or improvements in the sophistication of existing industries. These in turn encourage local industrialists to extend their product range and a good deal of this is going on all the time.

During the last year or so, the Department, in association with the Trade Development Council, has been expanding its efforts to attract more outside investment and skills into Hong Kong industry. Only last week a group of Swedish industrialists was in town at the joint invitation of the TDC and of the Department to consider the possibilities of joint ventures and other forms of industrial collaboration with Hong Kong interests. I hasten to add that they paid their own fares. More such promotions are planned and the Trade Development Council will shortly have trained industrial promotion officers attached to at least two of their overseas offices, working in conjunction with the Commerce and Industry Department.

To come back to my honourable Friend's point: I agree that our usual practice of selling industrial land to the highest bidder can indeed make it difficult to establish a new industry which cannot use multi-storey buildings. On the other hand, of course, the system of auctioning industrial land without restrictions as to user does enable the market mechanism to establish the real immediate value of the land. The Government has however been prepared on occasions in the past to recognize the desirability of promoting industrial development by selling land for specific industries under restricted user conditions. We have been thinking about doing this again with a view to facilitating the establishment of new and more sophisticated industries such as Mr WU referred to, and it is possible that at least one site may be offered for sale on restricted user conditions within the next few months. If so, I hope that this will result in an industry completely new to Hong Kong being established here.

Sir, I support the motion.

MR LIGHTBODY: —Sir, those of us who are closely involved in the housing field gratefully acknowledge the large green light given in Your Excellency's address, and for us the time for action has

come and the time for talking is past. The creation of a new Colony-wide Housing Authority and the setting up of a new Housing Department will involve plenty of action; so today I feel it is appropriate to be brief.

From the point of view of the people of Hong Kong, the families who will live in the new and greatly improved housing estates of the future, the new arrangements mean that the present variety of different doors into public housing will be replaced by a single door; and we hope that this process will lead us towards a more sensible allocation of available public housing. This will be particularly important in the next few years, when output will be low; the new, enlarged programme must be given time to deliver the goods.

A number of honourable Members commented on particular aspects of our public housing effort in their speeches and I would like to assure them that these points will be borne in mind in our planning. There was, however, one theme which attracted more comment from my honourable Friends than any other single topic, and that was what should be done about families living in public housing who have become prosperous since they first moved in. In principle, this is a sound and attractive idea, provided it is applied only to manifestly well-off families, able to afford a self-contained unit in the private sector at a probable minimum rent of around \$600. The problem then is to define what constitutes a level of family income which would justify moving them on; and then to find out which families are earning more than the accepted limit. As to the level, and the question of property ownership, much can be said on this question and I will not go into details. As to checking on family income, this is in effect a kind of means test, and my colleagues in the Social Welfare Department, who have considerable experience in these matters, tell me that continuing checks of this kind on this scale—remembering we have some 300,000 families in public housing with many more to come in the next five to ten years—do not appear to be a practical proposition. They would need an army of inspectors who would be exposed to endless temptations. Having said this, I would like to add that this is one of many question which will be put to the new Housing Authority for its consideration in due course.

My honourable Friend Dr S. Y. CHUNG reminded us of the need to keep a critical eye on public housing standards and he referred in particular to the present 35 square foot standard in our housing units. I would like to assure him that the standards are already the subject of frequent review and discussion, and the much improved designs and layout approved for the new public housing estates at Sha Tin testify to this. Of course, we are faced all the time with the same problem as our predecessors, that is, of striking a balance between

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the numbers we can house, housing standards and the availability of funds; and of course lower densities require more land. This is another of the many questions which the new Housing Authority will consider, and I do not think, Sir, I should say any more at this stage.

Sir, I support the motion.

MR ROBSON: —Sir, your announcement of Government's plans for a new housing programme, and the corollary, that this will lead to rapid growth of new towns in the New Territories, provoked a number of interrelated comments and suggestions by honourable Members.

Briefly these were: first, that we must have development plans for the new towns; second, that we must facilitate the contribution private developers have to make to the housing programme by accelerating land sales in the New Territories; and, third, the need to encourage efficiency and reduce costs in the building industry by fostering mechanization and increased labour productivity.

I wholeheartedly agree that, if the target of providing housing for 1,800,000 persons in ten years is to be met, there is an obvious need for comprehensive development plans; for it is new towns which must be built at Sha Tin, Tuen Mun and Tsuen Wan, not simply Government housing. Thus, while the Public Works Department will gradually be relieved of the burden of building this housing by the Housing Authority, it must immediately take up the new burden of accelerated planning and construction in the new towns to provide all the formed land that will be required to provide all the roads, the utility services and public buildings, without which there will be no new towns at all.

The Public Works Department has already formulated proposals for special teams to take over the planning and construction of the towns, employing consultant services as necessary to supplement the resources of existing staff. These teams will produce comprehensive and detailed plans for the most appropriate disposition of facilities in the new towns and for the timing of development so that we not only meet the housing target, but also maintain viable towns at all stages of their growth.

Plans such as these will certainly take into account the need to encourage private construction to proceed in parallel with public building but they must also be accompanied by the speedy acquisition of any private land which may be required for their implementation.

Such an arrangement could clearly lead to early land sales for private development as has been suggested by my honourable Friend Mr Q. W. LEE and I fully agree with him that such sales, with deferred occupation, will help to minimize costs of development and render less critical the period of planning and statutory approvals which precede the construction of new private buildings.

At this stage, however, I would like to sound a warning. The housing and new town programmes are dependent upon the availability of resources—not only of finance, but also staff within the Government Departments and capacity in the construction industry. Accepting that resources for planning and building are limited, then for the housing programme to succeed we will have to concentrate a very large proportion of our scarce resources in the new towns because at the same time we will have to carry on with the other massive engineering and building projects already in the pipeline. We will, therefore, have to discipline our enthusiasm, and concentrate on those projects which have priority.

Some doubts have been cast upon the ability of the leaders of our building industry to appreciate the economic advantages of increased labour productivity, mechanization and modern building techniques. Speaking on their behalf I am sure that they would not object to my saying that some improvements *can*, and will, be made. However, the building industry is subject to the same economic laws as any other industry; the efficient firms prosper, the inefficient fall and fail. In this respect it is reasonable to assume that those firms which went bankrupt in the 1967-69 period were inefficient and, by the same token, those who survived knew their business.

Nevertheless it can't be denied that labour productivity has decreased and a shortage of skilled tradesmen exists as many moved into manufacturing industries where they find conditions of work and wages more to their liking. There is also a problem in finding and training new generations of tradesmen who are prepared to carry on the arduous and uncertain life on building sites.

But the industry *has* reacted to this state of affairs. Building contractors *have* introduced mechanical equipment extensively. You will no longer find the female worker carrying basketfuls of earth and/or materials on the sites of large excavations or up a series of bamboo ramps to the top of buildings under construction, but instead the largest and most modern of excavators and conveyor belts with tower cranes dominating the skyline.

