

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 14th February 1973****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, CBE, JP  
COMMISSIONER OF LABOUR  
THE HONOURABLE IAN MACDONALD LIGHTBODY, JP  
SECRETARY FOR HOUSING  
THE HONOURABLE DAVID HAROLD JORDAN, MBE, JP  
DIRECTOR OF COMMERCE AND INDUSTRY  
THE HONOURABLE LI FOOK-KOW, JP  
DIRECTOR OF SOCIAL WELFARE  
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  
THE HONOURABLE HERBERT JOHN CHARLES BROWNE, 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 ROGERIG HYNDMAN LOBO, OBE, JP  
THE HONOURABLE MRS CATHERINE JOYCE SYMONS, OBE, JP  
THE HONOURABLE PETER GORDON WILLIAMS, JP  
THE HONOURABLE JAMES WU MAN-HON, JP  
THE HONOURABLE MRS MARY WONG WING-CHEUNG, MBE, JP

**ABSENT**

THE HONOURABLE ANN TSE-KAI, OBE, JP

**IN ATTENDANCE**THE CLERK TO THE LEGISLATIVE COUNCIL  
MR RODERICK JOHN FRAMPTON

### Papers

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

| <i>Subject</i>   | <i>LN No</i> |
|--|--------------|
| Subsidiary Legislation: —  |              |
| Holidays Ordinance.  |              |
| Her Majesty the Queen's Birthday (1974 Celebration Day) Order 1973 .....             | 16           |
| Foreign Judgments (Reciprocal Enforcement) Ordinance.                                |              |
| Foreign Judgments (Reciprocal Enforcement) (Amendment) Order 1973 .....              | 17           |
| Merchant Shipping Ordinance.   |              |
| Merchant Shipping (Launches and Ferry Vessels) (Amendment) Regulations 1973 .....    | 18           |
| Merchant Shipping Ordinance.   |              |
| Merchant Shipping (Trawler Survey) Regulations 1972 (Commencement) Notice 1973 ..... | 19           |
| Public Health and Urban Services Ordinance.  |              |
| Preservatives in Food Regulations 1973 .....   | 20           |
| Interpretation and General Clauses Ordinance.  |              |
| Rectification of Errors (No 2) Order 1973 .....                                      | 24           |

Sessional Papers 1972-73: —

No 39—Annual Departmental Report by the Director of Royal Observatory for the year 1971-72 (published on 14.2.73).

No 40—Annual Departmental Report by the Commissioner of Registration of Persons for the year 1971-72 (published on 14.2.73).

No 41—Annual Departmental Report by the Commissioner of Labour for the year 1971-72 (published on 14.2.73).

No 42—Annual Departmental Report by the Director of Fire Services for the year 1971-72 (published on 14.2.73).

No 43—Report on the Administration of the Fire Services Welfare Fund for the year ended 31st March 1972 (published on 14.2.73).

No 44—Report of the Working Group of the 1971 Salaries Commission (published on 14.2.73).

## Oral answers to questions

### Death penalty

1. MR WILLIAMS asked: —

As the death penalty has not been carried out in Hong Kong for a number of years, is there a competent executioner now available should his services be required?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): — Sir, the short answer to the honourable Member is that efficient arrangements can be made to carry out an execution should it be necessary to do so.

### Disability and old age allowances

2. MRS WONG asked: —

Would Government publish a pamphlet in Chinese and English describing in detail the conditions of eligibility for the new disability and old age allowances?

MR LI: — Sir, the short answer to my honourable Friend's question is yes, Sir.

I am arranging for 30,000 copies of the Chinese leaflet to be printed and the first consignment is expected to be ready at the beginning of next month. The English leaflet, which is intended primarily for those working in the social welfare field, will be longer and will not be ready until later in March. 2,000 copies of the English leaflet will be printed initially. As with similar leaflets on the public assistance scheme, they will be distributed widely through all Government departments which have frequent dealings with the public and through the voluntary social welfare agencies.

Other publicity measures will be taken to ensure that the scope of the scheme is known to those who might benefit from it. These are likely to include the press, radio, television and possibly cinema advertising.

MRS WONG: — Sir, my honourable Friend's reply is most gratifying, but can he also see to it that, when the pamphlets are available, they be made easily or readily available at convenient places to be publicly announced?

MR LI: — Yes, Sir, certainly.

**Oral answers****Rent control for middle income group housing**

3. MRS WONG asked: —

How many families are in the middle income group from \$1,000-\$3,000 p.m. and how many flats suitable to their income are subject to control of rent increases under current legislation? Will Government take steps to introduce further controls of the rents of middle income group accommodation?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, there are now estimated to be about 250,000 families with monthly incomes between \$1,000 and \$3,000 a month.

About 175,000 tenancies are subject to one or the other forms of rent control under present legislation. Most should be suitable for the families mentioned, though suitability is a subjective term and is necessarily a matter of opinion rather than fact, and the honourable Member will bear in mind that some of these families of course live in public housing whilst others own their own flats.

The Rent Increases (Domestic Premises) Control Ordinance expires at the end of next May. Honourable Members have on several occasions expressed in this Council the opinion that permanent arrangements should be made to prevent excessive rent increases. Their views are, and will be, very much in mind when, well before the expiry of the present legislation, Government makes proposals for the future.

**Control of franchised bus operations**

4. MR SZETO asked: —

In view of the fact that the franchises of both bus companies will expire in February 1975, would Government consider that now is the time to have another look at the existing Ordinances and to make revisions to them if necessary in order to provide Government with more effective control of franchised bus operation?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, I can assure my honourable Friend that the question to which he alludes is very much on the Government's mind. We are well aware that the standard of service offered to the public by the two bus companies leaves room for a great deal of improvement. The terms of the franchises and, of

course, the Ordinances which govern them are being examined with a view to bringing about such an improvement and the Transport Advisory Committee will be fully consulted in this process during the coming months.

### **Renewable leases**

5. MR WONG asked: —

How does Government intend to cope with the renewal of the great number of renewable leases which are due to expire in June of this year?

THE ATTORNEY GENERAL (MR ROBERTS): —Sir, 5,000 leases, subdivided into some 50,000 shares, fall due for renewal at the end of June 1973. It is impracticable for them to be renewed individually, without substantial delay.

Furthermore, a number of leases have already expired and have not yet been renewed because of problems associated with multiple ownership.

To enable Government to meet its obligations to the lessees and to deal with the problems which arise when lessees are unable to exercise an option to renew, the Governor in Council has ordered that a bill be prepared to provide for the automatic statutory renewal of all renewable leases when they expire in the future. It is hoped that the Renewable Crown Leases (Statutory Renewal) Bill, which has the support of the Law Society of Hong Kong, will be introduced into this Council next month.

By virtue of this bill, leases will be renewed on substantially the same terms as are contained in the proviso for renewal in the existing leases. This legislation will not of course affect the concessions relating to the reassessment of Crown rents which were announced by my honourable Friend the Colonial Secretary in this Council on 24th May last year.

### **Government Stadium seating capacity**

6. DR CHUNG asked: —

Has Government any plan or will Government consider to increase the seating capacity of the Government Stadium at So Kon Po beyond the existing capacity of 28,000 persons?

### Oral answers

MR ALEXANDER: —Sir, at present the Government has no plan to increase the seating capacity of the Government Stadium, but consideration could certainly be given to such a proposal at any time if sufficient justification were advanced for it and there were no insuperable objections to it.

DR CHUNG: —Sir, is my honourable Friend aware that in many instances thousands of spectators were turned away because the stadium was full, and many thousands more were discouraged and didn't even attempt to go to the stadium? Would this information be sufficient for my honourable Friend to look into the matter in greater depth?

MR ALEXANDER: —Sir, I would be quite prepared to put this matter before the Select Committee of the Urban Council concerned, but I would point out that my information is that in 1971-72 the stadium was full on only eight occasions and up to the present in 1972-73 it has been full on only six occasions. There are problems about crowd control and also construction problems if we extend the size of the present stadium and, in addition, Government has a proposal for a bigger stadium in Kowloon which might also affect any plans we might think up for the Hong Kong Stadium.

DR CHUNG: —Is my honourable Friend aware that no stadium in the world is planned for average attendance?

