

OFFICIAL REPORT OF PROCEEDINGS**Wednesday, 1st August 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 FINANCIAL SECRETARY
MR CHARLES PHILIP HADDON-CAVE, CMG, JP
THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)
MR JOHN WILLIAM DIXON HOBLEY, JP
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR JACK CATER, CBE, JP
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, CBE, JP
DIRECTOR OF URBAN SERVICES
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE PAUL TSUI KA-CHEUNG, CBE, JP
COMMISSIONER OF LABOUR
THE HONOURABLE LI FOOK-KOW, JP
DIRECTOR OF SOCIAL WELFARE
THE HONOURABLE ERIC PETER HO, JP
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE IAN FRANCIS CLUNY MACPHERSON, JP
DISTRICT COMMISSIONER, NEW TERRITORIES
THE HONOURABLE ALEXANDER STUART ROBERTSON, JP
DIRECTOR OF PUBLIC WORKS (*Acting*)
THE HONOURABLE CHARLES JOHN GRAFTON LOWE, JP
DIRECTOR OF EDUCATION (*Acting*)
THE HONOURABLE DAVID AKERS-JONES, JP
SECRETARY FOR THE ENVIRONMENT (*Acting*)
THE HONOURABLE DONALD LIAO POON-HUAI, OBE, JP
SECRETARY FOR HOUSING (*Acting*)
THE HONOURABLE WOO PAK-CHUEN, CBE, JP
THE HONOURABLE WILFRED WONG SIEN-BING, 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 ANN TSE-KAI, OBE, JP
THE HONOURABLE ROGERIO 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 HILTON CHEONG-LEEN, OBE, JP
THE HONOURABLE GUY MOWBRAY SAYER, JP
THE HONOURABLE LI FOOK-WO, OBE, JP

ABSENT

THE HONOURABLE SZETO WAI, OBE, JP
THE HONOURABLE OSWALD VICTOR CHEUNG, OBE, QC, JP

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR RODERICK JOHN FRAMPTON

Oath

MR LIAO took the Oath of Allegiance and assumed his seat as Member of the Council.

HIS EXCELLENCY THE PRESIDENT: —May I welcome Mr LIAO 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: —	
Stamp Ordinance.	
Stamping and Denoting of Documents (Amendment) Regulations 1973	134
Stamp Duties Management Ordinance.	
Stamp Duties Management (Franking Machines) (Amendment) Regulations 1973	135
Public Health and Urban Services Ordinance.	
Declaration of Markets in Urban Areas to which the Ordinance Applies	137
Road Traffic Ordinance.	
Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No 2) Regulations 1973	138
Road Traffic Ordinance.	
Road Traffic (Taxis, Public Omnibuses, Public Light Buses and Public Cars) (Amendment) Regulations 1973	139
Road Traffic Ordinance.	
Road Traffic (Roads and Signs) (Amendment) Regulations 1973	140
Colonial Air Navigation Orders 1961 to 1968.	
Hong Kong Air Navigation (Registration Fees) (Amendment) (No 2) Regulations 1973	142
Money-lenders Ordinance.	
Order of Exemption	143

Subject

Sessional Paper 1972-73: —

No 62—Schedule of Supplementary Provisions Approved by the Urban Council During the First Quarter of 1973-74 (published on 1.8.73).

No 63—Annual Report by the Hong Kong Export Credit Insurance Corporation for the year 1972 (published on 1.8.73).

Report: —

Second Report of the Companies Law Revision Committee.

First Report of the Commission of Inquiry under Sir Alastair BLAIR-KERR.

Oral answers to questions**Youth**

1. MR CHEONG-LEEN asked: —

In view of the various official and unofficial suggestions which have been made in recent years to better co-ordinate and strengthen planning and development of youth services and activities for the estimated 2.2 million young people in Hong Kong, will Government set up such a co-ordinating body, either by way of an advisory committee, a planning and development committee, or otherwise?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —The short answer is "yes", Sir.

MR CHEONG-LEEN: —My question, Sir, had various possibilities. Is the honourable Colonial Secretary able to indicate in which specific direction the positive answer is leading to?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Within limits, again "yes", Sir. If the honourable Member is thinking in terms of a Youth Department, I've already dealt with that question in this Council and we are not thinking in terms of a Youth Department. But I would like to emphasise that the importance of strengthening and developing youth services has always been kept under review by departments

[THE COLONIAL SECRETARY] **Oral answers**

responsible for various aspects of youth work and by various advisory committees with relevant terms of reference. It is, after all, the fact that there is practically no department of Government which does not deal with youth, varying from the Education Department which deals entirely with youth to the Prisons Department at the other end of the scale which deals with that section of youth which has failed to meet the standards set by the community. There are many advisory committees with relevant terms of reference and the amount of work being done now has forced us to recognize that the strengthening of co-ordination is desirable. What we have in mind is, at the moment, a proposal for forming an informal co-ordinating group at a senior level for this purpose. In the light of the working experience of this group over, I hasten to say, a short period, it can be decided whether it should be given a more permanent and formal co-ordinating role.

MR CHEONG-LEEN: —With your permission, Your Excellency, may I clarify one point to the honourable Colonial Secretary. It is that the way in which the question was framed, I would have thought that it precluded any possibility of suggesting a Youth Department.

Rice prices

2. MR CHEONG-LEEN asked: —

How many complaints have been received during June and July from members of the public on the overcharging of rice prices at the retail level? How have such complaints been investigated by Government, and have the results been satisfactory enough to ensure that retailers particularly those in and around low-cost housing estates are selling rice at fair and normal prices, taking into account the different grades or qualities?

MR HO: —Sir, only two complaints, both by telephone, were received by the Commerce and Industry Department during June and July regarding retail rice prices. Both callers alleged that specified retailers—one in Hong Kong and the other in Kowloon—were demanding over \$2.00 a catty for rice. Inspectors were immediately sent to investigate and they reported that the retailers in question were not displaying price tags on the rice they were offering for sale. Both shops, in fact, denied they had demanded the prices alleged. Our Inspectors asked both shops to display price tags which they did promptly, offering rice in the range \$1.20 to \$1.80 a catty. Unannounced visits to these two shops have been repeated and on each subsequent occasion price tags in the \$1.20 to \$1.80 range have been displayed.

I can assure honourable Members that the Commerce and Industry Department is continuing to check on retail rice shops every day on a random sampling basis, in all the main population centres—including, of course, low-cost housing estates—to ensure that price tags are displayed on the rice being offered for sale, and that prices are reasonable in terms of the quality of the rice on offer. On a Colony-wide basis prices range from \$1.10 to \$1.80 a catty, depending on the quality of rice on offer, and I am satisfied that retail prices of this order are reasonable in the light of current import and normal trade costs.

Visas: Reciprocal arrangements

3. DR CHUNG asked: —

Will Government seek reciprocal arrangements for British (Hong Kong) passport holders to visit neighbouring countries such as Indonesia and Japan for a period of not more than 7 days without a visa?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): — Sir, as my honourable Friend is aware, the Government has for some time been in close contact with the Japanese authorities in order to secure for British (Hong Kong) passport holders the right to visit Japan for up to 7 days without a visa. I regret that I am not yet able to announce a successful outcome to these negotiations which are still in progress and with which we will press on.

The Government is not aware of there having been the same degree of public interest in obtaining similar facilities elsewhere. Nevertheless we have been in touch on this with a number of other governments in East Asia. I am glad to be able to report that arrangements have been made for holders of Hong Kong passports to visit the Philippines for up to 21 days without a visa provided they possess return tickets. Negotiations with other governments are continuing and will continue.

DR CHUNG: —Sir, will my honourable Friend inform this Council when did Government actually seek such reciprocal visa arrangement from Indonesia?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Correspondence with all the Governments in East Asia has been going on for some considerable time. I regret that I cannot give him the precise date on which the first approach was made, but if it assists him in any way, the other Governments with whom we are presently in contact are Indonesia, Thailand, India and South Korea.

Oral answers**Oil refinery**

4. MR LOBO asked: —

Before any decision is taken on the proposed oil refinery on Lamma Island, will Government make a public statement on the pros and cons of the scheme and at the same time publish the reports of its own official study group as well as the findings of the consultants?

MR AKERS-JONES: —Sir, I am grateful to my honourable Friend for giving me the opportunity to make a statement about this matter which is presently very much in the public mind.

Government has now received the report by Messrs Cremer and Warner in consultation with Parsons Brown & Partners, on the environmental and pollution aspects of the Shell proposals and will shortly be publishing the consultants' summary of their findings. The size and complexity of the whole report makes it impracticable to publish it widely in its entirety, but it is intended to produce a number of copies to make available to honourable Members and to interested organizations. The report of the Government party—who I should say were not experts—and who visited Singapore and Australia to report on oil refineries there will also be published. Some excisions will have to be made, but these do not affect the basic content or the conclusions of that report. But, since they record the privately expressed views of individual companies and Government departments in the countries visited, expressed to the group in confidence, they cannot be made public.

A number of people have pointed out that the establishment of a refinery raises the possibility of a related petrochemical complex, and indeed tentative enquiries which include such a complex have very recently been received. It is patently desirable to reach a view from the outset on what additional environmental problems would be raised by such a petrochemical installation, and the brief of Cremer and Warner has therefore been extended to cover a report on this further aspect so that we know where we stand. This additional report should be available in about four months.

The publication of the two consultants' reports and the report of the Government party, and the Government's comments upon them and its conclusions on the economic and environmental significance of a major development of this sort on Lamma, will provide an opportunity for informed public discussion before the matter is finally decided. This will be in conformity with the decision made by Your Excellency in Council in October 1972 that no further negotiations should take

place until the Government was satisfied that no material damage to the environment would result from the establishment of a refinery on Lamma Island.

I would also like to mention that interest has been expressed in establishing a plant to manufacture polystyrene from imported raw materials on Tsing Yi island which would, if established, secure supplies of this vital material for local industry. In view of the present position of the plastics industry, the environmental aspects of establishing such a factory on Tsing Yi are also being examined as a matter of urgency.

These applications raise questions much larger than whether environmental considerations render acceptable or unacceptable the establishment on Lamma Island of an oil refinery with or without a petrochemical annex. On this latter point, as I have said, we should soon have authoritative guidance from our consultants.

But they raise the question of the use to which Lamma Island should be put. Should it be industrial, residential or recreational? If it should be partly industrial, or partly residential, or partly a bit of both, what form would be best in the public interest and how can that form be reconciled with, and bring benefit to, those who live on the island of Lamma as well as to the public of Hong Kong as a whole? If the eventual decision significantly altered the scope of Lamma for recreation, what steps should be taken to develop and to preserve alternative areas to meet the rising demand for recreation?