The Public Works Department has on a number of occasions in the past tested the economics of "system building" by awarding contracts for the "system building" of Government housing projects which

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are ideally suited to this type of construction. However, in the event, these systems did not prove competitive either in terms of cost or speed of production which leads to the conclusion that our building industry may in fact be more efficient than its western counterpart.

However, PWD tender documents are framed to permit alternative tenders for approved system building and recently two tenders for the system building of \$17 million worth of low cost housing at Tung Tau and Pak Tin were successful in competition with tenders for traditional building methods. The Public Works Department is again, therefore, waiting with great interest to see how successful these tenders will be in saving time as well as money, as with rising costs of labour there is no doubt that we can expect more tenders of this sort.

Sir, I would now like to turn to the suggestions made by my honourable Friend Mr WILLIAMS on how Hong Kong must adapt to containerization, rather than containerization be adapted to Hong Kong. If I do not entirely agree with my honourable Friend's comments on how containers should be "stuffed"—to use the jargon of the trade—it is *not* because my Department has failed to consider deeply the problems which containerization brings in its wake, but simply that we see different priorities and solutions.

It is my contention, although I am open to reasoned representations to the contrary, that the streets of Hong Kong are not, and cannot be, designed to permit street-side parking of containers for the purpose of "stuffing" or "unstuffing". I fully realise the advantage there would be to the manufacturer and the shipper in permitting the "door-to-door" service advocated by my honourable Friend, but this is where the question of priorities comes in and in my view the streets of Hong Kong must be reserved primarily for the needs of *moving* traffic.

The larger manufacturer, who has sufficient goods to fill complete containers, should do his "stuffing" within his own premises, and for the last ten years the lease conditions for industrial lots have included a requirement that an area be set aside for parking and loading within the lot. If industrial managers see the inevitable economic logic of containerization then it is clear that such areas *not* at the present moment used for the designated purpose must and will be returned to their intended use. The smaller manufacturer should make use of "stuffing" facilities provided at the container berths and godowns which have been specifically designed to provide this service.

While these are my personal views, I think they are also the views of those with responsibility for this matter within Government. Nevertheless, as I have indicated, reasoned representations on the subject,

which should provide some alternative proposal on how to deal with the problem of road congestion, could be discussed further with the representatives of the Container Lines Committee, the General Chamber of Commerce and other bodies primarily affected.

Turning to the movement of containers, forward planning and present construction of roadworks take full account of the needs of container traffic. We have in hand over \$71 million worth of roadworks in northern Kowloon which will help to provide speedy access to and from Kwai Chung container terminals. These works include a flyover connecting the terminals with Kwai Chung Road.

Government is therefore playing its part and I suggest that the correct course of action for container users and operators is to accept the limitations imposed by the nature and character of Hong Kong. If they will tackle the problems of storage and movement of containers on *land* with the same energy and enterprise as marked the preparation of the reports of the Container Committee and the subsequent construction by private enterprise of the container terminals, then Hong Kong *will* have adapted itself to containerization. Otherwise I am afraid it will not.

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

MR ROWE: —Sir, I have studied with care the references to social welfare that were made by honourable Members of this Council when they were replying to Your Excellency's address. I can promise all those who commented on social welfare matters, and on the draft White Paper "Social Welfare in Hong Kong: The Way Ahead" that what they have said will be taken carefully into account when the White Paper and the five year plan for social welfare development are finalized in the light of the response from the community at large.

Before I speak on the future development of social welfare in general, I should like to deal with the specific points raised by honourable Members. It might be appropriate to begin, not with the role of the Social Welfare Department, but with that of the voluntary agencies. As was noted by my honourable Friend Mr BROWNE, the planning exercise which led to the production of the draft White Paper was a joint one with the voluntary agencies. I was particularly glad that this was so, since I am convinced, for the reasons spelt out in the White Paper, that the voluntary agencies have, and will continue to have, a vital role to play in the provision of social welfare services in Hong Kong. I hope very much that the joint planning already undertaken and now established as a permanent feature for the future will have gone a long way to meet the worries of agencies about "red tape, occasional lack of Government response and a real worry about their financial position" that Mr BROWNE also mentioned.

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My honourable Friend Mrs Ellen LI questioned whether the projected rate of increase of 50 per cent subvention for the agencies over the five years from April 1973 would be adequate to sustain that continued improvement in the quality of social welfare service which we all wish to see. I believe that it will be. And I believe that the agencies, who have subscribed equally to the proposals in the draft White Paper, also regard the rate of increase as being realistic in the circumstances. After all, the rate of increase is 10 per cent in constant price terms only; in actual expenditure it is likely to be higher. And it has to be seen against a background of recent rapid increases in social welfare subventions—these rose by 300 per cent between 1965 and 1972. Moreover, this rate of increase was sustained at a time when Government, through the public assistance scheme, was taking from the agencies the burden of their relief work. The latter contributed about \$2,000,000, or over 10 per cent, to the subvention total indirect aid to the agencies, enabling them to release staff and resources for other purposes. It also has to be appreciated that the figures are intended as realistically descriptive, rather than as limiting factors; and that the rate of development required differs in various agencies according to their different activities. Some agencies will be positively encouraged to double their activities in the 5-year period.

I have noted what my honourable Friends Mrs Ellen LI, Mr Wilson WANG, Mr Q. W. LEE and Mr LOBO have said about the proposed disability and infirmity allowance scheme; and in particular their views on whether some form of means test should be written into the scheme. I cannot anticipate, of course, the decision of Your Excellency in Council, but I can say that the views that have been expressed inside and outside this Council will be one of the factors taken into account when that decision is made.

Honourable Members also expressed considerable interest in what you yourself said, Sir, about the proposed Institute for Social Work Training and about the role of the Social Welfare Department in community and youth work. If I may say so, I think the honourable Members concerned were quite right to focus on these topics. As to the Institute, we shall not delay, of course, the introduction of necessary social welfare schemes solely because we do not have enough trained staff to fill all the posts. We shall do the best we can with the resources we have. But, equally, the sooner we do have the trained staff available, the better; and that is why every effort will be made to get the Institute into operation as quickly as possible. I believe also, as Mrs LI and Mrs SYMONS have pointed out, that the Institute will provide

a valuable area of training for those who are not particularly academically minded, but who want to serve the community in a skilled and professional kind of way.

As regards community activities, I believe that the Social Welfare Department has a distinctive role to play in this field. I agree therefore with what both Mr Wilson WANG and Mr LOBO had to say. We should remember, I think, that community opinion and views are formed at different levels; and that services to the community should be provided similarly. I hope very much, therefore, that it will be possible to develop more "grassroots" work by community and youth officers. It is also very necessary, as Mr WANG suggested, to provide more community centres. I believe the proposals in the White Paper will match this need.