MR ALEXANDER: —I am aware of that, Sir.

### Detention centre admissions

7. MR WOO asked: —

Is there room for admissions to the new detention centre? If not, will Government take immediate steps to provide further such centres for persons aged 16 to 20?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —I am very glad to have an opportunity, Sir, of answering this question.

The present detention centre at Sha Tsui, which has usually been referred to as Shek Pik, was intended to hold a maximum of 80 young offenders. It is already overcrowded since it contains 124 inmates.

Contracts are expected to be issued later this month for the building of further accommodation at Sha Tsui. It will, when completed, enable a further 120 detainees to be received at this centre.

These new buildings are expected to be completed by the end of this year or very early next year.

However, in view of the urgent need for further detention centre accommodation generally, and in particular to provide for those offenders between the ages of 18 and 21, I propose later this afternoon to seek from the Finance Committee of this Council the necessary funds to enable additional and immediate temporary facilities to be made available for the detention of 120 inmates in existing prison accommodation on Lantau Island, in fact at Ma Mo Ping—which has previously usually been known as Tong Fuk.

### **Sea-passages granted to civil servants (1)**

8. MR CHEUNG asked: —

How many officers in Government are entitled to sea-passages on leave?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, I am acting on the assumption, which my honourable Friend has been good enough to confirm, that he is referring to vacation leave. On that assumption there are some 520 officers still entitled to sea passages, although the number actually taking vacation leave in any one year is reduced by those officers permitted or directed to take annual leave, which has the effect, of course, of deferring their periodical vacation leave.

### **Sea-passages granted to civil servants (2)**

9. MR CHEUNG asked: —

How many officers in Government who have gone on leave during the 12 months ended 31st January 1973 and who have been granted the value of sea-passages

(a) proceeded by sea, and

(b) proceeded by air?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, in the 12 months ended 31st January this year, 46 officers entitled to sea passages left Hong Kong by sea while 151 officers left by air. In some of the latter cases, however, the overall journey was a combination of air and sea travel.

**Oral answers****Sea-passages granted to civil servants (3)**

10. MR CHEUNG asked: —

Do officers in Government who are granted the value of sea-passages when proceeding on leave to the United Kingdom have those entitlements periodically valued, despite the fact that direct sea-passages to the United Kingdom are no longer available, and, if so, what is the justification for such revaluation?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): — Yes, Sir, sea passages are periodically revalued. This is necessary because there are still officers in the Service who were appointed on terms which provided them, as of right, with sea passages. In case such an officer is able to find a direct sailing from Hong Kong to the United Kingdom it is necessary to keep his entitlement in line with current fares. In view of the very limited number of direct sailings from Hong Kong to the United Kingdom now available, comparatively few officers are able to travel by sea all the way, but they may still combine sea and air travel in a non-standard passage up to the value of their entitlement. In such cases, the value of the entitlement has been pegged to the prevailing BOAC rebated air fare plus the difference between the air and sea fares in 1969, when there were last regular sailings by P. & O. between Hong Kong and the United Kingdom.

**Statements****Report of the Working Group of the 1971  
Salaries Commission**

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): — Sir, among the papers laid on the table today is the Report of the Working Group of the 1971 Salaries Commission.

The Working Group was appointed at the beginning of November last to recommend an appropriate salary scale for the rank of Certificated Master, to have effect as from 1st April 1971.

It is now open to Civil Service Associations and any other interested persons or groups of persons to submit their comments on the Report, which will be available to the public tomorrow. Any comments received within the next 4 weeks, that is to say before 14th March, will be carefully considered before a decision on the recommendations in the Report is taken.



I would like to take this opportunity, Sir, to thank Mr MORGAN, the Chairman, and his two colleagues in the Working Group, Mr K. S. LO and Mr Aubrey LI, for their efforts in producing such a comprehensive Report in a very short space of time.

### **Mass Transit System**

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, on 7th June last year, I announced in this Council that the Government had taken a decision in principle to proceed with the construction of the full Mass Transit Railway, subject to satisfactory arrangements being made for financing it and for letting contracts. I also announced then that the Governor had appointed a small Steering Group to work out the best methods of resolving three important and closely inter-related problems, so as to enable a final decision to be taken whether or not to go ahead. These three problems concerned: —

*first* and foremost, the availability of sufficient outside capital on appropriate terms as regards interest rates and repayment arrangements;

*secondly* the form of tendering and the letting of contracts; and

*thirdly* the most appropriate operational arrangements.

After more than six months of intensive investigation, the Steering Group has come to the conclusion that it should be possible to raise the capital required for constructing the full Mass Transit Railway, from a combination of several sources, and on terms which, by present indications, are likely to be acceptable. This conclusion, in turn, has strengthened the Government's belief that the system would be financially viable, in the sense that a sufficient cash flow would be generated to enable the capital cost and accumulated interest to be repaid from the revenue from fares and other sources, over a given period of years. As a result, the Government considers that the decision taken in principle last June, that is to say the decision in principle to proceed with the construction of the full Mass Transit Railway, should now be publicly confirmed. At the same time, the Government has decided to proceed immediately with constructing the first four of the nine stages of the Full System. To this end preparatory engineering design work, soil investigations, and so on are already in hand.

In response to a general invitation issued by the Steering Group in July last year, no fewer than 21 companies and consortia, comprising financial, engineering and other interests in Hong Kong and seven major industrial countries, submitted preliminary proposals for

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the financing, construction, equipment and even the operation of the Mass Transit Railway; not to mention nearly 30 others which have expressed an interest or offered to assist, in one way or another, in the project. This widespread international interest in the project means that we can look forward to true international competition for the contract or contracts for the construction and equipment of the Mass Transit Railway.

Sir, I have said “contract or contracts” deliberately because, broadly speaking, the Mass Transit Railway project could be handled in either one of two ways. On the one hand, the whole project—finance, engineering, equipment—could be awarded as one single contract, on what is known as a turnkey basis, to a single consortium selected either by tender or by negotiation. On the other hand, the project could be split up into a number of contracts, each to be let separately by international competitive tender, with the financing arrangements being handled by a group of merchant bankers specially retained for the purpose. Judging from the proposals received by the Steering Group, and from the exploratory discussions subsequently held by the Group with certain proposers, it is clear that both of these approaches—that is to say, a single-contract approach and a multi-contract approach—would be equally feasible. It is clear also that the advantages and disadvantages are finely balanced as between these two approaches, having regard to such considerations as the availability and terms of export credit finance, the likely price of the project, the likely starting date and the overall period of construction; and to the whole range of problems connected with the management of the project during the construction phase.

The Steering Group gave very careful consideration to the question whether to recommend a single-contract approach or a multi-contract approach. The multi-contract approach has many attractions: in particular, this approach is likely to generate a greater amount of competition which, in turn, might lead to a lower overall contract price. On the other hand, the Mass Transit Railway is the first project of its kind in Hong Kong, in terms both of the magnitude of the capital required and of the length of the construction period. A degree of certainty over the amount and terms of export credit finance available, which is one of the main advantages of the single-contract approach, could be of some importance and, within limits, could well offset the disadvantages of a higher contract price. A final decision on which of these two approaches to adopt cannot now be made with confidence because the information available on the prices and credit terms likely to be available from the various consortia which have put up single-contract proposals is as yet insufficient to enable this to be done.

In the circumstances, the Government has decided that further consultations should be held with several of the consortia with a view to obtaining, to the maximum extent possible and within a strict time schedule, the information necessary for a decision to be reached. I must emphasize, Sir, for the avoidance of doubt, that the fact that the Group is to hold further consultations with certain consortia does not indicate a preference for the single-contract approach. In other words, I must emphasize that a decision on the approach to be adopted has yet to be made.