I can assure the honourable Member that these wider questions are under just as active consideration as the one he has asked. Indeed one of the reasons why the post of Secretary for the Environment was created was to ensure that the proper use and development of our scarce land resources was kept under a scrutiny wider than that of any individual department, and with a view to the long term, as well as the short term public interest.

I can assure the honourable Member that there will be an opportunity to debate these important issues before a decision is taken, and after the facts have been made public. I suggest that until they have, the taking of strong or emotional positions as some members of the public have done, is premature.

Kindergartens

5. MR WONG asked: —

By what procedure may a kindergarten open in a Government housing estate? Are any rooms now in use in the Kwai Shing estate for this purpose? If so, what are the charges?

Oral answers

MR LIAO: —Sir kindergartens on public housing estates operate only in premises specially designed or converted for this purpose at an agreed scale.

At present the procedure for the opening of kindergarten differs according to the type of public housing estate, but the Housing Authority will shortly be considering the adoption of a uniform system for all. Kindergartens on former resettlement estates are at present let at nominal rents to non-profit making bodies nominated by the Education Department but, on estates managed by the former Housing Authority, they are advertised at fixed commercial rents on three year tenancies, and tenders are invited for the payment of a premium to secure the tenancy. Normally the highest tenderer will be offered the tenancy, subject to being considered suitable following an interview with officers of the Housing Department and Education Department.

Three kindergartens have already been provided in the first stage of the Kwai Shing Estate, two of which have already been let and the third will be advertised shortly. The rents of the first two are \$1,600 and \$2,900 per month, and of the third, \$2,000 per month, inclusive of rates in each case.

Building plans

6. MR SAYER asked: —

Is the Government aware that consents to start work on building plans already approved are being withheld for considerable periods for reasons, in many instances, to do with comparatively minor matters? If so, what steps can be taken to speed up the process?

MR ROBERTSON: —Sir, to avoid any confusion that may exist, I would like to outline the procedures adopted by the Building Authority in granting approvals and consent for building works.

Authorized Architects will usually wish to plan a development in separate but inter-related sections and this is helpful not only to the Authorized Architects but also to the Building Authority. Authorized Architects are thus permitted and encouraged to submit general building plans, details of site formation, piling, sub-structures, superstructures and drainage works at different times. Each submission requires examination before approval can be given. Approval of all of these submissions constitutes approval of the complete scheme and when this stage is reached, application by the Architect for consent to

commence building works would be given. However, in order to speed up building works, consent to begin work may also be given at various intermediate stages; for example, consent for piling works may be given in advance of the approval of building plans: the same applies to consent for other foundation works. These interim consents are granted at the developers' risk.

Furthermore, if an application for consent to commence works is submitted and consent is neither given nor refused within the 28 days statutory period, the developer can deem consent to have been given and can proceed with works on site.

Consents to begin works are not withheld for minor matters and the grounds for refusal are clearly defined in the Buildings Ordinance. The most significant cases in which consent is withheld are where the Architect applies for an interim consent but has supplied insufficient information on the overall project to permit the Building Authority to grant consent, or where it is clear that his proposed works would involve risk of collapse to adjoining properties.

Sir, I am not aware of any general or unjustified withholding of consent to begin building works; this would be in breach of our policies. However, I would be happy to look into any particular case which was drawn to my attention.

Methadone

7. MR LI asked: —

Will Government make a statement on the provisions now in force which regulate the import, sale, and use of methadone? Does Government intend to strengthen those provisions?

DR CHOA: —Sir, the import, sale and use of methadone is stringently controlled under the Dangerous Drugs Ordinance. The Ordinance requires, *inter alia*, that the import, sale and supply of methadone may normally only be undertaken by persons licensed by me to do so. Registered doctors and dentists, and certain other professional people are, however, authorized to possess and supply methadone (and other dangerous drugs) in strictly defined circumstances. There are also limited exceptions in favour of authorized sellers of poisons.

I am satisfied that the controls provided by the legislation are adequate but if the honourable Member has any improvements to suggest I shall certainly consider them very carefully.

Oral answers

MR LI: —Sir, will the honourable Director of Medical and Health Services inform the Council:

- (1) whether or not there is a control of selling price of methadone; and
- (2) whether or not there is evidence of methadone being sold at exorbitant prices due to lack of supply to meet demands?

DR CHOA: —Sir, there is no control of the price of methadone. In any case, I do not know of any instance where methadone is sold at exorbitant prices. If the honourable Member is thinking of a black market in methadone used by drug addicts, I can assure him that I have no knowledge of the existence of one in Hong Kong.

"Fight Violent Crime" Campaign

8. MR WOO: —Sir, under Standing Order 17(4), I have already obtained Your Excellency's permission to ask the following question without notice on the ground that it is of an urgent character and relates to a matter of public importance. I have already given private notice of the question to my honourable Friend the Colonial Secretary. My question is:

"Will Government comment on what the 'Fight Violent Crime Campaign' has so far achieved, and on future Plans?"

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, honourable Members are, I am sure, aware of the background to, and the need for, the present Campaign against violent crime. It will be recalled that last July, Hong Kong experienced a sudden upsurge in violent crime when the number of robberies shot up to above 700 per month, from an average of some 440 a month recorded in the first half of last year. During the second half of the year they levelled off at an average of about 770 a month.

These figures may not be particularly alarming purely by comparison with crime rates in other modern cities, but we in Hong Kong are not prepared to accept their level of violent crime. We are determined to maintain law and order: we are determined that the people of Hong Kong should be able to walk the streets, day or night, without fear of the violent criminal.

In preparation for this Campaign, we first launched a recruitment drive to boost the ranks of the Auxiliaries—an arm of the Police which is capable of rapid expansion. The drive was tremendously successful:

first as a 'Community Involvement' exercise and secondly in terms of actual recruitment: six months ago the Auxiliaries numbered 3,500—by the end of September, given the goodwill of the Finance Committee of this Council, there should be over 7,000 fully trained Auxiliaries.

With this extra manpower, we were ready for action. The Fight Violent Crime Committee was appointed in March this year, to plan and execute the Campaign.*

The Campaign Committee considered various aspects of the problem. It recognized that the Police could not do the job effectively, unless they had the support and co-operation of the Community. Therefore, the Police held a campaign emphasizing the need for further improving relations between themselves and the public. The Campaign proper was launched in May: the first phase of the Campaign was educative in nature, informing the public of the role which they would be expected to play.

At the same time, the Committee took steps to mobilize the public—to involve the community in the fight against violent crime. 15 District Committees and 94 Area Committees were formed throughout the Urban Area and in the New Territories. More recently, the public have been encouraged to form Mutual Aid Committees.

The Committee also looked into other aspects—such as improvements to street lighting, particularly lighting in crime black spots; enlarging the caretaker service in public housing estates; simplification of reporting procedures; establishment of more police reporting centres and numerous other measures. It also set up, at a very early stage of its work, an important Sub-Committee to study the social causes of crime and to recommend remedies.

The action phase of the Campaign started on the 18th of June and is, of course, continuing. The regular Police are making an even greater effort than ever before, ably backed by the expanded Auxiliary force. Apart from ensuring an increased presence in the streets, they have mounted numerous raids against vice dens and known criminal haunts.

The public for their part, have responded: for instance, a greater proportion of the crimes committed are being reported; this is evidenced in the substantial increase in the number of 999 calls reporting violent crime and by the general public response. Despite this increased reporting of crime, the number of robberies has come way down; from a daily average of 25 a few months ago, to 15 at the present time.

The immediate results of the Campaign are therefore encouraging. The upward trend of robberies has been arrested and reversed. It

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would seem we are back at least to the situation at the beginning of 1972 and public confidence in our ability to deal with crime has grown significantly.

I believe that there is every reason to congratulate the Police on the way in which they are meeting the challenge and also the Fight Violent Crime Committee which had to plan and execute a Campaign within a very short period of time. But what we have witnessed so far is merely the opening skirmish in a prolonged battle. I know myself that the Police recognise this; and I can assure honourable Members that having grasped the initiative, they will not let it go.

The Community, having joined the fight against crime likewise will, I hope, not only continue but expand its efforts. And here I should like to say a brief word about the Mutual Aid Committees. They are based on the concept of people getting together, caring for one another, and helping each other, in an old and honoured tradition among the Chinese. They should assist residents to deal with building cleanliness and management. But above all, they will enable neighbours to improve security in the buildings where they live. Through them, ordinary members of the community will start to protect themselves positively.

To ensure that we have the resources and manpower to fight this long term battle, we have mounted a massive police recruitment drive. We need, and hope to attract 3,000 recruits into the regular police force. Concurrently, the staff of the Secretariat for Home Affairs will be concentrating on the formation of Mutual Aid Committees. Here I should perhaps warn honourable Members that my honourable Friend Mr CATER has warned me that he will need substantial extra staff for this purpose. But I feel sure that honourable Members will welcome a social development which will have such important long term benefits for the people of Hong Kong.

MR CHEONG-LEEN: —Sir, Police spokesmen from time to time during the campaign have stated that the raids against vice dens in different districts in the Colony were part of the campaign against violent crime. Can an assurance be given by Government that these raids against vice dens will continue during the coming months particularly in view of the fact that in the past few days there have been reports in the Chinese press that some of these vice dens have reopened?

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —I am afraid, Sir, that vice dens do tend to reopen not necessarily in the same geographical spot in which they functioned previously, but this part of

the fight against crime will certainly continue and I can give the honourable Member an assurance on that point. It is possible that he listened this morning to Mr Ted THOMAS on the 8 o'clock news, or just before the 8 o'clock news, where he pointed out that the type of night spot, and indeed 24 hour spot, to which the honourable Member has referred, attract thugs and hooligans as if they were magnets.

MR CHEONG-LEEN: —Sir, in a point of clarification, I did not listen to Mr Ted THOMAS this morning. I read the Chinese press a few days ago on the subject.

Statements

Annual Report by the Hong Kong Export Credit

Insurance Corporation for the year 1972-73

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, honourable Members will read for themselves an account of the activities of the Hong Kong Export Credit Insurance Corporation during the past financial year in the Annual Report of the Corporation which is being tabled today. There are three points connected with the Corporation's future operations which I should like to mention briefly.