Turning to the social welfare field as a whole, I would like to thank honourable Members for supporting me in the view I expressed when the draft White Paper was laid last month. I said then that, if implemented, the White Paper proposals would represent the most important step forward in social welfare in the history of Hong Kong. Of course, in one sense a White Paper is only as good as the way in which it is followed up. But I am confident that with the White Paper we have laid at least the foundations for future progress—progress in translating community concern into practical social welfare programmes of which the people of Hong Kong can rightly be proud. The important thing is to sustain the impetus for progress; and I believe that the joint planning machinery that has been established will provide an effective means of doing so.

Perhaps, Sir, I might be permitted to conclude this, my last appearance in this Council, on a more personal note. Mr LOBO urged that Directors of Social Welfare should remain in post for at least four years. This may not, of course, be possible in all cases for compelling administrative reasons—though it is the fact that, since 1948, substantive Directors of Social Welfare (or their predecessors, the Social Welfare Officers) have been in post, on average, for 5 years. But I am glad to note that, as a Director of Social Welfare who has served for over 4 years in the post, I have met at least one of Mr LOBO's criteria! It is an exciting and challenging post; and I shall always be grateful to honourable Members for the support they have given me and the interest they have expressed in social welfare matters whilst I have been Director. Finally, Sir, I should like to say how much I have appreciated the personal support and encouragement which I have always received from yourself, Sir.

Sir, I support the motion.

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MR TSUI: —Sir, I propose to address the Council in Cantonese.

(From this point Mr TSUI completed his address in the Cantonese dialect. The following is the interpretation of what he said.)

Sir, in the speeches of my honourable Friends Dr CHUNG, Mr WILLIAMS and Mr James WU, the recommendations of ITAC were again brought to the fore. They touched mainly on training proposals, including the setting up of an Industrial Training Council and of Industrial Fellowships for graduates.

May I take this opportunity to re-state the position with regard to the ITAC's final report. Many of the recommendations made have been accepted and have been or are being carried out by Government.

For instance, financial provision for two further technical institutes to be operational by 1975, has been approved; and you, Sir, in your address on 18th October indicated that we should aim at three more still by 1980.

Government has also reached decisions on ITAC's other major training proposals, like instructor training, the construction industry's contributory training scheme, the clothing industry's contributory training scheme, and the Industrial Supervisory Training Institute. And most decisions have been communicated, through the Secretary of ITAC, to the interested parties.

The proposal for an industrial fellowship scheme to which Mr WU referred has been carefully considered. Whilst recognizing the value of this type of post-graduate training, Government considers that the cost of it should be borne substantially by the interests concerned, and industry is no exception.

The principal remaining proposal is for the establishment of a Hong Kong Training Council. As I said a few months ago in this Chamber, a decision about this should be reached before the end of the year. And I hope that, if a permanent Council is established, we shall be able to resolve the sort of staffing problems of the Industrial Training Division to which Mr WU referred, for the Council will need to be suitably serviced.

However, there is one, perhaps the most important of all ITAC's recommendations, which has received scant attention. I refer to the part that industry must play within the accepted principle that industry should be responsible for providing its own practical training while Government should be responsible for providing the necessary technical education. I am of course referring to the need for industry-wide

apprentice training. May I take the opportunity to solicit the help of my honourable Friends, all of whom have considerable influence, to encourage with persistence their colleagues in industry to accept and implement this very important recommendation.

My honourable Friend Dr CHUNG mentioned severance pay on redundancy. I know that a large number of industrial disputes arise from employers terminating the services of employees through no fault on the part of the latter. The problems involved are complex, and have been tackled in various ways in different countries. We have now completed an examination of these and the outlines of a possible scheme for Hong Kong have emerged. If one proves generally feasible and acceptable, legislation will be introduced.

Returning to the direction of effort which Your Excellency has indicated so clearly in your address on 18th October, I would like to take this opportunity to emphasize once again the importance of the promotion of industrial safety. There were 638 fatal accidents amongst 51,000 persons injured at work during the course of 1970 and 1971. To me these figures are worrying but I regret to say that they do not seem to be a matter of concern to the employers at large, as reflected by the rather discouraging response to the safety training courses offered by the Industrial Safety Training Centre of the Labour Department.

Promotion of safety and health at work is an essential function of good management. Here I am not talking about legal responsibilities; I am talking about the job of a director or senior manager. I appeal to all directors and managers to take a positive interest in the safety and health of their workers and to bring about better standards of safety through the co-operation of all those working in their establishments.

I shall have more to say in due course on the promotion of industrial safety. But today I would merely emphasize that it is only the boardrooms which have the influence, power and resources to take the initiative in producing firm policy-statements regarding the companies' safety objectives, and to see that these objectives are carried out at all levels. If the boards of all companies and firms in Hong Kong had taken this simple step, we would have advanced further along the road of promoting industrial safety.

In conclusion, I must also emphasize that employees, too, have an important part to play in accident prevention. In particular, they have an obligation to observe working rules and safe practices, and to use protective equipment where this is provided.

Sir, I have much pleasure in supporting the motion.

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3.59 p.m.

HIS EXCELLENCY THE PRESIDENT: —Perhaps at this stage Members might welcome a short break. Council will therefore resume in 15 minutes.

4.15 p.m.

HIS EXCELLENCY THE PRESIDENT: —Council will resume.

THE SECRETARY FOR HOME AFFAIRS (MR LUDDINGTON): —Sir, in the course of your address on the 18th of October you spoke of the campaign to make and keep Hong Kong clean and referred to it as an “experiment in the mobilization of responsible citizenship for the benefit of each neighbourhood”. Honourable Members in supporting this motion anticipated the success of the campaign and suggested that there were many other problems to which a similar technique might be applied. I can assure this Council that my staff and I have already been considering other problems which might be tackled in a similar manner. Crime, fire prevention, traffic and environmental hygiene were all mentioned. Each one would involve different departments and somewhat different techniques, but all would require a special effort by the Secretary of Information and all the mass media, which have cooperated so readily in the current clean Hong Kong campaign.

You have, Sir, agreed that we should start by examining how best to enlist greater public support for the campaign Government is already waging against violent crime.

I certainly agree with my honourable Friend, Mr James WU, when he doubts the truth of the allegation that Hong Kong people are all “apathetic and indifferent”. Good leadership, organization and liaison will convince people of the merits of a new course of action and gain their practical co-operation, for young people in particular are concerned about their city, their neighbours and their environment and are frequently impatient with the speed at which social progress is being made. For some time now City District Officers and others have been making use of this youthful enthusiasm on which so many different voluntary services rely. More could certainly be done to coordinate such voluntary effort on a regional basis and I will be looking into this. However I can assure this Council that committees of local people are already consulted by City District Officers on a wide variety of matters and their opinions are passed on to executive departments. Experts from these departments are frequently invited to such meetings to discuss particular problems. The views of the local people are forcibly expressed at these meetings and frequently local problems are

thus solved. Difficulties do sometimes arise when departmental and Government priorities differ from those which suit a particular group or neighbourhood.