But, whatever arrangements are made to finance, construct and equip the Mass Transit Railway, there will have to be a body responsible for implementing the project though the extent to which the responsible body would have to build up its own engineering design and project management capability for these tasks would depend on whether a single or multi-contract approach was adopted. An entity will also be required to operate and maintain the system after construction. In this respect, the size and nature of the project have created requirements which are, in a way, conflicting. On the one hand, the system will need to be operated on commercial lines if its financial viability is to be assured. On the other hand, the magnitude of the capital requirement, the length of the construction period, and the important role which the system will have to play in the Government's overall transport policy in the 1980s, all point to the need for the operating authority to be subject to a greater degree of Government supervision and control than has hitherto been applied to public utility undertakings in Hong Kong. Having regard to all these factors, the Government has decided that the operation of the Mass Transit Railway should be entrusted to a public corporation established under a special Ordinance. This Corporation is to be independent of the Government—in the sense that it will not be a Government department—but it will, at least initially, be owned entirely by the Government. The capital structure of the Corporation will, of necessity, have a very high loan gearing but the Government intends to take an equity position in the form of a cash subscription, land and expenditure so far charged to public revenue. Later on, the public might well be invited to subscribe further equity capital.

Sir, as I have said, a firm decision has now been taken to proceed with constructing the first four stages of the Mass Transit Railway. This is an important decision which will ultimately affect, in one way or another, every member of the community. More immediately, it will affect a number of Government departments which will be involved in the planning and co-ordination required prior to the commencement of construction. I can assure honourable Members that every effort will be made to ensure that such planning and coordination will be undertaken effectively; to ensure that appropriate

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arrangements will be made in time for the financing, construction and equipment of the Railway; and, above all, to ensure that the Railway will be constructed with the minimum possible degree of disruption and inconvenience to the ordinary life of the community.

**Government business****Motion****RATING ORDINANCE 1973**

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

It is hereby resolved, pursuant to section 18(2) of the Rating Ordinance 1973, that general rates and Urban Council rates shall each be the following percentage of the rateable value of every tenement: —

|                                |             |
|--------------------------------|-------------|
| (i) general rates .....        | 9 per cent; |
| (ii) Urban Council rates ..... | 6 per cent. |

He said: —Sir, in accordance with section 18(2) of the Rating Ordinance 1973, the general rate and the Urban Council rate percentages—initially totalling 15 per cent of the rateable value of tenements—are determined by resolution of this Council. In the Government White Paper on the Urban Council which was adopted by this Council on 1st March 1972, it is explained, in paragraph 21, that "the Council's rate will be calculated initially from estimates of net expenditure in the year preceding the introduction of the new arrangements". The Urban Council Bill, which will give effect to these new arrangements from 1st April this year, is at present before this Council and commenced its second reading on 31st January last. The Urban Council's initial rate, therefore, will be effective from 1st April 1973 until such time as the Urban Council itself requests an increase; and is that proportion of the total rate for the urban area which, taken together with fee income for 1972-73 (which will also from 1st April 1973 accrue to the Council), would have sufficed to meet approved recurrent expenditure. Under the new arrangements, and subject to the Governor's approval, the Urban Council will be free any time after the initial rate has been set to request this Council to agree an increase in the Urban Council rate.

Honourable Members will recall that the original intention was to take revenue and expenditure figures for the Urban Services Department and the Urban Council for the financial year 1972-73, and to express the net requirement as a proportion of the rate yield for the

same year. Thereafter, it could be expected that increases in the range and cost of the Urban Council's activities would be matched by an increase in the yield from the rates. Because of the recent rate reassessment, however, together with the reduction in the overall rate from 17 per cent to 15 per cent, we have been compelled to use the rate yield estimate for 1973-74 as a basis for calculating the Urban Council's share and we have accordingly, whilst still taking expenditure figures for 1972-73, adjusted these figures so as to produce a projected estimate for 1973-74. In other words, we have attempted to put income and expenditure figures on the same basis so that the two are likely to grow together in the future.

The way in which this adjustment has been effected, and the bases used for calculating the various component elements in the formula, have been set out in detail in a comprehensive document known as the "Memorandum of Administrative Arrangements", which has been discussed with, and accepted by, the Urban Council's Finance and General Purposes Select Committee. It is our intention that this document, which details the procedure governing the Council's capital works programme, its budget, staffing requirements and other matters affecting the Urban Council and the Government, will be embodied in an exchange of letters between the Government and the Chairman of the Urban Council.

The main elements in the calculation of the Urban Council's initial rate are as follows: —

*First, Personal Emoluments:* under the terms of the White Paper and the Urban Council Bill, the Urban Council will continue to operate through its executive arm, the Urban Services Department, but will bear the full cost of the department. As the department's staff will continue to be on the establishment of the public service, this means that provision for their salaries will continue to be included in the Colony's Estimates. The Council will refund each month to the Government the cost of the salaries and an on-cost (of 26 per cent) to cover the cost of quarters, leave, pensions, medical treatment and so on, in respect of staff in the department engaged on Council business in the urban area. The amount included in the calculation for Personal Emoluments is based on the establishment of the Urban Services Department at the end of the current financial year, and comes to \$169,091,912.

*Secondly, Annually Recurrent—Other Charges:* we have taken the revised estimate for 1972-73 and, as I explained earlier, have adjusted this figure by applying to it a compound growth rate derived from the expenditure pattern of the department over the last five years. This growth figure is as high as 21.38 per cent per annum and produces a figure for the rate calculation of \$16,772,701.

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*Thirdly*, the amount for *Special Expenditure* included in the calculation is likewise based on the revised estimate for the current financial year, but we have also taken into account supplementary provision during the year in respect of, for instance, the "Keep Hong Kong Clean Campaign" (on the assumption that this is likely to be a continuing commitment) and we have also taken into account approved commitments during the year. The latter, amounting to over \$2 million, is in respect of vehicles which are on order but which will not be delivered during the current financial year. The full amount included for *Special Expenditure* is \$21,773,600.

*Fourthly*, there is the cost of the services of other Government departments. (Honourable Members will recall that the White Paper envisaged that one aspect of the Council's financial autonomy would be that it should be charged for all material and services provided by Government departments). We have estimated that, for the year 1973-74, the total bill to be met by the Council for these services will amount to \$22,895,500 and this is the figure included in the calculation.

*Finally*, there is expenditure by the Urban Council on *Capital Works*. As explained, Sir, by my honourable Friend the Colonial Secretary, when moving the second reading of the Urban Council Bill, the White Paper envisaged that expenditure on the Council's capital works programme would be met primarily from loans. In view of the possible difficulty of raising the necessary funds in this way, the Urban Council's share of the rate has now been calculated to include an additional element for capital expenditure. As with other items of expenditure, we have taken revised estimates for 1972-73 of the appropriate expenditure on capital works by the Public Works Department and have projected this forward to 1973-74. The amount thus produced is a round \$10 million.

These five elements, Sir, result in a *gross* expenditure figure of \$240,558,900. From this we have to deduct estimated fee income of \$35,238,100 to reach a *net* expenditure figure of \$205,320,800. The Commissioner of Rating and Valuation has estimated the yield from a 15 per cent rate in 1973-74 in the urban area at \$516 million. Putting the two parts of the equation together we can say that, to produce a sum equal to estimated net expenditure of the Urban Council in 1973-74, the share of the rate due to the Council is 5.97 per cent. This would leave a General rate of 9.03 per cent. Where, under section 18(3) of the Rating Ordinance, the total rate payable is reduced from 15 per cent to 14 per cent (for a tenement for which only an

unfiltered supply of fresh water is available from a Government water-main); or to 13 per cent (for a tenement for which no supply of fresh water is available), the General rate will be reduced to 8.03 per cent and 7.03 per cent: that is to say, the reduction will be at the expense of the General—that is the *Government*—rate, with the initial Urban Council rate remaining constant in all three cases.

As I said earlier, Sir, the philosophy behind the rate formula and the details of the rate calculation have been explained to the Urban Council. Members of the Council's Finance and General Purposes Select Committee, whilst accepting the logic and indeed the goodwill of the approach, have nonetheless expressed the view that the Government ought to be "more generous".