First, the contingent liability of the Corporation has now reached some \$953 million. When the Hong Kong Export Credit Insurance Corporation Ordinance was enacted in 1966* the contingent liability of the Corporation under contracts of insurance was set at \$300 million, or such other sum as might be determined by resolution of this Council. Owing to the expansion of the Corporation's business this limit was raised to \$500 million in August 1967† and to \$750 million in February 1969.‡ Two years later, in June 1971, the limit was further raised to \$1,000 million.§ This limit has almost been reached and must be raised if the Corporation is not to turn away business. It is my intention, therefore, to introduce a resolution into this Council early in the new session which would set the limit at \$1,250 million.

Secondly, Sir, honourable Members will appreciate that, with the Corporation's contingent liability at such a high figure, the Corporation's capital will have to be increased. When the Ordinance was enacted in 1966 the aggregate amount of capital was set at \$10 million. This figure was based on a recommendation in the Freeman Report¶

* 1966 Hansard, pages 436-9 and 452-3.

† 1967 Hansard, pages 381-2.

‡ 1969 Hansard, pages 47-8.

§ 1970-71 Hansard, pages 717-8.

¶ 1965 Hansard, pages 286-8.

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that initially the capital likely to be required by the Corporation would be of the order of \$10-15 million with an assumed contingent liability of \$500 million. Now that the contingent liability of the Corporation has reached nearly twice that figure there is an obvious need to increase the amount of the Corporation's capital and, subject to the advice of Your Excellency in Council, I propose to introduce an amending bill to set it at \$20 million.

Finally, Sir, I should like to inform honourable Members that the Corporation is to extend the present facilities available to exporters by including in its policies cover against the risk of repudiation. This extension of the cover offered has been agreed after the Advisory Board had considered representations from exporters. It should lead to an increase in, and a wider spread of, business and to increased premium income.

Mass Transit System

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, four weeks ago, when replying to a question from my honourable Friend Mr James Wu, I said in this Council that the Mass Transit Steering Group was about to submit recommendations to Executive Council on a series of important and difficult questions concerning the Mass Transit Railway: including, first and foremost, the question whether the project should be dealt with on a single-contract or multi-contract basis.*

I can now report to honourable Members that, having considered the Steering Group's recommendations, the Government has decided *in principle* to adopt a single-contract approach: that is to say, to award a contract to one consortium, selected by competitive negotiation, for the complete construction and equipment of the first four stages of the Mass Transit Railway. I emphasize, Sir, the words "in principle" because an acceptable contract has yet to be negotiated and concluded. And, to this end, the Government has decided that the Steering Group should forthwith enter into further exchanges with the four consortia who have put forward single-contract proposals, with a view to opening up actual negotiations with them and, ultimately, to selecting one of them for the contract.

Now that the process of negotiating a contract is about to begin, honourable Members will appreciate that I cannot explain in detail the reasons underlying the Government's preference for the single-contract approach, because to do so might prejudice the Steering Group's negotiating position. But I can say that the Government has concluded

* Page 922.

that the single-contract approach would be the most appropriate method of safeguarding Hong Kong's best interests in all respects.

Sir, the task which is now facing the Steering Group—the task of securing the best possible single contract for the first four stages of the Mass Transit Railway, and of assuring the financial viability of the system—is a formidable task. And as the contract is to be awarded after a negotiation and not by normal tendering procedures, it is also a delicate task which will have to be handled with extreme wariness and meticulous care.

Although the Government intends to conclude the contract as soon as possible, it will inevitably take *some* time. Meanwhile, various items of preparatory work will continue to be undertaken to ensure that no time will be lost while the negotiation of the contract is under way. The Consulting Engineers will build up their organization further and their brief will be modified to suit the particular requirements of the single-contract approach. Soil investigations and other engineering research work will continue, as will arrangements for the acquisition or clearance of land required for the purposes of constructing the Mass Transit Railway. Planning is in hand for the establishment of a Mass Transit Railway Corporation, as well as for the diversion of utility services and traffic routings which will need to be undertaken during the construction phase. Finally, in advance of the negotiated main contract, arrangements are being made for a contract to be let by tender for site formation and associated civil engineering works at Kowloon Bay so as to ensure that the workshops and administration building, which are critical items in the project programme, will be completed in good time.

DR CHUNG: —Sir, earlier this year, the honourable Financial Secretary informed this Council that the actual work to construct the underground railway would be commenced early next year—that is, 1974.* Can my honourable Friend now say that this timetable to start work in early 1974 is still valid and, if not, how much delay will be on the commencement of the construction?

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —The answer is "yes" and "no", Sir, I am afraid. We shall be letting an individual contract in respect of the Kowloon Bay depot early in the new year, but I do not anticipate that we shall be able to complete the negotiation of the single contract and conclude a firm agreement before about the middle of the year. So the work in connection with the main contract will not start until the second half of the year—early in the second half

* Pages .

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of the year. But, of course, depending on how the negotiation goes, I'd expect the selected consortium to begin organising themselves and assembling equipment and so on before the contract was actually concluded. But this is a very small slippage in the timetable.

June Disaster Trust Funds

MR LI: —Sir, amongst the papers laid on the Table today is a statement of account dealing with the donations received last year for the victims of the June rainstorm disaster.

As honourable Members are aware, the people of Hong Kong responded with great generosity to the appeals for aid to the victims of the rainstorm disasters in June last year.* Donations amounting to just over \$17.3 million were received by the Social Welfare Department in this respect. Of this sum, approximately \$11.8 million has already been distributed amongst some 24,355 families.

But, as the statement of account indicates, a sum of about \$5½ million has not yet been distributed. In addition, two properties were given to the Hong Kong Television Broadcasting Company, and when these are sold by the company, the proceeds (estimated at about \$220,000) will have to be added to that sum. These sums of money were given for the victims of this particular disaster and although consideration was given to the possibility of transferring the sum by legislation to the Community Relief Trust Fund to help the victims of future disasters,† I have been advised that the sum should be expended for the purposes for which donations were made. After considering the position carefully, the conclusion of the members of the Community Relief Trust Fund Committee, who have been acting as trustees for the donations, and of the Government, is that it is right that the balance of donations should also go to the victims of the June rainstorm disaster last year.

After reviewing the various possible ways of distributing the balance of donations, the view of the Committee, which has been accepted by Government, is that two funds should be established to assist registered victims of the disaster. Namely, \$1½ million for a rehabilitation fund and the balance for an orphans fund.

The scheme for the orphans fund is to divide the sum allocated to it amongst some 49 orphans and semi-orphans on a variable scale,

* 1971-72 Hansard, page 946.

† Ibid, pages 1039-40.

depending on their age and whether or not the loss of life in the household involved the principal wage-earner. The agreed sum will be held in trust and is to be used for the maintenance, education and welfare of the orphan. The balance is to be handed over to him or her when the beneficiary reaches an appropriate age—possibly 21, though this could be lowered to 18 for girls on marriage.

The \$1½ million set aside for the rehabilitation fund is aimed at families where there has been loss of life or serious injury, and will provide additional help to those who have already received help from the donations if their present circumstances warrant additional assistance. These cases will all be followed up by officers of the Social Welfare Department and it is therefore unnecessary for the families to lodge further applications for help. Any unexpended balance will be credited to the orphans fund for further allocations to the accounts of individual orphans and semi-orphans.

I should add, Sir, that before the balance of donations is transferred to the two funds, an advertisement will be placed in the press, informing those victims who have not yet made any claim for payment, that no new claims will be entertained after the end of August this year.

Second report of the Companies Law Revision Committee

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, honourable Members may recall that on the 21st of July 1971 I informed them of the imminent publication of the First Report of the Companies Law Revision Committee of the Protection of Investors which had been submitted to Government on the 24th June of that year.*

As a direct consequence of that report the Companies (Amendment) Bill 1972, known as the Prospectuses Bill, was introduced into this Council on 1st November last. It was enacted on the 13th of December and came into operation on the 1st of March this year.†

Subject to the advice of Your Excellency in Council, at the beginning of the next session of this Council, the Securities Bill, the Protection of Investors Bill, the Protection of Depositors Bill and the Companies (Amendment) Bill (dealing with take-overs) will be placed before honourable Members for their consideration. Other bills dealing with Mutual Funds and Unit Trusts will follow thereafter. All these measures directly or indirectly stem from the recommendations made by the Companies Law Revision Committee in their First Report.

* 1970-71 Hansard, page 773.

† Pages 83-92, 201-5 and 268-9.

[THE FINANCIAL SECRETARY] **Statements**

Today the Second Report of this same Committee has been laid on the table. This Report covers a wide range of subjects in the general field of company law: incorporation, capitalisation, company management, employment of directors, winding up, accounts and audit and many other matters. The recommendations contained in this report will be studied carefully by the departments concerned and by the secretariat and I have no doubt a further legislative programme will be put in hand.

I should add here, Sir, that I have already noted the Committee's view that the drafting of a completely new Companies Ordinance will be an extremely complex undertaking and that possibly, therefore, we should proceed piecemeal dealing with the more urgent reforms required first; and consideration is now being given to implementing at an early date the Committee's recommendations on company accounts. Incidentally, Sir, in view of the recent press speculation I should mention that provisions relating to insider trading have already been incorporated in the Securities Bill, so we're ahead of the press on this occasion.

The Committee's Second Report represents the culmination of several years of painstaking work and I should like to take this opportunity of expressing the Government's deep appreciation for all the effort and time devoted to their task by the Chairman and members of the Committee and by the Committee's Secretary.

Government business

Motions

Schedule of write-offs for the Financial Year 1972-73

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

It is hereby resolved that the Write-Offs for the financial year 1972-73, as set out in the Schedule, be approved.

He said: — Sir, the purpose of this resolution is to seek the covering approval of this Council to those write-offs approved by the Finance Committee of this Council during the financial year 1972-73 and which are listed in the Schedule.

There are three items, Sir, which must receive some explanation.

The *first* item is for stamps to the face value of \$112,550 stolen by burglars who broke into the Kowloon Central Post Office during the

night of 8th of January 1971. The burglars appear to have gained access to the building through the small chute which connects the loading platform to the basement where mail bags are stored.

Police enquiries showed there was no evidence to support either criminal or disciplinary action against any individual officer.

The *second* item concerns Contract No 225 of 1964 which provided for the laying of a pipeline along the Shing Mun River in Sha Tin, linking the Plover Cove Water Scheme with the Jubilee Reservoir. The contractor's company ran into financial difficulties and consequently abandoned the site on the 17th of January 1966. The Director of Water Supplies re-entered the contract on the 8th of February 1966. A separate contract was then let to another contractor for the remaining work, which was completed in July 1967.