In this context I should mention the recent growth of another community organization—I refer to Multi-Storey Building Owners Associations. The legislation to facilitate the formation of such associations was passed in June 1970 and at the end of last month 401 associations had been registered. The City District Officers foster these associations and try and assist them to solve some of the many problems arising from multi-storey life, many of which are outside the realms of any legislation. Here too we have a "mobilization of responsible citizenship" which can make a great difference to life in our buildings.

I have mentioned these new associations because I want to emphasize that though they do not have at present any executive powers, CDOs do have an ever widening task to improve and maintain the relationships between the people and the executive departments of Government. In many cases, particularly after emergencies, CDOs are directly responsible for the co-ordination of the work of executive departments in their own districts. I am certainly not against the assumption by CDOs of any executive duties which would enhance their effectiveness. What I am most concerned about is that they should not be given executive duties which could only be carried out at the expense of their present work. The staff of the ten City District Offices and nine sub-offices are working long hours to meet their present commitments. New campaigns and new duties without further staff and further accommodation would endanger the contacts which we have established and the services which we do now provide. The CDO must never be, I feel, forced to say to those seeking his aid "Sorry, I am just too busy".

Two honourable Members spoke of the need for experienced officers to be posted as CDOs and I shall have no hesitation in quoting them when I seek replacements from the Establishment Secretary. There is no doubt that the value of the CDO scheme is directly related to the quality of the staff invested in it. However, the CDO scheme is not an end in itself. Other departments responsible for achieving practical targets in housing, social welfare, sanitation and recreation must have their share of the relatively small pool of experience.

Finally, Sir, may I say a word or two on the only one of the four traditional vices that has been discussed so far during this session. I can reassure my honourable Friend Mrs Li that Government has thought a lot more than twice on the subject of gambling and certainly does not intend "to encourage the population to gamble openly". What

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Government has done is to consider what are the practical facts about illegal gambling today, what Police effort has been devoted to control that illegal gambling and to what effect. The conclusions of that study will shortly be put before you Sir, in Council. The issues are not only moral issues of good and evil but practical issues of what is and is not feasible. Perhaps I might borrow a phrase and suggest that Government in Hong Kong is the "art of the possible".

Sir, I support the motion.

THE ATTORNEY GENERAL (MR ROBERTS): —Sir, several honourable Members have expressed deep anxiety about the steady and substantial growth in the volume of crimes of violence in recent years.

I know that, in their voicing of these fears, honourable Members are, as indeed is so often the case, accurately reflecting the worries of many Hong Kong people.

I have no hesitation in agreeing with honourable Members that we are faced with a serious situation and that, in the public mind, the growth of violent crime in the past few years has reached a point at which it has become perhaps the main factor in the citizen's assessment of the effectiveness of the Government and of its concern for the safety and welfare of the inhabitants.

It is without doubt a sombre picture. The number of reported homicides in 1972 will be more than double the 1969 figure. The number of reported robberies this year will probably be three times the 1969 level. I do not propose to attempt any comparison of these figures with statistics of offences committed in other major cities of the world. Such comparisons have little relevance for, and give no comfort to, those who see a place in which it was quite recently safe to walk without thought of robbery become one in which many of its citizens labour under a constant dread of attack.

Much of the criticism, which understandably springs from these public anxieties, is directed at the Police and at the courts. This is, however, largely unjustified since it seeks to make responsible for the basic causes of crime those agencies which are primarily designed to deal with crime when it has taken place.

There has been much criticism of inadequate punishment of offenders by the courts. This is a predictable and understandable reaction in circumstances such as those with which we are now faced. It is often alleged that the courts are out of touch with the feelings of the community and that the outrage of the ordinary man is not

reflected in the manner in which the courts deal with wrongdoers who come before them.

I can assure honourable Members that the courts are fully alive to the views of the people and an examination of the statistics of sentences passed in the last two years shows that this awareness is reflected in the sentences. In 1971 about 59 per cent of those persons who were convicted of robbery in the Supreme Court or the District Court were sentenced to 12 months' imprisonment or more. In 1972 this proportion rose to nearly 69 per cent. During the quarter September/November 1970, 95 per cent of those convicted in the Supreme Court or the District Court of robbery were given custodial sentences, a figure which had increased to 98 per cent in the quarter August/October of this year, when the average length of sentence in the Supreme Court for robbery was nearly 7½ years and in the District Court was 3 years. In the magistracies, custodial sentences were imposed on 80 per cent of such offenders during the 1972 quarter, as opposed to 39 per cent in the 1970 quarter, and the average sentence of imprisonment imposed by magistrates for robbery rose from 10 to 13 months.

No doubt there will be cases in which, on the face of it at least, a court appears to have been unduly lenient. When this occurs, and the case is brought to my attention, it is now open to me to apply to the Full Court to increase the sentence. If I do not do so, this will be because it does not seem to me that it is so manifestly inadequate as to justify me in making such an application.

There is also criticism that there is an insufficient number of Police available on the streets to deal with violent crime and to deter it by their presence. As honourable Members know, a vigorous campaign has just been launched in an effort to recruit large numbers of men into the Force. At the same time the size of the Auxiliary Police Force is being substantially augmented to an interim target figure. If this figure is achieved, it is the Government's intention to seek further increases in strength to the limit of the needs of the community and the ability of the regular Police Force to make use of auxiliaries.

Mention has been made of corporal punishment, and the Government is well aware that there is not only a widespread demand for its use in more cases, but also a clamour for compulsory sentences of corporal punishment to be imposed on persons convicted of crimes of violence. Clearly, there would have to be exceptions, on the grounds of age or for medical reasons, to any such requirement of the law. Although it is a proposal which is open to other objections also, I must nevertheless say that, if the present trend of violence continues, the Government may be obliged to give serious consideration

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to providing for compulsory corporal punishment for specified offences.

These measures which I have mentioned, and others to which I shall shortly refer, show the part which the Government is taking in an effort to deal with the problem. But we cannot do it alone—crime cannot be kept within acceptable bounds unless every member of the community is prepared to do what he can to help. He must be prepared to take reasonable precautions to make robbery more difficult for the criminal. He must be prepared to do what he can to resist it and to report it to the Police. He must be ready to give evidence in court against thugs and thieves.

I realize, of course, that some people are reluctant to become involved with the Police. It is thought to be inconvenient and to take a lot of time to have to report to a police station. Nevertheless, such action is a public duty which a citizen must be prepared to perform if he wishes to see crime contained. The Commissioner of Police is re-examining the procedures in force in his stations in an effort to reduce the inconvenience to members of the public who attend to report crime, though there will always remain a measure of inconvenience to them.

But I say to members of the public, you cannot expect to have it all done for you. You must play your part. You must help the Police in the prevention, detection and punishment of crime. Without them, you would be cruelly exposed. Without you, they can achieve little.

I should issue a warning that, if people do become more ready to report crime to the Police, there will be an upsurge in the total of reported offences, not because there are necessarily more crimes, but simply because a higher proportion of them is being notified.