I find this appeal, I am afraid, a little difficult to understand since, in working out the various parts of the set formula, we have, whenever in doubt, adopted the approach or the figure which would work to the Council's benefit. For instance, in assessing the salary bill payable by the Council, we have, as I mentioned earlier, used the full *establishment* of the Urban Services Department rather than actual or probable strength: this alone, Sir, has made a difference of at least \$6 million—and it could be double this figure to the benefit of the Council. Again, in the case of Special Expenditure we have not simply taken the revised estimate for 1972-73 as we were, strictly speaking, entitled to do, but have allowed over \$6 million in respect of supplementary provisions and future commitments. We have, by applying a compound growth rate to some of the items in the Council's expenditure estimates, attempted to produce a realistic figure to allow for the increased cost of services provided by the Urban Services Department at the present scale *and* for additions and extensions to existing services in 1973-74; and we have, in producing this growth figure, deliberately inflated the figure by including the current financial year's *estimates*, which invariably exceed actual expenditure. This "error", in the Council's favour, makes a difference, in Annually Recurrent Other Charges of some 9 per cent, or no less than \$5½ million.

Certain members of the Select Committee expressed reservations on the method we are adopting for financing the Council's capital works programme. I should like to remind honourable Members, Sir, that the inclusion of an element in the rate calculation to help finance capital works projects is a significant departure—to the benefit of the Council—from the recommendations in the White Paper. The Council will, of course, still be free to apply for permission to borrow, in the market or from the Government, and so the capital rate element is *in addition* to the original proposals. Furthermore, the Government's offer to complete, as a charge to General Revenue, all Urban Council

[THE FINANCIAL SECRETARY]     **Rating Ordinance**

items in Categories A, D and E of the Public Works Programme was originally made in recognition of the initial difficulties the Council might face in financing its own programme and in order to avoid a hiatus for the first year or so in the completion of community projects. This situation can no longer arise, since we are *not* casting the Council adrift and expecting them to fend completely for themselves in April, but are, in effect, guaranteeing them a very respectable amount *annually*. Nevertheless, we are *still* accepting this extra public works commitment; and the cost of completing the projects in question comes to \$25 million as a charge to general revenue. We are, therefore, giving the Urban Council \$10 million for projects in 1973-74 (and this portion of the practice the Council will need to spend virtually nothing on capital works from its own funds in the first year, and at the same time we are still carrying out the projects in hand—at public expense—for the Council. In addition, the Government will, as already promised, continue to be responsible for such larger, more technical (and, by definition, more expensive) public works projects as abattoirs, stadia, museums and civic centres.

Nonetheless, Sir, since these financial arrangements *are* new, it is perhaps understandable that the Urban Council should be anxious. For that reason, I should like to promise the Urban Council that if, in the event, we find that there has been an error in the calculation; or if there are, between now and 31st March next, unforeseen developments which should have been taken into account in launching the Council, I shall seek the agreement of *this* Council for the provision of appropriate financial assistance, either by way of an adjustment in the rate or by way of a grant. In any case, over and above the amount the Urban Council will receive as annual income from the Urban Council rate, the Government will pay to the Council an initial pump-priming grant or dowry to be spent as the Council sees fit, on capital or recurrent items, and this should help to give initial additional impetus to the Council's plans as they see them. I have deliberately avoided reference to this dowry so far, since it is separate from the assessment of the Urban Council rate and since the sum will be subject of course to the approval of the Finance Committee of this Council.

Sir, I hope I have said enough to show that the Government, in calculating the amount of rate revenue that is to be diverted to the Council, has been not only scrupulously fair but also, in certain areas, manifestly generous to the Urban Council. Nonetheless, Sir, as further confirmation of the "goodwill" which the Urban Council has already recognized, I am, without further consultation with the Council, rounding up the figure of 5.97 per cent produced by our



detailed calculations to the *6.0 per cent* shown in the text of the motion before this Council. This rounding-up itself gives the Urban Council, in the first year, an additional *\$1.08 million* and will, I trust, be accepted in the same generous spirit in which it is given.

I think the Government can claim to have put the Council in a healthy financial position at the beginning of its new and exciting career. If normal increases in expenditure continue at the same rate as over the last few years, from the figures at present available, the estimated increase in the rate yield should be more than adequate without the Council needing to seek an increase in its rate for at least the first year of these new arrangements.

*Question put and agreed to.*

### **First reading of bill**

#### **HOUSING BILL 1973**

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

### **Second reading of bills**

#### **HOUSING BILL 1973**

MR LIGHTBODY moved the second reading of: —"A bill to repeal and replace the Housing Ordinance and the Resettlement Ordinance and to make consequential amendments."

He said: —Sir, this bill is an essential first step on the road leading to the fulfilment of the new public housing targets which we have set for ourselves and which you, Sir, disclosed at the opening of this session last October. Having indicated that we should aim to build housing for over one and a half million people by 1983 in order to break the back of this perennial housing problem, you went on to say, Sir, that we must first reorganize our housing agencies if we were to have any sound prospect of reaching such ambitious targets. These agencies were individually established in the fifties and sixties to deal with particular aspects of the overall housing problem, and they have over the years built up a long history of accomplishment and service to the public. Their activities have gained international acclaim for the scope and pace of their public housing efforts, and by any standards Hong Kong has good reason to thank them for services rendered; and here I must acknowledge the outstanding contribution made by the Architectural Office of the Public Works Department in planning and

[MR LIGHTBODY]     **Housing Bill—second reading**

building vast numbers of low-rental housing blocks; their contribution too often tends to be forgotten. The Housing Authority, set up in 1954 to build low-rent housing for somewhat better-off families, has set standards in the construction and management of its estates of which we should be proud. The Urban Council, responsible for the management of resettlement estates in the urban areas, has discharged a difficult task with humanity and real concern for the public good. The Housing Board, set up in 1965 to advise on housing policy matters, has given dedicated service in advising on a wide range of complex policy issues. All these bodies have had one thing in common, an acute realization that whatever we had done, it was not enough; a realization that the people of Hong Kong look for better housing and that many of them could never hope to obtain decent housing at a price within their means except through an enlarged public housing programme. The 10-year housing target has therefore been welcomed without reservation by these housing agencies, and the only question is how best to achieve it, while recognizing, of course, that it must take a few years before the programme begins to show results.

The bill, Sir, reflects the conviction that our housing problem is one single problem, requiring a concentrated attack and calling for the formulation of sound policies to govern the allocation of public housing.

The principal purpose of this bill is to vest in a single body, that is a reconstituted Housing Authority, the powers and functions now exercised by the Housing Board, the present Housing Authority, the Urban Council and the Commissioner for Resettlement. These functions cover the entire field of public housing, in the New Territories no less than in the urban areas, both as to the design and construction of all public housing as well as its management once occupied. They include too the function of clearing land required for development now exercised by the Commissioner for Resettlement. Over and above these executive and service functions (in which it will operate through the Housing Department) the new body will be required to advise on all matters of housing policy, a task for which its practical work in the housing field will qualify it perfectly.

The bill proposes a maximum of twenty seats on this new Housing Authority of which up to thirteen are to be occupied by unofficial members; and of these unofficial seats eight are to be filled by members of the Urban Council appointed on a personal basis. This provision, which is spelt out in clause 3(2)(b), reflects the long experience of Urban Councillors, both in that role and as members of the present Housing Authority in public housing affairs and their continuing interest in this

field of endeavour which has such a major impact on the day-to-day lives of so many families. To ensure the necessary departmental involvement in and commitment to the Authority's endeavours, the bill proposes an official membership of six, with the Secretary for Housing as Chairman. All members are to be appointed by the Governor.

Thus the maximum membership is 20, assuming all 13 unofficial seats are filled. It is necessary to reconcile a suitably widely-based membership with the need to keep the Authority's size down to manageable proportions, in the interests of speed and efficiency. Where an Authority is called upon to accept such heavy responsibilities as this one, it would be most unwise to think in terms of any larger membership than this bill proposes.

This then, the creation of a new, streamlined Housing Authority, is the primary purpose of this bill. For the rest, the Explanatory Memorandum spells out the main secondary (but still important) features of the bill, and I will only comment on a few of the bill's other provisions.

Clause 4(2)(f) authorizes the Authority to carry out land clearances, subject to such directions as the Governor may from time to time give. As I have said earlier, this power is to be removed from the Commissioner for Resettlement and given to the Authority, an arrangement which is well justified by the very close practical link between development clearances and the rehousing of families involved in such clearances. In this role the Authority will in effect be functioning as a service agency, implementing clearance programmes drawn up by other agencies of Government.