Under the conditions of the contract, the Government could have claimed \$126,600 as liquidated damages from the contractor for delay in completing the contract. The contractor was also liable for the extra expenditure of \$117,569 incurred by the Government in getting another contractor to complete the outstanding work. Against these outstanding payments, the Government appropriated \$24,000 being retention money under the contract, together with a bond of an equal amount which was subsequently recovered from the bondsman. The outstanding sum due to the Government was thus \$196,169.

The proprietor of the company was adjudged bankrupt by order of the Supreme Court on 30th June 1967. The Official Receiver had advised that no dividend was declared in the bankruptcy proceedings and that it was unlikely that any dividend would be declared in the future. In the circumstances, the sum of \$196,169 was considered irrecoverable.

The *third* item concerns the loss of stores amounting to \$66,070, fraudulently obtained by a workman of the Waterworks Office over a period of several months in 1969. The fraud came to light in February 1970 when two stores requisition vouchers were found to have been stolen and presented to the Government Supplies Department for the withdrawal of stores after the contents of the vouchers had been altered. Following investigations by the Police, two persons were taken to Court and convicted of forgery. The Court of Appeal subsequently quashed the convictions.

The fraud was facilitated by the case with which an unauthorized person could both collect stores from the Government Supplies Department and alter their quantities on requisition vouchers. These deficiencies have since been rectified.

Question put and agreed to.

GOVERNMENT LOTTERIES ORDINANCE

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

It is hereby resolved that approval be given to the appropriation, by way of grant under section 6(4) of the Government Lotteries Ordinance, of the amounts specified in the first column of the Schedule, to the organizations specified opposite thereto in the second column of the Schedule, for the purposes specified opposite thereto in the third column of the Schedule.

SCHEDULE

<i>Amount</i>	<i>Organization</i>	<i>Purpose</i>
1. \$ 98,500	Hong Kong Association for Mentally Handicapped Children and Young Persons Ltd.	Equipment and furniture for the proposed Morninghill School at Yau Tong
2. \$129,000	Hong Kong School for the Deaf	Audiological equipment and redecoration
3. \$300,000	Social Welfare Department	Minor allocations by Director of Social Welfare
4. \$ 41,000	Tang King Po School	Additional equipment
5. \$ 71,500	Hong Kong Red Cross	Replacement bus for John F. Kennedy Centre
6. \$ 68,600	Girl Guides Association	Improvement of facilities at various centres
7. \$ 58,000	Ebenezer School and Home for the Blind	Renovation/ repainting of buildings

He said: —Sir, the purpose of this resolution is to seek approval for the allocation of 7 grants from the Lotteries Fund. These grants have been recommended by the Social Welfare Advisory Committee, the total sum of money involved being \$766,600. Under section 6(5) of the Government Lotteries Ordinance, the prior approval by resolution of this Council is required for the allocation of grants from the Lotteries Fund.*

As regards the 7 grants specified in the Schedule to the Resolution, items (1) and (4) are for the purchase of equipment; item (2) is for the purchase of audiological equipment and redecoration; item (3) is for a block allocation of \$300,000 to the Director of Social Welfare to enable him to approve minor capital works not exceeding \$25,000 in

* 1967 Hansard, page 309.

any one instance; item (5) is for the replacement of a bus; the remaining two items are for capital works. All items come within the scope of section 6 of the Lotteries Ordinance which defines the purposes for which allocations from the Fund may be made; and the Governor has, under section 6(4) of the Ordinance, approved the social welfare services and projects concerned as being worthy of assistance from the Lotteries Fund.

If this Resolution is passed the uncommitted balance in the Lotteries Fund will be approximately \$4.6 million.

Question put and agreed to.

CRIMINAL PROCEDURE ORDINANCE

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

It is hereby resolved, pursuant to section 9A of the Criminal Procedure Ordinance, that the Legal Aid in Criminal Cases (Amendment) (No 2) Rules 1973, made by the Chief Justice on the 12th day of July 1973, be approved.

He said: —The rules, which were made by the Chief Justice on the 12th July, amend the Legal Aid in Criminal Cases Rules in three respects.

The most important change which is made is the extension of legal aid to appeals against sentence in the Magistrates' Courts in those cases where the appellant pleaded guilty at his trial. Hitherto, legal aid could be granted only to a person who was convicted following a trial on a plea of not guilty.

The second change concerns the fees to be paid where a solicitor assigned to represent an aided person appears in the District Court as an advocate in addition to acting as instructing solicitor. In future, a solicitor who appears as advocate will be entitled, in addition to his other fee, to a fee in respect of his appearance as an advocate not exceeding the normal scale fee applicable in the case of barristers assigned to represent an aided person.

Sir, the remaining amendment corrects an error in the existing rules.

Question put and agreed to.

FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE

MR TSUI moved the following motion: —

It is hereby resolved that the Construction Sites (Safety) Regulations 1973, made by the Commissioner of Labour on the 23rd July 1973, be approved.

He said: —Sir, I move the resolution, standing in my name on the Order Paper, for the approval of the Construction Sites (Safety) Regulations 1973. This is necessary in view of provisions of section 7(3) of the Ordinance.*

The intention of these special regulations is to introduce statutory safety requirements in the construction industry and to ensure the provision of certain measures designed to safeguard the health and improve the welfare of workers in that industry.

The hazardous nature of work in the industry is reflected in the number of accidents that have occurred in recent years. In 1972 alone, there were 4,500 accidents resulting in injuries, of which 65 were fatal. About 40% of these accidents, 1,818 cases, arose from two associated causes, namely stepping on or striking against objects (1,296 cases) and falls of persons (522 cases). Falling objects accounted for a further 866 cases and power-driven machinery for 144 cases. Accidents involving explosions or fires, lifting machinery, electricity, falls of ground and miscellaneous cases accounted for another 569 cases. Accidents attributable to the causes I have quoted, which account for about 75% of the total number of accidents occurring in the construction industry in 1972, all come within the scope of the proposed regulations. Most of the remaining 25% of accidents, caused by hot or corrosive substances or gassing, poisoning and other toxic substances, etc. are in a way covered by the provisions of existing regulations.

Part I of the regulations contains definitions and states that the regulations shall apply to all construction work and to all construction sites. This Part also empowers the Commissioner of Labour to grant exemption from any requirements which he considers unnecessary or not reasonably practicable.

Part II deals with lifting appliances and specifies the standards to be observed in the interests of safety. Among other things, this Part requires regular inspection of lifting appliances, the provision of a suitable cabin for the driver of every power-driven lifting appliance, safety devices to be incorporated in every crane, crab or winch to prevent the fall of suspended loads, and for devices on lifting appliances to be equipped with suitable locking arrangements. It

* Pages 944-5 and 979-82.

also provides that before a lifting appliance is used on a construction site which has a soft or uneven slope, the contractor shall take appropriate precaution to ensure the stability of the appliance. In addition, the anchoring or ballasting of a crane must be examined by a competent examiner who is also required to test the crane to determine its safe working load. There are also various other provisions relating to the use of cranes in bad weather, the operation of derricking jibs and general matters relating to the safe operation of cranes. This Part also provides for competent persons to operate cranes, governs the testing and examination by competent examiners of all lifting appliances, and requires details of the safe working load to be clearly and legibly marked on the lifting appliances.

Part III prohibits the use of chains, ropes or lifting gear for raising or lowering, or as a means of suspension, unless the equipment has been examined and certified safe by a competent examiner within the previous six months.

Under Part IV, which relates to special provisions as to hoists, all hoistways must be enclosed; and access gates closed when not in use. Every hoist must be equipped with a device to prevent the platform or cage falling in the event of failure of the hoist ropes. No hoist which is manufactured, substantially altered or repaired after the commencement of these regulations may be used unless it has been examined and certified safe by a competent examiner within the previous six months.

Part V specifies special safety precautions for hoists carrying persons and lays down requirements to be observed in ensuring the secureness of loads being raised or lowered.

Part VI provides for the safety of people employed in excavations. Suitable timber or other suitable materials must be used to prevent the fall or dislodgement of earth or rock, and every part of an excavation or earthwork must be examined weekly by a competent person. Certain excavations must be either securely covered or adequately fenced, and the stacking of materials or the placing of plant or equipment near to the edge of an excavation in a position which may endanger those working below is prohibited.

Part VII provides for certain miscellaneous measures to safeguard the safety and health of those employed in building works and works of engineering construction sites. It specifically aims at the prevention of inhalation of dust or fumes, protection of eyes, fencing of machinery, safe use of electricity, protection of the head by wearing a safety helmet, protection from falling materials, lighting of working places, prevention of projecting nails or objects from lying about on a work site, and good house-keeping.

[MR TSUI] **Motions**

Part VIII requires a contractor to notify in writing certain information to the Commissioner of Labour, within 7 days of the commencement of work, and likewise, within 7 days of the date of completion of the work.

Part IX makes provision for special first-aid facilities, such as trained first-aiders, first-aid boxes and stretchers and splints. It also provides for certain welfare matters, such as shelters and facilities for meals.

Part X deals with the keeping of records and it also contains penalty clauses which may be invoked in the event of any failure to comply with the regulations.

The proposed regulations were sent for consultation to the Labour Advisory Board and to the Building Contractors' Association. They were considered and approved by the former, while the latter commented on certain points of detail which were subsequently clarified. It is my intention that these regulations shall not come into force until approximately nine months after they have been made so that building contractors and others concerned will have adequate time to prepare themselves for the new requirements.

MR WU: —Sir, I deem it my duty and pleasure to say a few words in support of the Resolution for the approval of the Construction Sites (Safety) Regulation 1973, now being moved by my honourable Friend the Commissioner of Labour.

My honourable Friend has quoted significant figures relating to accidents in construction sites in 1972 to support his proposal, which I think is very timely, as Hong Kong contractors and builders are seeking for more sophisticated labour-saving methods and machines to combat rising wages that are by far the highest of all sectors in Hong Kong.

I notice that the proposed regulations are based on the United Kingdom's Construction (General Provisions) Regulations 1961 and have had the approval of the Labour Advisory Board, and the Building Constructors' Association Limited. These regulations, though voluminous at first sight would, in my opinion, provide very comprehensive and detailed guidance or reminder to avoid accidents and mishaps, and I would strongly recommend same as such to supervisors and operators working at construction sites.

Speaking from experience, I would say that industrial accidents are caused by ignorance, carelessness and perhaps indifference, in that order.