During the past generation we in Hong Kong have prided ourselves upon an increasingly liberal and humane attitude towards the treatment of offenders. More and more emphasis has been put upon the needs and the rehabilitation of the offender, rather than upon the legitimate protection of the interests of the community as a whole. Generally speaking, our chief aim has been to re-educate the criminal, in the hope that he will re-enter society and make a useful contribution to it, rather than to punish him and to deter others from behaving in a similar manner. It is a matter for regret that the time has now come for us to take a harsher view.

This conclusion was clearly expressed, in a recent judgment in the Full Court, by the Chief Justice, who said:

"In different times and under different circumstances, the order made by the magistrate may well have been a perfectly proper one, but we have to bear in mind that offences of this kind committed by young persons are unfortunately all too prevalent at the present time. In such circumstances, the public interest necessitates and requires the imposition of sentences which, although often inappropriate to the interests of the offender himself, are nevertheless necessary to deter other potential offenders from committing offences of a similar nature."

I have no doubt that the confidence of the public is more important than the rehabilitation and the personal circumstances of a particular offender. Government therefore proposes to adopt a number of tougher measures which we believe to be essential, if we are to overcome this challenge to our stability.

Firstly, there will be submitted to the Governor in Council for approval in the near future a bill to amend the Public Order Ordinance, so as to provide for a mandatory sentence which shall be not less than 6 months' imprisonment or, where appropriate, a detention order, for any person found guilty of being in possession of an offensive weapon in a public place, without lawful authority or reasonable excuse. It will be made clear also that any police officer may stop and search any member of the public in a public place, in order to ascertain whether or not an offence against this section appears to have been committed.

The bill will also raise the maximum sentence which can be imposed for this offence from 2 to 3 years. In addition, I propose to move a resolution, under section 124 of the Criminal Procedure Ordinance, so as to add the offence of possession of an offensive weapon to those in relation to which a sentence of imprisonment may not be suspended.

The object of this amendment is to try to prevent the carrying of offensive weapons, and I believe that it may prove to be a substantial deterrent. But, if it fails in its purpose, it may be necessary to consider introducing mandatory minimum sentences also for robbery or serious assaults.

The Government is examining the possibility of bringing back a form of rigorous imprisonment for use in the case of those convicted of crimes involving violence. The object would be to introduce a tougher and more exacting prison regime than is applicable to ordinary prisoners. Whether or not this measure can be introduced within the near future depends mainly upon the availability of buildings and prison officers.

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Another measure, to which the Government is giving urgent thought, is the introduction of a system of preventive detention, the object of which is to remove habitual criminals for long periods from the society on which they have been preying. Detention of this nature was in force in the United Kingdom for nearly twenty years after the war. It provided that a person who had been convicted of a serious offence on three or more previous occasions, and had undergone at least two custodial sentences, could be ordered to be detained as a habitual criminal for between 5 and 14 years, if the court considered this to be expedient for the protection of the public.

The Governor in Council has recently approved in principle a scheme for the compensation of victims of crimes of violence. This scheme will cover not only those who were injured by the criminal, but also persons hurt by the Police when they are acting in the execution of their duty. The details of the actual scale of payments to be made to persons qualifying under the scheme are still being discussed, but it is hoped to make a detailed announcement on the subject in the near future. The Government believes that such provision will be widely welcomed. It is based on the belief that the community as a whole must share the loss of those who are injured by, or as a result of, criminal action because crime is something which is the enemy not only of the individual sufferer but of the whole of society.

I trust that these measures will make it clear that the Government is as gravely concerned as is the man in the street about the present level of violent crime, and that our concern has been, and will continue to be, reflected in far ranging thought and in vigorous action.

But I reiterate that success can only come if each member of the public regards the combatting of crime as a matter in which he is personally and deeply involved, and if he takes whatever steps are open to him to play his individual part in resisting it.

Hong Kong has been faced throughout its history with a series of dire problems. It has seldom failed to overcome them and surely it will not do so now.

Sir, I support the motion.

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, my honourable Friend Mr Q. W. LEE expressed concern about the future security of Hong Kong's sterling reserves, roughly half of which are owned by the Government and half by the banks against their Hong Kong dollar liabilities. I share his concern. But, as representations have recently been made to Her Majesty's Government at the highest level and as I

shall be following up these representations while in London this week and next, it would not be in the best interests of a satisfactory settlement for me to make a statement at this time. But, Sir, as I say, I share and I understand my honourable Friend's concern and, indeed, I am very conscious of this Council's right to know the facts of our position. I therefore undertake, Sir, to make a full statement soon after my return from London.

Turning now, Sir, to the remarks made by my honourable Friend Mr Wilfred WONG about estimates of the Gross National Product, I can assure him that I consider estimates of various national income aggregates as being useful tools for the understanding of even an economy as externally oriented as ours. The position is that the Census and Statistics Department has prepared estimates of the Gross *Domestic* Product going back for several years. The Gross Domestic Product is a slightly different aggregate from the Gross National Product in that it does not include net earnings from investments abroad, but it is less difficult to calculate in our circumstances. I should stress that in their present state these estimates are very preliminary. Furthermore, they have only been calculated on the so called expenditure side—that is to say expenditure on private consumption, Government consumption, investment in fixed capital assets and the net balance of imports and exports of goods and services. So they could be subject to a wide margin of error. Efforts are now being made, with the help of an experienced national income statistician from the United Kingdom who will be visiting Hong Kong later this month, to prepare an alternative estimate based on incomes—that is wages, salaries, profits, and so on. This will enable a check to be made on the original expenditure estimates and will mean, more likely than not, that adjustments will have to be made.

Finally, in due course, when progress has been made with the forthcoming census of production, a third estimate will be attempted from the production side, that is to say the value of the community's overall production of goods and services in a particular year.

I can assure my honourable Friend, Sir, that, when more work has been done on refining the figures, it is certainly our intention to publish the results and I hope that this can be done in the course of the next twelve months. Meanwhile, I shall be using the present estimates in the presentation of the 1973-74 budget.

Sir, I beg to support the motion.

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKBR): —Sir, usually on these occasions, I have to glean many points but I am

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most grateful to my Official colleagues for clearing up practically everything.

However, two Members welcomed the appointment of management consultants and one inquired when their recommendations would be translated into practice. When dealing with the product of an exercise such as this, only frustration and delay can result from waiting for a final report and then deciding which recommendations should be accepted or not. This is a high powered and important operation and in order to make the best use of the consultants while they are here we have not waited for the final report but are implementing in selected areas immediately.

However, I must warn that it will be a hard slog and revolutionary changes cannot be expected overnight, particularly as some of the key staff involved are already at full stretch. The Civil Service consists of some 100,000 people, and the basic question asked of the consultants was whether we were making the best use of *experienced* manpower—and I underline the word *experienced*—for experience is something of which we are very short in many fields. The Government is a large and complex organization and complete implementation of all the recommendations made by the consultants may, in some cases, take up to three or four years. One important aspect which Members must bear in mind is that we are not selling shirts or canned goods, and that it is therefore difficult both for the Government and for the consultants to assess our performance and the results of our policies in terms of profits; I only wish that it were possible.