Clause 4(2)(e) empowers the Authority to undertake the management of any housing and ancillary premises. I should explain that under this clause, which of course refers primarily to the running of public housing estates and factory blocks, the Authority will take over the management of Licensed Areas which are now the statutory responsibility of the Commissioner for Resettlement.

Part II of the bill contains its financial provisions. Briefly, these follow the arrangements now applied by the present Housing Ordinance to the existing Housing Authority, which have been found to operate satisfactorily in practice though of course the scale of the new Authority's expenditure will be vastly greater. However, a very important financial provision is to be found outside Part II of the bill in clause 4(4), which requires the Authority to direct its policy to ensuring that the revenue accruing to it from its estates shall be sufficient to meet its recurrent expenditure on its estates, which includes amortization. This Authority will take over existing Housing Authority and Low Cost Housing estates which meet this injunction,

[MR LIGHTBODY]     **Housing Bill—second reading**

a situation which reflects the prudent financial policies followed by that Authority; but it will also take over all existing resettlement estates where revenue fails by a wide margin to cover outgoings. It will therefore be necessary for this deficit to be covered temporarily by grants from general revenue, but the new Authority will have to consider how this unsatisfactory state of affairs should be put right. As to the Authority's squatter control and squatter clearance activities, the intention is that they should be financed by outright grants from general revenue.

The Authority's inevitably heavy demands on the general revenue of the Colony as a primary source of capital funds for its large building programme means that it will have to keep Government continually informed on its forward spending plans, so that the earliest notice can be given to the Authority of any cut-back in the availability of funds from this source. Any such reduction in the supply of capital from general revenue would of course have the most serious consequences for the 10-year public housing programme, on which so much depends. Time is the one commodity which we can never make up in this field, and we must make sure that time is never lost in the ten-year building programme.

So much for the financial aspects of the bill. For the rest, the bill is essentially the present Housing Ordinance to which has been added provisions from the Resettlement Ordinance which practical experience has shown to be necessary. However, many of the provisions of the Resettlement Ordinance have not been repeated in this bill and can safely be left to be dealt with administratively in future. The proposal is that both the present Housing Ordinance and the Resettlement Ordinance should be repealed.

This bill, Sir, symbolizes all our hopes and ambitions for better housing for the people of Hong Kong, and in this light I commend it to honourable Members.

*Motion made. That the debate on the second reading of the bill be adjourned—MR LIGHTBODY.*

*Question put and agreed to.*

#### *Explanatory Memorandum*

The Government has announced that, as from the 1st April 1973, the development and management of public housing will be the responsibility of a new Housing Authority. This Authority will assume the roles of the present Hong Kong

Housing Authority, the Urban Council and the Resettlement Department. This Bill repeals the Housing Ordinance and the Resettlement Ordinance and provides the new Housing Authority with the various powers necessary for the discharge of its responsibilities.

2. Part I provides for the establishment and constitution of the Housing Authority and defines its powers and duties.

3. Part II deals with the finances of the Authority. It may borrow money from the Government and from other sources approved by the Governor. The Authority may, with the approval of the Financial Secretary, invest surplus funds in securities. The Authority must have its accounts audited and make an annual report.

4. Part III confers on the Authority the power to make leases of its buildings and to fix the duration of the lease and its terms and conditions.

5. Part IV deals with the control of the Authority's estates. A lease can be terminated without notice if, because of a breach of covenant by the tenant, the property has become unfit for human habitation, unsafe, a nuisance or dangerous to health. A lease can also be terminated by giving notice to quit. Where a lease has been terminated the tenant cannot apply to a court for relief, but can appeal to an appeals committee of the Authority. Part IV also confers on the Authority the power to evict trespassers, inspect premises, close premises in an emergency, seize and dispose of property in certain circumstances and to obtain information.

6. Part V contains offences and penalties.

7. Part VI empowers the Authority to make by-laws, which will have to be approved by the Legislative Council. The Housing Ordinance and Resettlement Ordinance are repealed and a number of consequential amendments made. The Crown Land Ordinance 1972 is amended so as to make the Housing Authority one of the authorities under that Ordinance for the clearance of land. Existing tenancies and licences created under the Housing and Resettlement Ordinances are continued in existence, while property vested in the Hong Kong Housing Authority and competent authorities under the Resettlement Ordinance is transferred to the Authority.

8. A comparative table, showing the sources of the Bill, is attached.

**URBAN COUNCIL BILL 1973****Resumption of debate on second reading (31st January 1973)***Question proposed.*

MR WOO: —Sir, just over a year ago, when the White Paper on the Urban Council reform was debated in this Council, I said that the Unofficial Members of this Council had set up a Working Group to study its contents. There was a substantial degree of acceptance of the proposals by the Members of the Urban Council which were subsequently approved by this Council. I must admit that I had some doubts whether the substantial legislative and financial changes involved could in practice be brought to fruition by the deadline date. The fact that they have been, and that this bill is now before us to bring into operation the new Urban Council on 1st April 1973, is a tribute to all those, official and unofficial, who have been concerned in the process of turning proposals into practice.

The White Paper made certain proposals to allow the Urban Council to become to a large extent financially autonomous. In the present bill those proposals have been widened to enable the Urban Council to finalize its own budget. The financial arrangements outlined in the Colonial Secretary's speech on moving this bill should enable the Urban Council to commence its new role on 1st April this year on a sound financial footing. My colleagues and I welcome these arrangements.

It is unfortunate that, to mar the atmosphere of goodwill at this particular time, we have just read about the exclusion of certain candidates from the forthcoming Urban Council election because of their lack of an adequate standard of English. But the Colonial Secretary has assured us, in his speech, that translators are not at present available to translate into Chinese the large numbers of Urban Council papers which is necessary for members of that Council to study. Hence there seems no alternative at present but to retain the English-speaking qualification. But I would urge Government to overcome this problem at the earliest possible date and look forward to the time when, as promised by the Colonial Secretary in his speech, an amendment can be introduced to provide for members who only speak Chinese.

The members of the new Urban Council will have important responsibilities and duties, and an opportunity to show their mettle. I should like to take this opportunity to wish them every success in their tasks.

Sir, I support the motion.

MR WONG: —As an old boy of the Urban Council, I welcome the Urban Council Bill 1973.

This bill repeals the Urban Council Ordinance; it provides for its new powers and functions and defines its duties and its relations with the Urban Services Department and other parts of Government.

As I was Chairman of the sub-committee on local councils in the Urban Council select committee for local administration seven years ago, I particularly noted that the functions of the Council have been increased under part IV clause 24 of this bill. Although the increased functions have fallen far short of the Urban Council report, I am nevertheless pleased that the Urban Council would be able to exercise more powers and perform further duties.

The most significant provision is contained in part VII whereby the Council achieves virtual financial autonomy. Now that the Financial Secretary has removed his decimal places, exactly 40 per cent of the rate will be allocated to the Urban Council for the financing of the Council's capital works. The Council is also empowered to borrow money in the market. The Council can invest any surplus funds in such investments as may be approved by the Financial Secretary. The Council therefore will, in future, prepare its own budget and thus will have closer co-ordination between income and expenditure.

It is noteworthy that in future a member of the Urban Council will be required to declare his pecuniary interest in any proposed contract or other matters under consideration. This is in line with the requirements for the members of the other councils. In future, urban councillors will be responsible for disbursing public funds.

One improvement in this bill, as distinguished from the White Paper, is that the Urban Council Standing Orders will no longer be subject to approval by the Legislative Council. I am sure that members of the Urban Council will be pleased with this decision.

I have much pleasure in supporting this bill.

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —I am very grateful to honourable Members, Sir, for their support of the bill.

*Question put and agreed to.*

Bill read the second time.

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

**JUVENILE OFFENDERS (AMENDMENT) BILL 1973****Resumption of debate on second reading (31st January 1973)**

*Question proposed.*

MR WOO: —Sir, my Unofficial colleagues and I have given anxious consideration to the increase in the minimum age of criminal responsibility proposed in clause 4 of this bill. Our conclusion is that this change would be most undesirable in the present circumstance of Hong Kong.