Another possible reason is that under the piece work practice so common in the construction field, people take unnecessary risks to earn an extra dollar. An educational campaign with perhaps a philosophical approach in the nine month preparation period before the enforcement of the regulations should therefore yield very good results. As to methods I am for bringing the messages and reminders to the workers and supervisors direct at their work-place, and this is best done by the publication of well-illustrated pamphlets, posters and/or permanent signs at sites that would serve both as instruction and timely warning. I am sure that with the leadership of the Department and the resources of the trade association, a very congenial and effective campaign can be organized to bring about the objectives of safety and humanity by the observation of these Regulations, not to mention the very real fringe benefit of reduced premium for insurance against workmen compensation.

MR TSUI: —Sir, I thank my honourable Friend, Mr WU for the support of the Resolution before Council. Indeed, I should also thank Mr SZETO Wai who has read through my very voluminous draft regulation twice over the past year.

I can assure my honourable Members that I am fully aware of the need to institute a comprehensive programme for the education of employers, foremen and workers concerning the requirements of the various provisions of these regulations. Indeed, the preparation of an appropriate pamphlet and suitable permanent warning signs are already in hand and in fact in an advanced stage. Since 1972, three experienced Factory Inspectors have been deployed to form a special team responsible for inspecting building sites and engineering construction sites. Their main task has been confined to advising contractors and foremen on ways and means of improving safety standards and to assist in locating areas of potential hazard to the workers. Additional staff for this work has been approved and later there will be two teams working in this important subject, and particular reference to the requirements of these regulations.

I must, here, also mention the work of the Industrial Safety Training Centre which since 1972 has organized four special courses for some 54 foremen in the building and engineering construction industries. A further 13 courses are planned for completion before the end of May 1974. I take this opportunity for expressing the hope that all employers in these industries will respond to the invitations to send foremen to participate.

The Industrial Safety Training Centre has in recent months organized two special seminars on building construction safety.

[MR TSUI] Motions

The Industrial Safety Training Centre, as demands become known, is capable of undertaking further courses aimed at special industries, particularly building and engineering.

Work is in an advanced stage on a comprehensive five-year programme for an overall educational campaign to generate greater awareness amongst employers and workers of the need to achieve safer working conditions and so reduce the figures of industrial accidents. At the present moment, this programme is merely a departmental working document which has not yet received the approval of Government. In these circumstances, and as additional staff will be required, I do not consider that I can say more at this stage, except to add that industrial safety remains an important aspect of the work of the Labour Department, which is planning a major safety exhibition later this year. This exhibition will be located in the annual exhibition of the Chinese Manufacturers' Association, to whom the Government and also I owe a great debt.

Question put and agreed to.

Motion (in Committee)**Supplementary provisions for the quarter ended 31st March 1973**

Council went into Committee, *pursuant to Standing Order No 58(2)*, to consider the motion standing in the name of the FINANCIAL SECRETARY.

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

That this Council approves the supplementary provisions for the quarter ended 31st March 1973 as set out in Paper No 4 of 1972-73.

He said: —Sir, the schedule of supplementary provision for the fourth quarter of the financial year 1972-73 covers a total amount of \$114.2 million. Of this sum, Public Works Non-Recurrent accounts for \$64.7 million, \$26.4 million of which was required as a result of more rapid progress on a number of existing projects and a further \$12.4 million is required to meet the increases in provision under revised project estimates. The major projects included the Urban Renewal Scheme, the New Lai Chi Kok Hospital, the Kai Tak Airport Runway Extension and the Castle Peak Road Dual Carriageway.

Other items worth mentioning include \$6.5 million for meeting the increased costs of capital works and purchases for the Armed Services under the Defence Costs Agreement; \$6.9 million for employing additional Auxiliary Police officers; \$3.7 million to enable the Tung Wah Group of Hospitals to apply revised Government salary scales to their staff; and \$2.7 million for meeting increased payments of contract gratuities following the 1971 salaries revision.

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

Question put and agreed to.

Council then resumed.

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

Question agreed by the whole Council pursuant to Standing Order No 58(4).

First reading of bill

PREVENTION OF BRIBERY (AMENDMENT) 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

PREVENTION OF BRIBERY (AMENDMENT) BILL 1973

THE ATTORNEY GENERAL (ACTING) (MR HOBLEY) moved the second reading of:—"A bill to amend the Prevention of Bribery Ordinance."

He said:—Sir, in his first report to Your Excellency, Sir Alastair BLAIR-KERR recommended that section 10(2) of the Prevention of Bribery Ordinance should be repealed so that it will no longer be necessary for the Attorney General either to notify a person that consideration is being given to his prosecution for an offence under section 10(1) or to afford him an opportunity to make representations. The Government has accepted that recommendation and clause 2 of this bill seeks to give effect to that decision.

The abrogation of the requirement that a person must have an opportunity to make representations before a prosecution is instituted does not, of course, prevent either the Director of the Anti-Corruption

[THE ATTORNEY GENERAL (ACTING)] **Prevention of Bribery (Amendment)
Bill—second reading**

Office or the Attorney General from affording a person such an opportunity if that seems appropriate in any particular case.

In accordance with the Commission's recommendations, the Ordinance will continue to require that a prosecution for an offence under section 10 may not be instituted without the consent of the Attorney General, but it is also considered desirable that, as in the case of other offences against the Prevention of Bribery Ordinance, the Police should be able in the first instance to arrest and charge a person, and take him before a court, without the authority of the Attorney General. The Ordinance already provides that in such a case the accused person may not be remanded on bail or in custody for more than three days unless the consent of the Attorney General to a prosecution has been obtained in the meantime.

Sir, the Commission's second recommendation was that consideration should be given to the desirability of making provision for the surrender by a person who is under investigation for an offence under the Prevention of Bribery Ordinance of any travel document which he may have. The Government has decided that such a provision is necessary. Under the proposed new section 17A, to be added to the Ordinance by clause 3 of this bill, a magistrate will be empowered, on application by the Director of the Anti-Corruption Office, to issue a written notice requiring a person to surrender his travel document. If the person to whom such a notice is addressed does not surrender the travel document immediately the notice is served on him, he may be arrested and taken before a magistrate. The effect of subsection (5) of the proposed new section 17A is that the person concerned will be committed to prison if he does not surrender his travel document when he appears before the magistrate. The maximum period for which he will be liable to be detained in prison will be 28 days, but there is provision for his release at any time if the travel document is surrendered.

MR WOO: —Sir, it goes without saying that the Unofficial Members support this bill. We regret the occurrence which makes its enactment necessary and we are glad to see that such prompt action is being taken to prevent a recurrence. Sir Alastair BLAIR-KERR's report is a competent and factual description of what happened in the GODBER case. But there are many people who are puzzled as to why a law was enacted in the first instance which provided such a loophole. Subsection 2 of section 10 of the principal Ordinance which is now to be repealed provides that, before consenting to the institution

of a prosecution against a person for an offence under the section, the Attorney General shall inform the person that a prosecution against him is under consideration, and give him an opportunity of making representations to the Attorney General. Clearly this alerts the person concerned prior to the date of his being arrested and taken before the Court. In order to set peoples' minds at rest as to the reasons for the provision, I hope that the Attorney General will make a full explanation of the circumstances which led to the enactment of the provision in the first instance.

So far as the wider aspects of anti-corruption measures and the future of the Anti-Corruption Branch are concerned, the Unofficial Members wish to await the availability of Sir Alastair's second report before making any further comments.

DR CHUNG:—Your Excellency, in rising to give my support to this amending bill, I would like to congratulate Sir Alastair BLAIR-KERR on his excellent report inquiring into the circumstances in which Mr Peter GODBER, whose prosecution for an offence under section 10 of the Prevention of Bribery Ordinance was at an advanced stage of consideration, was able to leave Hong Kong.

I also wish to associate myself with the Senior Unofficial Member, Mr P. C. Woo, to express my appreciation to the Government for taking such a prompt action to plug two major loopholes in our attempt to fight against corruption in the public sector of Hong Kong.

In addition to the two amendments (that is, no opportunity for a person to make representation prior to prosecution and the surrender of travel documents) the Commission of Inquiry has also brought out a number of other points which have caused much concern in the minds of the public. I therefore would like to take this opportunity to enquire what action Government has taken or is contemplating to take on those equally important discoveries by the Commission.

The first point is on surveillance. It is difficult to understand the reason why surveillance capability in Hong Kong is mainly Chinese and this is difficult with an expatriate target. The main objective for surveillance in cases of this nature is to prevent the persons concerned to leave Hong Kong. Therefore, the Chinese surveillance officers do not in fact need to know the detailed account of an expatriate target inside any building.

I agree very much with the view of Sir Alastair that the history of this GODBER case would have been written quite differently if a report were received by any officer connected with the case that GODBER had been seen entering the office of a travel agency. I therefore suggest that in future we should not reject surveillance on any expatriate whose

[DR CHUNG] **Prevention of Bribery (Amendment) Bill—second reading**

prosecution under the Principal Ordinance is at an advanced stage of consideration and whose travel documents have not yet surrendered to the Director of the Anti-Corruption Office.

I was surprised, as probably many people did, to read a paragraph on page 10 of the Report and I quote:

“ . . . I cannot presume that anyone was on the lookout for GODBER. The Immigration officers, of course, should have been on the lookout for anyone who presented a passport no. 57699 and bearing the photograph of the holder. But that is all . . . ”

This paragraph implies that the Immigration officers at the airport and possibly at other outlets for international travel were only given the passport number 57699 without knowing the name of the passport holder. Therefore, if GODBER did re-enter the departure lounge at Kai Tak Airport, no officer in the airport would have known he was the wanted man. I feel that in future in putting a person on the "stop list" the passport number, the full name and possibly the photograph of that particular person should be given to those officers on duty at the international exit points of Hong Kong.

Finally, it is about the security of the airport. I know that the Government has accepted the recommendation of the Commission in giving serious consideration to the question of tightening security arrangements at Kai Tak Airport. However, we need to make some urgent and more effective tightening as soon as possible as a number of newspaper reporters have since the release of the report publicized the ease of their illegal entry into the restricted area and of their access to the aeroplanes.

Sir, with these remarks, I support the motion.

THE ATTORNEY GENERAL (ACTING) (MR HOBLEY): —Sir, I am grateful to my honourable Friend Mr P. C. WOO and his Colleagues for their support of this bill.