The consultants' recommendations which are still in the form of what are described as discussion drafts fall into four main categories: first, the improvement of existing procedures, for instance increased delegation and improved forms of submission; second, the adoption of entirely new procedures based on the conception of management by measurement of objectives and output rather than by resources; third, improvements in the recruitment and development of manpower resources; and, fourth, a number of basic and longer term suggestions.

The first of these concerning existing procedures is straightforward, and suggestions made in the draft report are already being tried out in certain test areas. The second, involving a new approach to problems, is a very much more complex matter, and other administrations including the United Kingdom are already experimenting on a similar approach. Over the next few months tests will be made in pilot areas, and if those areas survive the ordeal the system can be gradually extended to cover a wider field and eventually the whole field. The third involves very detailed examination by the consultants,

who again are looking at selected pilot areas. I believe that their researches are valuable and may well lead to significant changes in our recruitment policies and procedures. The fourth part, consisting of long term recommendations, has only reached the stage of preliminary discussion, and it would be less than fair to the consultants to go into any details on their recommendations as these may well change as a result of further consultation with yourself and with Heads of Departments, Sir, also with the very senior officer whom we have seconded to the consultants at their request.

To put it shortly, we are trying out the suggestions as we go and a good percentage of the results of the exercise would I hope be already visible before the exercise itself is completed.

The procedure of trying out recommendations in pilot test areas as we go along is, in my view, of great importance; we must make sure that the existing machinery, which has served its purpose well, can take the higher voltage without complete rewiring. (*Laughter*).

I turn now from what we are planning with the consultants to what is already being done with our own Organization and Methods Section. I welcome my honourable Friend Mr BROWNE's continuing interest in this. As the Financial Secretary said in his budget speech earlier this year, the Section has been conjoined with the Complementing and Gradings Division. This is to enable us to examine the organizational implications of requests for additional staff; to grade posts in the public service precisely in relation to their work-content; and to ensure that we can choose areas to which the organization and methods staff should direct their attention.

In July, the Finance Committee of this Council approved a number of additional posts for the Section. We have been recruiting, and aim to have within the next six months a reasonably strong central unit. When it is working successfully, we shall be able to examine the feasibility of establishing O. and M. units in the major departments. We shall also be able to consider whether the Section can, as I think my honourable Friend Mr BROWNE had in mind, review the organization of departments and their proposals on a cyclical basis, so that, in addition to carrying out studies when asked for additional staff, they can examine existing establishments and what those establishments are up to.

Finally, I have had a mutiny from my honourable Friend the Director of Medical and Health Services and clear up some points which were raised about his department.

I have noted the proposals that a population policy should be formulated and suggested to him that he should speak on this in Cantonese. As I said, I had a mutiny. (*Laughter*). It will require

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careful study and work is already in hand on this. Meanwhile, I welcome the support voiced for your suggestion, Sir, that within its maternal and child health programmes, Government should participate directly in the provision of family planning services. If it does so, its direct participation will inevitably have to be a gradual process—a process intended to enable voluntary organizations, with continuing assistance, to reinforce and extend their activities to meet other pressing needs in this field.

The Director of Medical and Health Services has prepared a 5-year forecast of expected developments in these fields and, in due course, he will explain his proposals to honourable Members. They include the expansion of clinical services and the future of the dental service mentioned by my honourable Friend Mr Wilson WANG.

Finally, Sir, a small complaint. Due to the re-organization of this Chamber, it is impossible for me to stand upright when speaking from my chair, and I trust the honourable Director of Public Works will have this adjusted. (*Laughter*).

Sir, I beg to support the motion.

Question put and agreed to.

PENSIONS ORDINANCE

THE ATTORNEY GENERAL (MR ROBERTS) moved the following motion: —

It is hereby resolved that the Pensions (Amendment) Regulations 1972, made by the Governor in Council on the 7th November 1972, be approved.

He said: —Sir, in 30th August of this year, the Pensions (Amendment) (No 2) Ordinance was passed, the object of which was to give to married women the same pension rights as their male colleagues.

The Pensions (Amendment) Regulations 1972, made by the Governor in Council with the approval of the Secretary of State, make such amendments to the Pensions Regulations as are as necessary to give effect to this important change.

The amending regulations provide for a female officer, appointed to a pensionable office before the 17th of November this year, which is the date when the marriage bar will be formally abolished, to be granted a gratuity on her marriage, if she so elects.

In the case of a female officer who retired with a marriage gratuity after the 27th of May 1966, which is the date when the Government accepted in principle the removal of the marriage bar, and before the 17th of November 1972, and who was subsequently re-appointed on temporary terms, that period of service will be reckoned as pensionable service, provided, of course, that she has refunded the marriage gratuity which was paid to her. Any break in service of less than three months will be disregarded.

If, following her marriage, an officer continued to serve on temporary terms in a pensionable office before the 27th of May 1966, only three quarters of this service will be taken into account for pension purposes.

Since these regulations are given a retrospective effect, the prior approval by resolution of this Council is required under section 3(3) of the Pensions Ordinance.

Question put and agreed to.

Committee stage of bills

Council went into Committee.

ACCOUNTANTS BILL 1972

Clause 1.

MR CHEUNG: —Sir, this is the second time Council has approved clause 1! Nevertheless, I hope perhaps when I come to propose the amendment to it I shall get an equally enthusiastic chorus. (*Laughter*).

When this bill was last committed to committee on the 30th of August, the Senior Unofficial Member moved that further consideration be adjourned. In the interval my colleagues have discussed the bill, in detail, with representatives of the accounting profession—or shall I say the professional accounting profession—bearing in mind representations we had received from persons whose livelihood might be affected by the bill; and I am happy to say that agreement has been reached with all concerned.

Looking back in retrospect, the principal difficulty was occasioned by the meaning to be given to the word "accountant". In general use the word describes all persons who have to do with keeping accounts, whether he had any professional qualification or not; in the bill it was

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restricted to those who were qualified to be entered on the register to be maintained under clause 22. That register, it is clear, was intended for registration of professionally qualified persons, and it was agreed that the difficulty would be at once removed by using the phrase “professional accountant” in place of “accountant” simpliciter. Hence the large number of amendments in the paper before honourable Members to make the necessary changes from “accountant” to “professional accountant”, leaving the name “accountant” to be freely usable.

A person who possesses a professional qualification which entitles him to be registered under subclause 1 of clause 24 and who takes out a practising certificate will be known as a “certified public accountant”, abbreviated as “CPA”, and one who has been in practice as an auditor under section 131(3) of the Companies Ordinance will be known as a “public accountant”, to be abbreviated as “PA”, if likewise he takes out a practising certificate; but the professional society, which clause 3 seeks to establish, also wishes to admit to membership persons who hold the necessary qualifications but who do not wish to take out a practising certificate, because, for example, they are in the employment of Government. They will also be entitled to be registered and will be known as “professional accountants”. In this case it is not proposed that there be any abbreviations.