It is arguable whether a child of 7, 8, or 9 years of age is capable of carrying out an act with criminal intent. But leaving this question aside we consider that children of those ages are old enough to be used by criminals for unlawful purposes. Members of this Council will no doubt recall that there have been reports of racketeers using such young children to carry drug packets. To raise the minimum age therefore we may play into the hands of those who would use young children as safe pawns in furtherance of their own vile rackets.

My Unofficial colleagues and I are of the opinion that the minimum age of criminal responsibility should remain, at least for the time being, unchanged. I shall accordingly move an amendment to clause 4 of the bill at the Committee Stage, the effect of which will be to restore that age from 10 years to 7 years.

THE ATTORNEY GENERAL (MR ROBERTS): —Sir, in view of the anxiety expressed by the honourable Member, the Government will not oppose the amendment which he proposes to make at the Committee Stage.

*Question put and agreed to.*

Bill read the second time.

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

**ROYAL HONG KONG REGIMENT (AMENDMENT) BILL 1973  
(AMENDMENT) BILL 1973****Resumption of debate on second reading (31st January 1973)**

*Question proposed.*

*Question put and agreed to.*



Bill read the second time.

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

**ROYAL HONG KONG AUXILIARY AIR FORCE  
(AMENDMENT) BILL 1973**

**Resumption of debate on second reading (31st January 1973)**

*Question proposed.*

*Question put and agreed to.*

Bill read the second time.

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

**CENSUS (AMENDMENT) BILL 1973**

**Resumption of debate on second reading (31st January 1973)**

*Question proposed.*

DR CHUNG: —Your Excellency, as long as ten years ago when I was a member of the Trade and Industry Advisory Board I have been stressing the need for Hong Kong, as a major manufacturing centre in the world, to collect, compile and publish industrial production statistics. In order to study the matter in depth the Board appointed a Committee and both my honourable Friend Mr Donald LUDDINGTON, the then Deputy Director of Commerce and Industry, and myself were quite deeply involved in the work of this Committee. It took the Committee about a year to complete its findings and prepare its report which was endorsed by the Trade and Industry Advisory Board. Since then I have heard nothing about it and I thought that was the end of another report.

I was therefore delighted to listen to the speech made by my honourable Friend the Financial Secretary two weeks ago when he introduced the Census (Amendment) Bill into this Council. It is particularly gratifying to learn that Government at long last has accepted the Committee Report and decided to carry out a Census of Industrial Production in 1973. The choice of the year 1973 as the census year for our industrial production is a very appropriate one because it follows the recommendation of the United Nations Statistical Commission

[DR CHUNG] **Census (Amendment) Bill—resumption of debate on second reading (31.1.73)**

that the year 1973 should be used as a reference year for the compilation of basic data on industry.

Sir, whilst I fully support this bill, I wish to make some observations which, I hope, will contribute in a small way to the success of the Industrial Production Census. First, it is about the census period which, I understand, will cover a period of 12 consecutive months ending not earlier than 30th June 1973 and not later than 30th June 1974 as may be chosen by the management of the establishment concerned. This will mean that one factory is permitted to provide its production statistics for the 12-month period from 1st July 1972 to 30th June 1973 and another factory to provide its production statistics for a completely different 12-month period from 1st July 1973 to 30th June 1974. One of the most important criteria in the collection of production statistics, in fact for all types of statistics, is to achieve a reasonable degree of accuracy. For this reason, I fail to see the need for allowing the individual establishments to have such an extremely wide choice on the exact dates for the commencement and ending of the 12-month census period.

My second observation, Sir, concerns about the draft questionnaire which some of the factories have already received. There are two drafts, one called the long form is for industrial undertakings employing 20 persons or more and the other, the short form, is for establishments employing less than 20 persons. There are twenty sections in the long form and many of the sections contain 5 to 10 complicated questions. Take for example, section "L" which deals with expenditure on non-industrial services. This section has eleven questions covering separately expenditure on transportation, storage, communication, repair and maintenance, advertising, business services, personal services, wholesale and retail trade, banking and insurance services, *etc.* Some of these questions are difficult enough even for the larger and more progressive industrial establishments, which have fairly good cost accounting systems, let alone those smaller and traditional family-type factories.

Among the 5,000 industrial undertakings which will receive the long form, about 2,700 factories or more than 50 per cent of the total are employing between 20 and 49 persons each. On the one hand, I recognize that all these complicated questions are necessary if the census is to provide some meaningful statistics. On the other, I am convinced that many of these smaller firms are incapable of answering these complicated questions which require a great deal of proper book-keeping and accounting work. If these firms were pressed to make the returns, I expect many of them will just provide the figures which may not

represent the true picture of their operations. If these were allowed to happen, the whole exercise would be fruitless and the results misleading.

I understand that the Industrial Production Census will be carried out by a small number of trained full-time census supervisors who will visit most of the industrial establishments to be enumerated and discuss the questions with the management. This move will certainly help but I doubt whether it is good enough to ensure reasonable accuracy of the whole census. According to the information I received, many of these factories should need at least part-time if not full-time bookkeepers and accountants if they are to be capable to answer the questions reasonably accurately. In order to test the accuracy of some of the returns, I therefore suggest that the Census and Statistics Department should conduct some test runs during the early part of the census period. Should they discover any weakness in the exercise, there is still time to take corrective action.

Sir, on behalf of my absent honourable Friend Mr T. K. ANN I would like to say that the Federation of Hong Kong Industries, representing as it does the official voice of industry, welcomes the step taken by Government to provide industrial production statistics and is actively involved with the Census and Statistics Department in the consideration of the draft questionnaires.

Finally, Sir, I wish the Department of Census and Statistics every success in this new venture and have pleasure in supporting the motion.

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, I thank my honourable Friend for his support of this bill. As regards his first point, the choice of period does appear to allow a situation where terms may not be fully comparable. In an operation such as this, however, flexibility is necessary if the co-operation of manufacturers is to be obtained. And therefore, as in nearly all other countries that conduct a Census of Production, manufacturers will have the choice of supplying the information either in respect of the calendar year or in respect of their own financial year. Consultations with manufacturers so far have established that about 75 per cent of them keep their books on the basis of the financial year ending 31st March, and about 20 per cent are on a calendar year basis, but a small remainder vary their practices enormously. Sir, though the permissive period of the survey appears to be an extended one, most of the returns will in fact refer to a more limited duration and not extend through the longer period.

As regards my honourable Friend's second point, I agree that the questionnaire for this census is detailed. However, I might make the point that a number of the organizations have asked us to include

[THE FINANCIAL SECRETARY] **Census (Amendment) Bill—resumption of debate on second reading (31.1.73)**

additional questions and these have been resisted! (*Laughter*). In framing the draft questionnaire the Commissioner for Census and Statistics took serious account of the recommendations of the United Nations, practice in other countries, the importance of using this material for national income purposes and the desirability of obtaining as much information as possible in relation to the effort put into the whole exercise.

In general, I think it would be fair to say that the establishments so far consulted have said that they will be able to complete the questionnaire or provide good estimates of the details required. However, I think we must at all times avoid placing unnecessary paper burdens on manufacturers and I agree that some tests should be made to see whether in fact establishments are capable, as they claim they are capable, of providing certain of these details, and I have therefore arranged with the Commissioner of Census and Statistics for a number of firms to be asked to co-operate in a survey later in the year as a check, and this should help in checking on the accuracy of the final terms.

*Question put and agreed to.*

Bill read the second time.

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

**PUBLIC HEALTH AND URBAN SERVICES  
(AMENDMENT) BILL 1973**

**Resumption of debate on second reading (31st January 1973)**

*Question proposed.*

*Question put and agreed to.*

Bill read the second time.

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

**Committee stage of bills**

Council went into Committee.

**ADMINISTRATION OF JUSTICE (MISCELLANEOUS  
AMENDMENTS) BILL 1973**

Clauses 1 and 2 were agreed to.

Schedule.

THE ATTORNEY GENERAL (MR ROBERTS): —Sir, I move that the Schedule be amended as set out in the paper before honourable Members.

This is purely a drafting change and substitutes a simpler definition of the word "Court".