Sir, section 10(1) of the Prevention of Bribery Ordinance created two unusual offences. They are, so far as I am aware, unique. As honourable Members will know, under this section a civil servant who maintains a standard of living above that which is commensurate with his emoluments or who is in control of pecuniary resources or property disproportionate to his emoluments is guilty of an offence unless he can satisfactorily explain to a court how he maintains his standard of living or how his resources or property came under his control. The proposal

to introduce these offences provoked considerable opposition in many quarters, both in Hong Kong and elsewhere, as honourable Members may recall, and the suggestion that a suspect should be given an opportunity to make representations before a prosecution is instituted was put forward in order to reassure opponents of the proposal and others that innocent persons would not be charged unjustifiably. This made the introduction of the section more generally acceptable. It was Sir, in short, a compromise solution, undoubtedly engendered by an awareness of the originality and unusual nature of the offences.

Sir, I thank my honourable Friend, Dr CHUNG, for his helpful and constructive suggestions. They will be pursued vigorously.

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).

Explanatory Memorandum

This Bill seeks, firstly, to give effect to the Government's decision to accept the recommendation of the Commission of Inquiry that it should cease to be necessary for the Attorney General to afford a person an opportunity to make representations before consenting to the institution of a prosecution against him for an offence against section 10 of the Prevention of Bribery Ordinance.

It will continue to be a requirement that consent to a prosecution for such an offence may be given only by the Attorney General or Solicitor General, but it is also considered desirable that, as in the case of other offences against the Prevention of Bribery Ordinance, the Police should be able in the first instance to arrest and charge a person, and take him before a court, without the authority of the Attorney General. The Ordinance already provides that in such a case the accused person may not be remanded on bail or in custody for more than three days unless the consent of the Attorney General to a prosecution has been obtained in the meantime.

Secondly, the Bill will introduce into the Prevention of Bribery Ordinance a new section 17A, also following in substance a recommendation of the Commission, dealing with the surrender of travel documents by persons who are the subject of investigation for offences under that Ordinance. A magistrate will be empowered, on application by the Director of the Anti-Corruption

Prevention of Bribery (Amendment) Bill—second reading

[Explanatory Memorandum]

Office, to issue a written notice requiring such a person to surrender his travel document. If the person to whom such a notice is addressed does not surrender the travel document immediately the notice is served on him, he may be arrested and taken before a magistrate. The effect of subsection (5) of the proposed new section 17A is that the person concerned will be committed to prison if he does not surrender his travel document when he appears before the magistrate. The maximum period for which he will be liable to be detained in prison is 28 days, but there is provision for his release at any time if the travel document is surrendered.

GAMBLING (AMENDMENT) BILL 1973**Resumption of debate on second reading (18th July 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).

COMMODITY EXCHANGES (PROHIBITION) BILL 1973**Resumption of debate on second reading (18th July 1973)**

Question proposed.

MR Woo: —Sir, representations have been made to UMELCO by an organization which wishes to set up a commodity exchange in Hong Kong. Its representations fall into two parts. Firstly, it argued that the setting up of such an exchange would be of economic benefit to Hong Kong—and reading the speech of the honourable the Financial Secretary in this Council on the 18th July,* I feel sure that there is not likely to be any disagreement on that score. At the same time, the Unofficial Members fully support Government's view that such exchanges in respect of the commodities listed in the bill should not be allowed to operate until such time as adequate and proper controls

* Page 972.

can be provided. The question is: how long will it take for the necessary legislation to be drafted? I hope that Government will be able to give an assurance that the legislation will be drafted at the earliest possible date, and would be grateful for some indication of when it can be presented to this Council.

Secondly, there are doubts standing in the way of the organizer who wishes to deal *ad interim* in commodities other than those listed in the schedule to the bill. Any initiative to provide such a market is likely to be considerably inhibited by the present clause 7 of the bill. This clause enables the Governor by Gazette Notification to add to the list of prohibited items. Now Sir, there is obviously much difficulty in a situation where an organization might wish to start straight away a market dealing, for example, in the futures contracts of pigs' bellies: and I do not advance that example facetiously, for I am told that there is such an exchange in one overseas country and it might well be useful to have such an exchange in Hong Kong. But if the Government can, without advance notice, suddenly decide that trading in the futures of this or any other unspecified commodity is no longer to be allowed, this may lead to undue hardship for both the market and the traders. The question which arises is: what is the criterion for inclusion of commodities in the schedule? Can an assurance be given that new items will not be included without adequate notice and without time being allowed for any contracts already entered into to be discharged before the ban on trading in the newly added commodity becomes effective?

These, Sir, are the two points on which representations have been made to UMELCO and they appear to me to be legitimate points on which a statement of Government's intentions would be appreciated.

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, I am grateful to my honourable Friend Mr P. C. WOO for his support of the action taken to date to control the establishment and operation of commodity exchanges, and for this motion.

I am able to give him the two assurances he seeks. As regards the *first*, namely the drafting of suitable legislation, I can assure him that that will not delay the establishment of an exchange. The Government is not opposed in principle to the establishment and operation of a properly conducted exchange once the case for, and the viability of, an exchange has been made out. Discussions are currently taking place between groups interested in establishing an exchange. As a result of these discussions, one comprehensive and representative group might be in a position to submit preliminary proposals to us as to how an exchange might be organized for our consideration. Any such preliminary

[THE FINANCIAL SECRETARY] **Commodity Exchanges (Prohibition) Bill—
resumption of debate on second reading
(18.7.73)**

proposals would have to be followed by a detailed feasibility study by the group to establish the conditions under which a market or markets within the exchange could be made. Once the question of viability has been settled we shall then have to decide whether such an exchange should be licensed under an Ordinance and, if so, the extent to which the Ordinance should itself seek to control the operations of the exchange in detail. These several steps might take some months to complete but such legislation as may be required will not result in any delay.

As regards the *second* assurance sought by my honourable Friend, namely, that additional products will not be added to the twenty already in the Schedule to the bill in such a way as to frustrate trade contracts already entered into: I can give him such an assurance. The present list includes the major commodities that might possibly have been traded in by an exchange established in Hong Kong. It is proposed that trading in these commodities should be thus prohibited. I would mention in conclusion, Sir, that a licensed exchange in future will be authorized to deal in specified commodities only and it is unlikely that a new exchange would be licensed to trade, initially, at least, in more than two or three commodities. Any deletions from the list in the Schedule would be made only after feasibility studies of the commodities concerned had been made. These studies would be concerned to establish that the commodities were relevant to the Hong Kong economy and thus likely to be supported by a multiplicity of local commodity trading interests, for their participation would mean that the futures contracts they dealt in were being mainly used for hedging.

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).

STAMP (AMENDMENT) (NO 2) BILL 1973

Resumption of debate on second reading (20th June 1973)

Question proposed.

MR WOO: —Sir, I rise to suggest that the concessions proposed by this bill in relation to stamp duty payable on a contract note in respect of those purchases and sales on the stock exchange which are classified

as jobbing business should not be implemented at the present time. An objection to the proposal was raised by Mr John BROWNE in this Council on 14th March this year when he said:

"The honourable Financial Secretary has not said much about the reason for exempting from Stamp Duty the jobbing transactions by sharebrokers. These transactions are surely part of the business of sharebrokers in Hong Kong and, whether the broker makes a purchase on his own account or on behalf of a client, I feel he should pay Stamp Duty at the same rate."*

More recently the Unofficial Members have again given careful consideration to this matter. They feel that it would be premature to grant the concession in respect of a type of business which as yet is in an embryo state and which is not yet provided for or identified by legislation. As my honourable Friend the Financial Secretary said in his introductory speech in this Council on the 20th June this year:

"No attempt has so far been made to identify jobbing business"†

Thus it would seem only prudent that this identification should take place as a first step. The second step would be for the business of jobbers and jobbing to be fully legislated for and controlled under the new Securities Bill. The third and final step would be to grant the stamp duty concessions by making regulations under this bill when it has become law.

However, I must voice disagreement to the Financial Secretary's proposal that, apart from relief on odd lots, relief should be confined to transactions involving overseas clients. That seems to me to be wrong in principle as transactions involving local clients should similarly acquire the benefit of this concession.

However, I would not wish to go so far as to suggest that these provisions be removed from the bill since the exemption cannot become effective until regulations are made under clause 3.

If therefore Government will give an assurance that such regulations will not be made until after the Securities Bill has itself become law and has come into operation, then the Unofficial Members will have no objection to this bill being passed through all its remaining stages at today's meeting of the Council.

THE FINANCIAL SECRETARY (MR HADDON-CAVE): —Sir, as I explained to this Council when moving the second reading of the bill,‡ clauses 2(c) and 3 provide for certain transactions which constitute

* Page 558.

† Page 887.

‡ Page 888.

[THE FINANCIAL SECRETARY] **Stamp (Amendment) (No 2) Bill—resumption of
debate on second reading (20.6.73)**

jobbing business to be specified in regulations under the Stamp Ordinance. I went on to say that our intention was to confine relief from stamp duty to transactions involving *either* overseas clients *or* odd lots, these being the only areas to which the extension of relief was practical and desirable at the present time. I said the regulations would be framed to this end.

Any further extensions of relief would depend on the initiative of the stock exchanges. I propose to include provisions in the Securities Bill to allow the type of dealer that may be classified as a jobber and the manner of his transactions to be determined by way of regulation.

But as honourable Members feel that, were I to seek regulations for relief in the limited areas of jobbing concerned with odd lots and overseas transactions before the passing of the Securities Bill I would be putting the cart before the horse, I am willing to give the assurance my honourable Friend, Mr P. C. Woo requires.

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).

TELECOMMUNICATION (AMENDMENT) BILL 1973

Resumption of debate on second reading (18th July 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).

**PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT)
(NO 3) BILL 1973**

Resumption of debate on second reading (18th July 1973)

Question proposed.

MR CHEONG-LEEN: —Sir, the amendments to this bill will enable the Urban Council to make by-laws and Government to make parallel regulations for the New Territories which will reflect both the Government's and the Urban Council's determination to press ahead with improving the quality of life for Hong Kong residents.

These amendments are timely in that they come on the eve of the launching of the second phase in our continuing "Keep Hong Kong Clean" Campaign, the main object of which this year is to clean our numerous high-rise buildings and to remove the sources of nuisance and vermin infestation which cause annoyance and discomfort to residents.

If the amendments are passed, some of the by-laws and regulations which would be made are as follows:

- (1) empowering the Authority concerned to remove posters which it considers unsightly by reason of their condition;
- (2) prohibiting persons from obeying the call of nature in all common parts of a building or from allowing their children to do so;
- (3) prohibiting spitting in public places or in common parts of a building;
- (4) making it an offence for an owner to allow his dog to urinate or defecate in any public place or common part of a building even though at the time of the offence his dog is in the charge of an employee or of a member of his family.