These matters having been agreed, it was possible to recast clause 29 to set out the requirements for practising as a CPA or as a PA. Clause 42 goes on to prohibit other persons, who are not entitled to be registered, from practising as a CPA or PA, or to describe himself in any way which would imply he is qualified to be registered, or to use the Chinese characters “wui kai sze” (會計師) or various other names in Chinese which would imply he is entitled to practise as a professional accountant or auditor. He can call himself a “wui kai” (會計) or “wui kai chu yum” (會計主任) or a chief accountant, so long as he does not use the phrase “wui kai sze” (會計師).

But the bill will allow other persons not professionally qualified to call themselves simply accountants, or bookkeepers, or tax consultants, or cost consultants, or to use other names in actual use, so long as they do not convey the impression they are a CPA or a PA, or entitled to audit the accounts of public companies.

It was a serious misgiving that the bill, as originally put forward, might deprive certain classes of people of their livelihood that prompted my colleagues to ask for time for deliberation, and we are gratified that Government concurred with that view.

Having explained at some length the purpose of the amendments, I trust that Council, Sir, would relieve me of the obligation to dilate any further at length upon any of the 36 amendments proposed individually.

Honourable Members, both Official and Unofficial, firmly support the establishment of the Hong Kong Society of Accountants and would wish them every success in the attainment of their objects. I beg, Sir, to move that clause 1 be amended as set forth in the paper before honourable Members.

THE ATTORNEY GENERAL (MR ROBERTS): —Sir, I support the various amendments proposed by the honourable Member; indeed I am inclined to think that it would be extremely dangerous to argue with any body of men which is happy to have itself described as "certified"! (*Laughter*).

I should like to thank the honourable Mr CHEUNG and the other Unofficial Members for their hard work on this bill in conjunction with the representatives of the profession, and I am sure that the bill has been greatly improved as a result of their efforts.

Proposed Amendment

Clause

1 That "Professional" be inserted before "Accountants".

The amendment was agreed to.

Clause 1, as amended, was agreed to.

HIS EXCELLENCY THE PRESIDENT: —Honourable Members have heard Mr CHEUNG's explanation of the other amendments to the bill which he proposes to move during this Committee Stage. These amendments are set out in the paper which has been placed before them.

I therefore propose, in order to save time and to relieve Mr CHEUNG of the task of rising on 35 separate occasions to move each individual amendment, that we should simplify the procedure.

With honourable Members' agreement, therefore, I shall put the question on all Mr CHEUNG's amendments together. If these are agreed to, then the Clerk will put each clause individually. Any Member who wishes to speak on a particular clause will be able to do so when it is called individually.

Accountants Bill—committee stage*Proposed Amendments**Clause*

2 That—

(a) the definitions of "accountancy", "accountant" and "public accountancy" be deleted and the following definitions inserted in the appropriate places to the alphabetical order having regard to the initial letters of each of them—

"certified public accountant" means a professional accountant registered as such by virtue of section 24(1) and holding a practising certificate;

"professional accountant" means a person who is registered as a professional accountant under section 22;

"public accountant" means a professional accountant registered as such by virtue of section 24(2) and holding a practising certificate;"

(b) in the definition of "register", "professional" be inserted before "accountants";

(c) in the definition of "registered address", "a professional accountant" be substituted for "an accountant"; and

(d) in the definition of "Registrar", "of Accountants" be deleted.

3 That "professional" be inserted before "accountants"

7 That—

(a) in paragraphs (a), (h), (i) and (j), "professional" be inserted before "accountants"; and

(b) in paragraph (b), "the accountancy profession" be substituted for "accountancy".

8 That—

(a) in subclause (1)(a), "accountancy by professional accountants" be substituted for "public accountancy"; and

(b) subclause (1)(l) be deleted and the following substituted—

"(l) specifying the designations for professional accountants and the initials by which professional accountants may be known;" and

- (c) in subclause (3), "professional" be inserted before "accountant" or "accountants" in each place it occurs.
- 9 That in subclause (4), "professional" be inserted before "accountant".
- 10 That in subclause (2)(c), "professional" be inserted before "accountants".
- 11 That—
- (a) in subclause (1), "a professional accountant" be substituted for "an accountant"; and
- (b) in subclause (2), "A professional accountant" be substituted for "An accountant".
- 13 That—
- (a) in subclause (1) —
- (i) "professional" be inserted before "accountants"; and
- (ii) paragraph (c), "a professional accountant" be substituted for "an accountant"; and
- (b) in subclause (2), "A professional accountant" be substituted for "An accountant".
- 14 That "a professional accountant" be substituted for "an accountant".
- 15 That, in the proviso to paragraph (f), "not" be inserted before "less".
- 16 That, in subclause (4)(a), "professional" be inserted before "accountant".
- 18 That, in subclause (2), "professional" be inserted before "accountants".
- Heading That, in the heading, "PROFESSIONAL" be inserted before "ACCOUNTANTS".
- to
- Part IV
- 21 That, in subclause (1), "of Accountants" be deleted.
- 22 That, in subclause (1), "professional" be inserted before "accountants".
- 24 That, in subclauses (1) and (2), "a professional accountant" be substituted for "an accountant".

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25 That, in subclause (1), "a professional accountant" be substituted for "an accountant".

27 That—

- (a) in subclauses (2), (4), (5) and (6), "a professional accountant" be substituted for "an accountant"; and
- (b) in subclauses (1), (3) and (6)(a), "professional" be inserted before "accountant".

28 That in subclauses (1) and (2), "a professional accountant" be substituted for "an accountant".

29 That the clause be deleted and the following substituted—

"Requirements to practise as certified public accountant or public accountant
29. (1) No person shall practise as a certified public accountant or public accountant unless he is registered as a professional accountant and holds a practising certificate.

(2) No person other than a professional accountant holding a practising certificate shall hold any appointment or render any services, whether unpaid or otherwise—

(a) as an auditor of a company within the meaning of the Companies Ordinance; or

(Cap. 32.)

(b) as an auditor of accounts for the purpose of any other Ordinance.

(3) Nothing in this Ordinance shall prevent—

(a) a person from—

(i) practising publicly and describing himself as an accountant, secretary, book-keeper, tax-agent, tax-consultant or cost-consultant; or

(ii) describing himself by any other designation, initials or characters not conveying the impression that he is entitled to practise as a certified public accountant or public accountant; or

(iii) acting as an auditor of a registered trade union with the approval of the Registrar of Trade Unions; or

(b) a member of a club, institution or association, which is not carried on with a view to profit, from acting as auditor of the club, institution or association; or

(c) the Council, upon application, from exempting any person from the provisions of subsection (2)(b)."