*Proposed Amendment*

Schedule        That the Schedule be amended, in amendment No 4 to the Supreme Court Ordinance, by deleting subsection (4) of the proposed new section 37A and substituting the following—

“(4) In this section—

[*cf.* 1960 c. 65, "court" means any court of the Colony, any tribunal and any person, having power to punish for contempt; and references in this section to an order or decision of a court in the exercise of jurisdiction to punish for contempt of court include references to an order or decision of any court under any enactment enabling the court to deal with an offence as if it were contempt of court.".]

The amendment was agreed to.

The Schedule, as amended, was agreed to.

**JUVENILE OFFENDERS (AMENDMENT) BILL 1973**

HIS EXCELLENCY THE PRESIDENT: —We will take the clauses in blocks of not more than five.

Clauses 1 to 3 were agreed to.

Clause 4.

MR WOO: —Sir, for the reasons I have stated during the resumption of the second reading of this bill, I move that clause 4 be amended as set forth in the paper before honourable Members.

**Juvenile Offenders (Amendment) Bill—committee stage***Proposed Amendment**Clause*

- 4 That the proposed new section 3 be amended by deleting "ten" and substituting "seven".

The amendment was agreed to.

Clause 4, as amended, was agreed to.

Clauses 5 to 18 were agreed to.

**ROYAL HONG KONG REGIMENT (AMENDMENT) BILL 1973**

Clauses 1 to 4 were agreed to.

**ROYAL HONG KONG AUXILIARY AIR FORCE  
(AMENDMENT) BILL 1973**

Clauses 1 to 5 were agreed to.

**CENSUS (AMENDMENT) BILL 1973**

Clauses 1 to 4 were agreed to.

Council then resumed.

**Third reading of bills**

THE ATTORNEY GENERAL (MR ROBERTS) reported that the

Administration of Justice (Miscellaneous Amendments) Bill 1973

Juvenile Offenders (Amendment) Bill 1973

had passed through Committee with amendment and that the

Royal Hong Kong Regiment (Amendment) Bill 1973

Royal Hong Kong Auxiliary Air Force (Amendment) Bill 1973

Census (Amendment) Bill 1973

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.

**Unofficial Member's motion****BARRISTERS (QUALIFICATION) RULES 1973**

MR CHEUNG moved the following motion: —

That the Barristers (Qualification) Rules 1973, made by the Chief Justice on 8th January 1973 and laid on the Table of this Council on 31st January 1973, be amended as follows: —

(i) in Rule 3(a) by deleting the word "six" and substituting therefor the word "three";

(ii) by deleting Rule 3(b) and substituting the following: —

"(b) deposit with the Bar Committee separate certificates of good character from two responsible persons resident in Hong Kong who have known him for one year or more and have had opportunity of judging his character and either

(i) his Post Graduate Certificate in Laws, or

(ii) a certificate from the Head of the Department of Law at the University of Hong Kong that the applicant has passed the required examinations for the degree of Bachelor of Laws or that the applicant has completed the course for the said degree and is, in his opinion, a fit and proper person to be approved as a pupil";

(iii) by deleting Rule 3(d);

(iv) in Rule 6 by inserting the words "that he is a fit and suitable person" after the words "Rule 3";

(v) in Rule 9(a) by inserting the words "which period of one year need not be continuous" after the word "England".

He said: —Sir, the rules as drafted and laid on the table of this Council require a prospective barrister not only to have completed the course for the degree of Bachelor of Laws at Hong Kong University but also to have completed the course for the post-graduate certificate in law. The purpose of the amendments on the order paper is twofold.

First, it would enable an undergraduate who had completed his course for the degree of Bachelor of Laws, if he so desires, to start his pupillage by becoming a pupil to a practising barrister shortly after he has sat for his final examinations and thus to put to good use the four months of the long vacation between the final exams and the start of the course for the post-graduate certificate in law. Of course,

[MR CHEUNG]     **Barristers (Qualification) Rules**

before the results of his efforts in the exams are known, it is necessary that the Head of the Department of Law at the Hong Kong University should certify that he is suitable to become a pupil. Once the results of his examinations are known and he has passed, he would be entitled to start his pupillage. That *a fortiori* applies when he has obtained his post-graduate certificate in law. There are two consequential amendments to enable that to be done. One makes it clear that the period of pupillage of twelve months required under these rules need not be an unbroken continuous period. The other concerns the length of notice which a prospective pupil is required to give to the Bar Committee and the amendment reduces it from six weeks to three, which in our view is more than ample.

The second purpose of the amendments is to allow the prospective pupil to obtain certificates of character from two responsible persons resident in Hong Kong rather than a certificate from only one named individual. This is identical to the requirements of the Inns of Court in London.

THE ATTORNEY GENERAL (MR ROBERTS): —I have had an opportunity to discuss the amendments proposed to these rules with the Chief Justice and he agrees, as I do, that they are all desirable and accordingly I support the motion.

*Question put and agreed to.*

### **Adjournment**

Motion made and question proposed. That this Council do now adjourn—  
THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER).

3.54 p.m.

### **Reduction of violence on the screen**

MR BROWNE: —Sir, the subject of this debate this afternoon is the reduction of violence on the screen.

A few weeks ago I went to the cinema to see "Macbeth"—this is the new Polanski and Tynan version adding, we are told, a new slant to this old Shakespearean classic. Now I knew it was going to be a bloodthirsty film because someone had told me that the censor had already cut bits of it, and in particular the beheading scene. But I certainly was not prepared for—indeed I was horrified by—the scenes of violence that were shown.



One scene in particular sticks in my mind: this is the murder of the King by Macbeth. And because it involved stabbing by a knife it was, I felt, totally unsuitable for showing in Hong Kong. Macbeth is led along the passage to the King's bedchamber by an illuminated dagger. He then gets near the King, draws his own dagger and stabs him—not once, or twice, but a dozen times in the ensuing struggle, and there was blood everywhere.

Now all of us in this Chamber are worried, and I think becoming even more worried, by the increase in violence in Hong Kong, especially among young people. The police, the courts, the prisons and many others are doing what they can to combat this violence, which is making the streets, staircases and homes dangerous for law-abiding citizens.

Now I do not claim to be an expert on the psychology of youth, but there is surely a relationship between the increase in violence and the horrible films that have been shown all over Hong Kong.

This film "Macbeth" may well have artistic merits and to be quite acceptable in other parts of the world, but to show it in Hong Kong in our present circumstances seems to me to be quite wrong. And if this film is an example of an acceptable "fantastic film about by-gone days" that the honourable Secretary for Home Affairs referred to in his statement in this Chamber on the 19th July last, then I must, with respect, disagree with him absolutely.

I have singled out one film for comments today, but there have been many others that contain equally unsuitable and objectionable scenes. I know that such films are labelled "Not suitable for children", but, in my view, this is not a valid argument to justify their showing in Hong Kong.

Government has a clear responsibility under the Film Censorship Regulations to set acceptable standards of what can be exhibited and I therefore urge them to review the guidelines of the Panel of Film Censors with the aim of cleaning up the screen, so that cinemas again become places of entertainment.

MR WONG: —Sir, we have just heard the reaction of a mature taipan toward violence on the screen. He thinks it is horrifying. What would be the reaction on the impressionable minds of young people?

One does not need to be an expert on the psychology of youth to understand the effects of such violence. All of us understand the theory of behaviourisms as expounded by Watson. To simplify it, human beings tend to behave in accordance with the patterns of behaviour by others, and such behaviour tends to respond in proportion to impulses

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created by others, whether in person or on the stage or on the screen. Pavlov proved conclusively that even animals follow behaviourism and are guided even more strongly by habits.

If we accept that politics is the study of ideal social organizations, then Government must be responsible for the pattern of society. If it were not so, what is to prevent a bankruptcy of morals?

In the general principles of film censorship, clause 5 indicated that a film or any part of a film may be banned if it "corrupts morals or encourages crimes of violence or encourages the unlawful taking of drugs".

Morality is based on the principle of reciprocity. If these knife murders clearly take away the life of another person, which the committor is himself unwilling to lose, it is unreciprocal and therefore immoral. By killing other people, it clearly breaks the very structure on which society is based. These knife murders should be smothered and society should be made safe for law abiding and peace loving citizens. This is what civilization is all about.