It is to be hoped too that these amendments will give encouragement and support to the Mutual Aid Committees which have been formed to improve building cleanliness and management as well as to assist in the Fight Violent Crime Campaign.

Sir, with these remarks, I support 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).

BUILDINGS (AMENDMENT) BILL 1973

Resumption of debate on second reading (18th July 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).

**TEMPORARY RESTRICTION OF BUILDING DEVELOPMENT
(POK FU LAM AND MID-LEVELS) BILL 1973**

Resumption of debate on second reading (18th July 1973)

Question proposed.

MR WONG: —Sir, this bill proposes a freeze on all general building plans for the Pok Fu Lam and Mid-levels area for a period of six months commencing with applications received after July 4, 1973.

The subject of the bill involves two very important principles of Government; economics on the one hand and environment on the other.

From the economic point of view, at the time when there is a severe shortage of flats, a freeze on construction which undoubtedly adversely affects development would be untenable. The economic answer would be to increase the supply of flats and facilitate its development. It is estimated that a freeze for even six months would possibly affect the development and construction of some 2,000 flats in these areas.

On the other hand, from the environmental point of view, the roads leading to Central from Pok Fu Lam and Mid-levels are already so congested during the rush hours as to cause very long traffic jams. Until the roads' system is improved or augmented, additional completion of flats in those areas would make the situation even worse.

This is supported by the fact that 3,000 flats are already under construction in these areas and 2,000 applications have been made or approved before June 30, 1973. Assuming that at least half of the flat-owners will own cars, there would be an additional 2,500 cars on these roads. The actual number may be more. However, it is noted that traffic conditions in Pok Fu Lam and Mid-levels area are very much better than certain parts of Kowloon.

On balance, it seems that the environmental view point has the upper hand although some people feel that even if a 15-minute travelling

time should be doubled to 30 minutes, the construction of flats should not be stopped; especially in view of the fact that many people in large cities throughout the world are known to take one to two hours to commute to their places of work.

The crux of the problem is the system of road works and I would strongly urge, instead of waiting for the traditional concrete roundabouts and elevated structures, to consider the construction of steel road works, e.g. as in Argyle Street which could be put up in a matter of months instead of matter of years. A crash program in this respect should and must be instituted.

In the meantime, I reluctantly support this bill.

MR WANG: —Sir, I rise to give my support to this bill and, indeed, rather "uncharacteristically", it is not so much for the reason given by my honourable Friend, the Director of Public Works, but rather on my belief that a "breathing" time may be useful to his Department which will have the benefit of the consultants' report and recommendations to formulate some effective ways of control on any future construction work involving excavation of hill-side so as to avoid any re-currence of such disaster as we had the misfortune to experience during the last rain-storm and the one not many years ago.

I am afraid however that I cannot see eye to eye with my honourable Friend that the present traffic condition alone can justify a call to a halt of any further development in this area. While it is admitted that there is a traffic problem, and a very serious one indeed, it is questionable whether it is any worse than that in many other parts of the island or the peninsula, and then, what kind of barometer has he to indicate that its pressure has reached an intolerable and incurable limit? It appears that the motivation here is no more than that of the King of Tsai when he ordered that the cow which happened to pass by him, should not be sent to the slaughter house.

Traffic congestion is a serious problem confronting us today. But there are many measures by which its conditions can be improved, of which the construction of more roads and flyovers and the improvement of public transport service are most obvious. In view of the scarcity of sites available to meet the most urgent demand for housing accommodation in Hong Kong, to prohibit development is certainly a negative approach, and then we must remember that we have not yet even begun to control and discipline our road-users as have been practised in other cities. It must be admitted that as long as all vehicles and cars are allowed to have free ride on the roads, traffic congestion will occur irrespective of density of the population or the

[MR WANG] **Temporary Restriction of Building Development (pok Fu Lam and Mid-levels) Bill—resumption of debate on second reading (18.7.73)**

number of roads provided. At the meeting on the 4th July my honourable Friend, the Financial Secretary, in reply to many questions on traffic, promised this Council that a sophisticated system to control traffic will soon be introduced.* We hope that Government will expedite its implementation, particularly on this area where the traffic problem is allegedly most serious.

Some of our traffic problem is at least caused by our contractors in the transport of their materials during the peak periods and in the careless loading and unloading of their material from lorries causing serious obstructions. Then our roads are frequently dug, filled and dug up again for various purposes, and worse still excessive road space is often occupied by the contractor on the job. This kind of obstacles should be well within the power of the PWD to put them under control. Should it be found insufficient, a new bill to this effect will surely gain an easier passage through this Council than one that will aggravate our housing problem.

There are many other causes which concern town planning. To mention just one is the lack of provision of facilities such as markets, shopping centres, clinics, schools, etc, essential to serve the residents in each district. If they are well provided, it would cut down the need for inter-district traffic such as housewives having to drive to busy central areas to do their daily purchases or to take their children to schools in other districts.

At any rate one must not over-simplify the cause of the problem and to rush into a conclusion that a halt on further development on the whole area will provide a solution. Surely within this large area in question there must be some spots which will pose less traffic problems than others. There are at least some old buildings which should be encouraged to be redeveloped instead so as to give way to road widenings.

My honourable Friend concluded his statement at the last meeting by saying that the size of the problem and limitations of any feasible road system are such that we should not be too sanguine that a solution could easily be found and quickly achieved. I fully agree with him but I hope that having once recognized this, he should make sure that his Department together with other departments concerned set to work immediately and to leave no stone unturned in finding a satisfactory solution to our traffic problem. If he should have to come to this Council again to ask for another period of respite, his proposal would

* Pages 931-2.

be most unpopular. No-one can deny that the acute shortage of housing is a serious problem, second to none, in Hong Kong. The demand for housing accommodation by people working in Hong Kong is no less than that, if not more than those across the harbour, as is clearly indicated by the higher rents being paid by the tenants here. The question is "Are there any alternative sites available and, is there any guarantee that they will not have the same traffic problems there?"

MR WU: —Sir, it is also with reluctance that I support this bill before Council.

The desirability of the areas in question for high class residential purpose has been known before this century and in spite of the inconvenience of such primitive transport as sedan chairs, the few stately mansions left provide nostalgic memories of the once exclusive Robinson Road and Caine Road areas which could be compared with the Nob Hill of San Francisco. Also, by comparison, the Pok Fu Lam area is far less steep than elsewhere on the Island, and one would feel that this is about the only area capable of extensive development (like the Wah Fu Estate) to ease the acute shortage that has earned Hong Kong the name of having the highest domestic rental in the world, with highly inflationary effects.

It is regretted that the present situation could not have been prevented by foresight and despatch in the planning and construction of our road system in these areas.

To ask the public to accept a restrictive solution at this stage could hardly be popular, particularly if no constructive measures have been finalized and work to start immediately to alleviate the situation.

On the question of reducing traffic congestion, many would agree with the Commissioner of Transport when he said recently that he would like to see two 50 passenger buses carrying 100 persons on the road as compared to 100 private cars each carrying only one person. However this ideal situation would appear to be day-dreaming unless a better class of scheduled public transport comparable to luxury tourist or airline coaches is available, when people can travel in comfort and with dignity in well-maintained vehicles operated by organized firms and disciplined drivers. I had in 1965-66 proposed such a service to government in a representation on behalf of a trade association, suggesting that the franchised bus companies be first given the option to do so. It was my conviction that people would pay the higher fare for better service, and the subsequent emergence of the public light bus or minibuses proved me right. At the present cost and parking inconvenience by going in one's own car, a fare of \$1.50 to \$2.00 in an acceptable

[MR WU] **Temporary Restriction of Building Development (Pok Fu Lam and Mid-levels) Bill—resumption of debate on second reading (18.7.73)**

coach would appear to be an attractive alternative that would help discourage individual transport. Many motorists must have learned by now that: "it is work to drive, so why drive to work."

MR ROBERTSON: —Sir, I am grateful to my honourable Friends Mr WONG, Mr WANG and Mr WU for supporting this bill, albeit with reluctance. Their reluctance stems from a belief that we should continue to build and rebuild in Hong Kong in order to provide homes, and I sympathise deeply with this point of view.

However, I am sure that they would agree with me that there are other criteria which should be taken into account. For example, Government has accepted in its public housing projects that standards of accommodation, facilities and the environment must be improved; this is an acceptance of the need to balance quantity against quality.

Similarly, for private housing, Government has an obligation to ensure that the demand for new houses does not over-weigh the consideration that should be given to providing a reasonable environment for the existing and future residents.

That said, the problem is to build more houses as well as to build better homes, and my department is giving close attention to the possibilities of making additional land available for private housing in the Kowloon foothills and at Sha Tin, in addition to building up its effort for the more rapid completion of public housing and provision of land for private development in the new towns. The new towns offer the best opportunity to provide new homes for the people of Hong Kong and every effort is being made to accelerate the rate of progress in the new towns.

However, in the particular areas with which this bill is concerned, the problem is traffic; traffic on narrow roads where improvements are difficult and where there is clearly a physical limit to what can be done. I am grateful for the "breathing" space which has been granted so that Government may consider all possible means of improving the situation, and I give my assurance that this will be done.

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.

GAMBLING (AMENDMENT) BILL 1973

Clauses 1 to 7 were agreed to.

COMMODITY EXCHANGES (PROHIBITION) BILL 1973

Clauses 1 to 7 and Schedule were agreed to.

STAMP (AMENDMENT) (NO 2) BILL 1973

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

Clauses 1 to 13 were agreed to.

PREVENTION OF BRIBERY (AMENDMENT) BILL 1973

Clauses 1 and 2 were agreed to.

Clause 3

THE ATTORNEY GENERAL (ACTING) (MR HOBLEY): —Sir, I move that clause 3 be amended as set forth in the paper before honourable Members.

The first amendment sets out specifically what is implicit in the proposed subsection 5 of section 17A, namely that the fact that the person does not have a travel document at all is an answer to the Magistrate's notice.

The second amendment will limit the period for which a surrendered travel document may be detained—an initial period of 6 months is proposed. This may be extended for a further three months if a Magistrate is satisfied that the police investigation could not reasonably have been completed within the first six months.