- 30 That—
- (a) in subclause (1), “A professional accountant” be substituted for “An accountant”; and
 - (b) in subclause (2), "professional" be inserted before “accountant”.
- 31 That—
- (a) in subclause (1), “Every professional accountant who practises as a certified public accountant or public accountant” be substituted for "Every accountant who practises public accountancy"; and
 - (b) in subclause (4), “Any professional accountant who practises as a certified public accountant or public accountant” be substituted for “Any accountant who practises public accountancy”.
- 32 That—
- (a) in subclause (1), "professional" be inserted before "accountants"; and
 - (b) in subclause (3) —
 - (i) "professional" be inserted before "accountants" and
 - (ii) “a professional accountant” be substituted for “an accountant”.
- 34 That “a professional accountant” be substituted for “an accountant” in each place it occurs.
- 35 That—
- (a) in subclause (1), "professional" be inserted before “accountant”, in each place it occurs; and
 - (b) in subclause (2), "a professional accountant" be substituted for “an accountant”; and
 - (c) in subclause (3), "professional" be inserted before “accountant”.
- 37 That, in subclause (2), “A professional accountant” be substituted for “An accountant”.
- 38 That—
- (a) in subclause (1), "professional" be inserted before “accountant”; and
 - (b) in subclause (2), “a professional accountant” be substituted for "an accountant".

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- 40 That "a professional accountant" be substituted for "an accountant".
- 41 That, in subclause (1)(b), "a professional accountant" be substituted for "an accountant".
- 42 That—
- (a) in subclause (1) —
- (i) paragraph (e), "as a certified public accountant or public accountant" be substituted for "public accountancy"; and
- (ii) paragraphs (f), (g), (h) and (i) be deleted and the following substituted—
- “(f) falsely takes or uses any name, initials, title, addition or description implying that he is qualified to be registered as a professional accountant or to practise as a certified public accountant or public accountant;
- (g) not being a professional accountant, either directly or indirectly, practises as a certified public accountant or public accountant;
- (h) not being a professional accountant, knowingly permits the use of or uses in connexion with his business, trade, calling or profession the description "professional accountant", or the characters "會計師", or any written words, initials or abbreviations of words intended to cause, or which may reasonably cause, any person to believe that the person using the same is a professional accountant;
- (i) not being a professional accountant holding a practising certificate—
- (i) advertises, publishes or represents himself as qualified to practise as a certified public accountant or public accountant or knowingly permits himself to be so advertised, published or represented; or
- (ii) takes or uses in conjunction with his name, or any name which he may have assumed or by which he may describe himself, the description "certified public accountant" or "public accountant" or uses the initials "CPA" or "PA" or the characters

“執業會計師”，“核數師”or “審計師”，or knowingly permits the use of or uses such description, initials or characters in connexion with his business, trade, calling or profession.”;

(b) the following be added after subclause (1) —

"(2) Subsection (1) shall not apply in relation to the use by any member of an overseas body or institute of accountants, not being a professional accountant, of any description or initials which he is entitled to use under the constitution of that body or institute if by such use he does not represent that he is a professional accountant or is entitled to practice as a certified public accountant or public accountant. ";

(c) the previous subclause (2) be renumbered as subclause (3).

43 That—

(a) “Subject to paragraphs (a)(iii) and (c) of section 29(3), any” be substituted for "Any"; and

(b) “a professional accountant” be substituted for "an accountant".

45 That "as a certified public accountant or public accountant unless he is a professional accountant" be substituted for “in respect of public accountancy unless he is an accountant”.

48 That “a professional accountant” be substituted for "an accountant".

49 That—

(a) in subclause (1), “A professional accountant” be substituted for “An accountant”;

(b) in subclause (2), "professional" be inserted before "accountant's"; and

(c) in subclause (3) —

(i) “a professional accountant” be substituted for “an accountant”;

(ii) paragraph (c), "professional" be inserted before “accountant”.

Long
Title

That "the accountancy profession," be substituted for “accountants, ”.

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Question put that the remaining 35 amendments be made. Question agreed to.

Clauses 2 and 3, each as amended, were agreed to.

Clauses 4 to 6 were agreed to.

Clauses 7 to 11, each as amended, were agreed to.

Clause 12 was agreed to.

Clauses 13 to 16, each as amended, were agreed to.

Clause 17 was agreed to.

Clause 18, as amended, was agreed to.

Clauses 19 and 20 were agreed to.

Heading to Part IV, as amended, was agreed to.

Clauses 21 and 22, each as amended, were agreed to.

Clause 23 was agreed to.

Clauses 24 and 25, each as amended, were agreed to.

Clause 26 was agreed to.

Clauses 27 to 32, each as amended, were agreed to.

Clause 33 was agreed to.

Clauses 34 and 35, each as amended, were agreed to.

Clause 36 was agreed to.

Clauses 37 and 38, each as amended, were agreed to.

Clause 39 was agreed to.

Clauses 40 to 43, each as amended, were agreed to.

Clause 44 was agreed to.

Clause 45, as amended, was agreed to.

Clauses and 47 were agreed to.

Clauses 48 and 49, each as amended, were agreed to.

Clauses 50 to 52 and the Schedule were agreed to.

Long title, as amended, was agreed to.

MAGISTRATES (AMENDMENT) (NO 2) BILL 1972

Clauses 1 to 3 were agreed to.

**PROBATE AND ADMINISTRATION (AMENDMENT)
BILL 1972**

Clauses 1 to 3 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL (MR ROBERTS) reported that the

Professional Accountants Bill 1972

had passed through Committee with amendment and that the

Magistrates (Amendment) (No 2) Bill 1972

Probate and Administration (Amendment) Bill 1972

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

Question put on each bill and agreed to.

Bills read the third time and passed.

Valedictory to Mr G. T. ROWE

HIS EXCELLENCY THE PRESIDENT: —Honourable Members, this is the last occasion on which we shall have Mr ROWE with us in this Council, since he will very shortly be going on leave prior to retirement. Hong Kong will miss very greatly both he himself and his wife.

I will not embarrass him by the lengthy eulogy which his services to Hong Kong deserve, but I am sure that honourable Members will wish to join me in thanking him for all he has done and in wishing him, and his wife, all the very best of health and happiness in their retirement.

MR WOO: —Sir, may I associate myself, on behalf of the Unofficial Members, with your well-deserved tribute to Mr ROWE. I wonder how he must feel now the time has come for him to leave us, for he is, and has been since before the War, a part of Hong Kong as well as a dedicated public servant. There are not many now left in the service who have served Hong Kong so long and so loyally. We are sorry to see Mr ROWE go, and we wish him and his wife every good fortune in the future.

Valedictory to Mr G. T. Rowe

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, on behalf of my Official colleagues, I would also like to associate myself with what you and the honourable Mr Woo have said. I personally shall miss Mr Rowe's invaluable advice and invariable co-operation, as well as his personality, very much indeed.

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: —In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday the 29th November.

Adjourned accordingly at six minutes past five o'clock.