When violence is overemphasized, it sets in motion a de-civilizing process which results in retrogression. History swings in pendulum and, in some respects, the 20th Century is moving backwards. Hong Kong need not, and must not, participate in such a movement.

In some circles, it is felt that the public is only interested in violence and that motion picture producers would lose a great deal of money if they did not resort to pictures which feature violence. As one who has seen every major picture since 1916, and having talked to a large number of cinema-goers, I beg to differ. I think pictures based on gentility and romance can achieve the same box office results if produced properly. We must not be led into the false assumption that the days of appealing to better instincts are gone.

Owing to our increasing crime rate in Hong Kong, which is many times higher than that of England and Wales, we must take due regard of the social effects of the violence on the screen and make a firm and steadfast resolution to discourage crimes of violence on the screen in order to preserve our pattern of society which at one time contained the best of two civilizations.

MRS SYMONS: —Sir, in rising to speak on the desirability of reducing scenes of violence on both cinema and television screens, I am in agreement with my honourable Friends Mr BROWNE and Mr WONG that the time is opportune for some further review of the guidelines

of the Panel of Film Censors and of the Codes of Practice under the terms of the Television Ordinance.

In this Council there has been considerable discussion recently of some of our major problems particularly as these affect our way of life; and it was with some interest that I read in the Annual Report for 1971-72 by the Commissioner of Police that in his opinion "violence on TV screens and in films tends to accelerate the decline in moral standards". He ought to know.

Very often any comment or suggestion like the one in hand appears to be misunderstood. We do not say that cutting down further on scenes of violence will directly result in the absence of violence in our streets, just as a mandatory sentence on the possession of a dangerous weapon will not alone stop crime, but all are facets of a major problem and any reduction in any one sector must be of immense value. We have no choice but to try, no duty but to explore every avenue of progress.

It has often been said that we must expect some of our social evils now that our city has grown to be an international metropolis: this is a realistic reflection which should not lead to self-complacency. Why do we need to accept that criminals should lurk in every dark corner or dash around boldly in broad daylight?

I look forward to the proposed campaign on the reduction of crime, and would like to suggest that our reflections this afternoon are but a forerunner of a concerted movement that affects us all. No doubt the Commissioner for Television and Films will bring in new and worthwhile ideas when a review is made of the guidelines last issued two years ago. Let it be remembered at this time when Government has gone out to tender for a new television company that the onus will be on both old and new television companies to use the new medium of television in a responsible manner, linking this duty to the easier yet skilful task of providing entertainment at a handsome profit. Above all, Government itself has a heavy responsibility since we have a young population with varying levels of educational attainment.

There are many experts on the influence of films and television on youth and many volumes have been written on the subject. Many countries have a head start on us in the setting up of high level committees to report on television, cinema and juvenile delinquency; and yet there is no clear cut and definite conclusion, except perhaps one.

One fundamental fact of paramount importance — programmes which feature violence and aggression may or may not frighten but "they do offer a one-sided view of life, implying that all conflict has to be resolved by force. The danger lies less in imitation than in acceptance of violence as manly and inevitable".

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Some years ago a case in a Justices of the Peace Juvenile Court really brought home to me the significance of this statement. The accused, a boy of eight, had stabbed his friend because of an alleged insult. I questioned the accused who confirmed that the complainant was in fact not his enemy but his friend; which surprised me but the lad quite cheerfully explained "But every one stabs in anger". I wondered then as I do now how guilty we adults are to have created such a climate of wanton indifference in Hong Kong.

If we are sincere about the "quality of life" we must not allow ourselves to be hoodwinked by those who claim *laissezfaire* as they import films of little or no artistic value but riddled with scenes of sex and violence. It is not a matter of simple economics to allow freedom of enterprise when the minds of our younger citizens are at stake. We know that some films are banned and others cut, but the net result is still too many films depicting violence as the only way of life. Sometimes elaborate and very clever plans are revealed with commando-like precision and detail—object lessons indeed for our young criminals. Sometimes ferocious gang fights are depicted. Sometimes the consequences of violence (in technicolour for heightened effect) are prevalent—the camera stays with a man or woman who has been hit, we see the victim with blood on his hands, beads of sweat on his face; we hear him gasp for air. The camera, the music, the effects all underline the realism, which is so apparent that its effect far outlasts the subtler innuendo that crime does not pay. A turning point in the annals of criminology can surely be traced to the attitude evident just after the war, and expressed again and again all over the world, that the criminal who faces capture is not wrong but unlucky.

The constant exposure of our young in a city of many contrasts between the traditional and the new, the west and the east, the haves and the have-nots, is too serious a matter to be ignored or accepted in a nonchalant manner. We do not classify our films; we do not see to it that film distributors specify films not suitable for children; we allow such films to be shown on television very early in the evening; we forget that Government has a duty to perform in all this.

In our city there are special problems which are less serious elsewhere. Many of our young have been over-educated above their parents. A man who understands no English is unable to judge the merits of a film his teenage son wants to see. He receives no information from any source and in the end his permission is given reluctantly. Language and cultural differences add to the difficulties here. Conservative parents are bewildered beyond words by the very adept imitation of western youth by their own children who turn their back on the very fabric of old Chinese ways. We often delight in boasting that Hong

Kong is unique; I submit that unless we face up to the responsibility of cleaning up our screens we will lose the chance to serve our youth responsibly; in which sad event we will lose our soul, if we ever had one.

The time has come for action.

4.10 p.m.

THE SECRETARY FOR HOME AFFAIRS (MR LUDDINGTON): —Sir, the concern which honourable Members have expressed over the extent to which violence forms part, and often a major part, of the films available for entertainment in Hong Kong is shared by many of us here today. This concern is also shared by the Chief Film Censor and the members of his Panel who are cutting the more violent scenes.

As Chairman of the Board of Review appointed under the Film Censorship Regulations, I have arranged for the general principles, the guidelines mentioned by my honourable Friend Mr BROWNE to be revised. My Board, in consultation with the Censors, will certainly bear in mind the remarks made today when it reviews these principles.

In addition, I have asked the Commissioner for Television and Films to consider how best the Board and the Censors may be kept aware of the general public's attitude to such matters as violence shown in local cinemas.

With regard to television, the Code of Practice relating to programme standards was revised only recently by the Television Authority after taking the advice of the Television Advisory Board. Particular care was taken to spell out in detail the standards in respect of violence in television programmes and how young viewers should be protected.

With great respect to the honourable Members who have spoken in this debate and to the Commissioner of Police, I wonder whether there is as close a relationship between the portrayal of violence in the cinemas and the prevalence of violent crime in Hong Kong as they have suggested? My honourable Friend Mrs SYMONS has suggested that it is the Government's duty to explore every avenue of progress. If by this she means that Government should experiment by imposing stricter censorship to check whether this assists in reducing crime, then perhaps I should define the field. During the financial year 1971-72, of the 810 feature films censored only 127 were made in Hong Kong (but not for the Hong Kong market alone) and of the 5,892 films for television censored only 4 were made in Hong Kong. Thus if Government attempted to cut all violence in films, public entertainment might be very severely reduced, for there are virtually no films made for the Hong Kong market alone.

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Of course many local television programmes, apart from films, are produced locally. These are monitored by the Television Authority and I can assure this Council that local television producers are taking their responsibilities in regard to programme standards seriously.

Recently I have given serious thought to the need for increased censorship—and not only in respect of TV and films—in the light of the possibility that this might help to reduce serious crime. This is however a realm in which one must move with caution because Hong Kong cannot afford either to be out of touch with the rest of the world or to have a lot of bored people.

Finally, I must emphasize that the Censor's role is primarily a negative one. He is in no way responsible for the material which is put before him. It is his unenviable task to decide whether any film should be approved for public exhibition, refused or approved subject to alterations or cuts and subject to conditions. The same applies to the duties of the Television Authority. I accept that the purpose of such censorship is positive, that is to encourage the production of films which will entertain rather than corrupt. Our task is to maintain acceptable public standards without unreasonably infringing the private rights of the individual.

*Question put and agreed to.*

**Next sitting**

HIS EXCELLENCY THE PRESIDENT: —Accordingly I now adjourn the Council until 2.30 p.m. on Wednesday, the 28th February.

*Adjourned accordingly at quarter past four o'clock.*