Prevention of Bribery (Amendment) Bill—committee stage*Proposed amendments**Clause*

- 3 That clause 3 be amended in the proposed section 17A—
- (a) by inserting in subsection (5), after "complies with the notice under subsection (1)" in the first place where it occurs, the following—
- “or satisfies the magistrate that he does not possess a travel document”;
- (b) by inserting after subsection (5) the following new subsection—
- “(5A) A travel document which is surrendered to the Director under this section may be detained for six months from the date on which it was surrendered and may be detained for a further three months if a magistrate, on application by the Director, is satisfied that the investigation could not reasonably have been completed before the date of such application and authorizes such further detention. ”.

The amendments were agreed to.

Clause 3, as amended, was agreed to.

Clauses 4 to 6 were agreed to.

TELECOMMUNICATION (AMENDMENT) BILL 1973

Clauses 1 and 2 were agreed to.

**PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT)
(NO 3) BILL 1973**

Clauses 1 to 6 were agreed to.

BUILDINGS (AMENDMENT) BILL 1973

Clauses 1 and 2 were agreed to.

**TEMPORARY RESTRICTION OF BUILDING DEVELOPMENT
(POK FU LAM AND MID-LEVELS) BILL 1973**

Clauses 1 to 5 were agreed to.

Council then resumed.

Third reading of bills

THE ATTORNEY GENERAL (ACTING) (MR HOBLEY) reported that the

Gambling (Amendment) Bill 1973

Commodity Exchanges (Prohibition) Bill 1973

Stamp (Amendment) (No 2) Bill 1973

Telecommunication (Amendment) Bill 1973

Public Health and Urban Services (Amendment) (No 3) Bill 1973

Buildings (Amendment) Bill 1973

Temporary Restriction of Building Development (Pok Fu Lam and Mid-Levels) Bill 1973

had passed through Committee without amendment and that the

Prevention of Bribery (Amendment) Bill 1973

had passed through Committee with 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.

Valedictories

HIS EXCELLENCY THE PRESIDENT: —Before this Council reassembles, Sir Hugh NORMAN-WALKER will have left us. Traditionally, the valedictories with which we salute departing Members are short but, in the case of Sir Hugh, this puts me at a great disadvantage because the contribution that he has made to the work of this Council and to the Government of Hong Kong has been so great that a short speech cannot possibly comprise a tribute that is adequate.

As Colonial Secretary and Acting Governor he's been the mainspring of Government now for a period of over four years, and these years have seen the most rapid growth and development that Hong Kong has known, and this has all put a corresponding strain on

[HIS EXCELLENCY PRESIDENT] **Valedictories**

administration and Government. Sir Hugh has secured and held the trust equally of the civil service and of Unofficials. He has been, and is, a tower of strength, a fount of experienced wisdom, and a person of massive and imperturbable reliability. My personal debt to him is enormous.

In this Council he will be remembered for his clarity, his brevity, his command of good English and good manners, and when occasion required, for that very English ploy, the retort courteous. Hong Kong and the Government of Hong Kong has good reason to be grateful for the work that he has done here; and, if I might say so without presumption, I think he has very good reason to be proud of it.

He leaves to take up the ancient and honourable post of Lieutenant Governor of the Isle of Man, and the Manxmen will soon know how lucky they are. Meanwhile, I would like to assure him that he takes with him to his new post the very best good wishes of this Council and of the people of Hong Kong.

This is also the last sitting which Mr Paul TSUI will attend. He is retiring after nearly 28 years of public service, and after three years as a Member of this Council. He has had a long military and civil career and one of exceptional interest, of which the culmination has been his appointment as Administrative Officer Staff Grade A, and Commissioner of Labour; and he is the first local officer ever to hold either appointment. He is distinguished for many things, but in particular for his high principles, his personal courage, his great knowledge, but above all, for his devotion to the interests of the people of Hong Kong. The public service will find great difficulty in filling the gap left by the departure of such a distinguished public servant. He leaves us to take up the important appointment of Director of CARITAS and he will take with him our grateful thanks for all he has contributed in the past and our best wishes for his happiness and success in the future.

MR WOO: —Sir, I am in the rather peculiar position of wishing to pay tribute to the services of an officer who is about to become our Acting Governor, during your own short absence from the Colony. In this capacity Sir Hugh NORMAN-WALKER will be, *ex-officio*, the President of this Council, so it may seem somewhat premature to make a valedictory speech. But I do so on the understanding that this Council will not meet again before Sir Hugh leaves the Colony.

We all know that the Colonial Secretary is a Governor's right-hand man, the chief executive of the Government and the head of the

civil service. But constitutional titles do not describe the man: it is the attributes of the individual that count.

When Sir Hugh first assumed his important office here in March 1969, it was immediately clear that Hong Kong had gained an administrator of outstanding ability. Perhaps this should have come as no surprise since he had a previous distinguished record of service and had indeed stepped down as a Governor in order to become our Colonial Secretary. The fact that he did so is a mark of his dedication and his high idea of service which has always been so plain for all to see.

In the succeeding 4½ years he has been a tower of strength in the administration of the affairs of the Colony. As a distinguished leader and a wise statesman he has made immensely valuable contributions to the process of policy formation during the vital years of growth and consolidation which have coincided with tenure of office as a Colonial Secretary. Furthermore he has had to make the Secretariat work before McKinsey. (*Laughter*).

On a lighter note, his speeches in this Council have always been very much to the point, tinged both with sagacity and wit. I wish there were more speeches like his.

When he leaves Hong Kong in September this year, Sir Hugh will carry with him the very best wishes of the Unofficial Members. He will also be assured of the gratitude of very many members of this community who have come to realize the extent of the contribution which he has made to public affairs during his tenure of office.

My Unofficial colleagues and I wish Sir Hugh many happy years in his new post as Lieutenant Governor of the Isle of Man. It may be questioned whether his duties there will be as onerous as those to which he has become accustomed. But I have no doubt he will discharge them with the same degree of distinction. May I say, Sir, how genuinely sorry we shall be to see him go.

This is also the last occasion on which Mr Paul TSUI will sit in this Council. He will be remembered as the first local officer to become a staff grade Administrative Officer, reaching the top of the class in 1970. This is a rare distinction, reflecting the energy and enthusiasm with which he has tackled his important assignments in the public service. His career over the past 28 years is well-known and I need not go into detail here. But there are other aspects of his long service in Government which merit particular mention.

I refer to Mr Tsui's unblemished personal life and high degree of integrity. He has demonstrated independence of mind and the ability to adhere to his own conviction of what is right. His work in community

[Mr Woo] **Valedictories**

relation is well-known. On several occasions when this community was passing through periods of stress, Mr TSUI has helped to weld together in the common cause the more responsible sectors of public opinion. He has shown a disregard for his personal safety and has been fearless in the face of threats.

My Unofficial colleagues and I will miss his presence at the meetings of this Council and we shall remember his cheerfulness, his humanity, and his determination to work for the good of Hong Kong. We wish Mr TSUI many happy years of retirement, and we know that he will continue to take an active part in the life of our community.

THE COLONIAL SECRETARY (SIR HUGH NORMAN-WALKER): —Sir, I must thank you and the honourable Mr P. C. Woo very much indeed for the most generous way in which you have thanked me for what little I have been able to do for Hong Kong, and I'm deeply touched by what you have both said. I am glad that the honourable Mr Woo did remind Members in an indirect sort of way that, if I so misconduct the affair of Hong Kong in your absence, I may have to summon the Council to put it right. (*Laughter.*) It might not be a last experience. But I have enormously enjoyed my relations with the Members of this Council during my time here; and I think it is perhaps typical of that relationship that, after the tributes you have paid me, we shall in five minutes be locked together in mortal combat in Finance Committee. (*Laughter.*)

I thank you, Sir, and I thank you for this tribute.

MR TSUI: —Sir, I thank you for the most generous remarks you have made about me and also the same remarks given by my honourable Friend Mr P. C. Woo. Perhaps I should correct Your Excellency, Sir, on a point of fact I shall be serving as Secretary-General for Caritas rather than as a Director because I felt I have been directing too much for the past years of my life. (*Laughter.*) However, it has been a joy and certainly a privilege and honour to have been serving Hong Kong people with the civil service, in particular, the administrative service. I recall when I first tried to serve Hong Kong people through service of Government as from the 8th December 1941 when bomb was falling at Kai Tak. I began as a fireman in the Auxiliary Fire Service. During the war, I was privileged to serve with distinguished people like Sir Ronald HOLMES, Sir Lindsay RIDE, and Sir Douglas CLAGUE in China, all the time in close contact with things happening in Hong Kong. It was indeed a great joy to have come back to Hong Kong and landed on Hong Kong on the 1st October

1945, and immediately I was posted to work for the civil administration. Ever since then, I enjoyed every moment of my career in the Hong Kong Government and enjoyed every job I have had.

I thank you very much for being given an opportunity to do so and thank you indeed for the kind remarks you have just given. Thank you.

MR WOO: —Your Excellency, before we rise, may I, on behalf of all my Unofficial colleagues, wish you and Lady MACLEHOSE a pleasant and restful holiday. This has been a very busy and fruitful session, and much important legislation has been put on the statute book. Perhaps more important, plans have been announced for future developments on a mammoth scale undreamt of before, which bear the stamp of Your Excellency's own inspired vision of the future and leadership towards our future goals. The great plans for housing and social welfare; the decision to go ahead with an underground railway; the mobilization of the whole community in the Fight Violent Crime campaign; and the McKinsey reforms of the administrative machine: all these together mark a session of unparalleled importance and progressiveness. We hope that the contributions of the Unofficials have helped in a small way to further these policies and plans. There are problems and uncertainties too, but we are confident that under your guidance the problems will be met and the difficulties overcome.

I shall close now by saying how much all of us look forward to Your Excellency's return and to the next session of this Council.

HIS EXCELLENCY THE PRESIDENT: —Thank you very much Mr Woo for what you have said. It has indeed been a busy year. I'd like to thank honourable Members for their advice, their help, their support during it. But above all for the immense amount of work they have put in during this session. I think many people in Hong Kong have the impression that Members' work is limited to attending for 2 hours every fortnight this Council. Nothing could be further from the truth. This is the least of the work they do in committee, in UMELCO, in a hundred other ways; and Hong Kong should be grateful indeed for what Members do.

Now I must confess that, with my wife, I are looking forward to a short holiday. I look forward enormously to seeing you all again for our session in October when I promise you there will be plenty more to do. (*Laughter*).

Adjournment and next sitting

His Excellency the President: —

Council will now adjourn and the next sitting will be held on Wednesday the 17th of October when the new session of the Council will begin.

Adjourned accordingly at seven minutes to five o'clock.