

**OFFICIAL REPORT OF PROCEEDINGS****Wednesday, 3rd July 1974****The Council met at ten minutes past three o'clock**

[Mr PRESIDENT in the Chair]

**PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR CRAWFORD MURRAY MACLEHOSE, KCMG, MBE  
THE HONOURABLE THE COLONIAL SECRETARY  
MR DENYS TUDOR EMIL ROBERTS, CBE, QC, JP  
THE HONOURABLE THE FINANCIAL SECRETARY  
MR CHARLES PHILIP HADDON-CAVE, CMG, JP  
THE HONOURABLE THE ATTORNEY GENERAL  
MR JOHN WILLIAM DIXON HOBLEY, QC, JP  
THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS  
MR DENIS CAMPBELL BRAY, JP  
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, CBE, JP  
DIRECTOR OF URBAN SERVICES  
THE HONOURABLE JAMES JEAVONS ROBSON, CBE, JP  
SECRETARY FOR THE ENVIRONMENT  
THE HONOURABLE JOHN CANNING, JP  
DIRECTOR OF EDUCATION  
DR THE HONOURABLE GERALD HUGH CHOA, CBE, JP  
DIRECTOR OF MEDICAL AND HEALTH SERVICES  
THE HONOURABLE IAN MACDONALD LIGHTBODY, CMG, JP  
SECRETARY FOR HOUSING  
THE HONOURABLE DAVID HAROLD JORDAN, MBE, JP  
DIRECTOR OF COMMERCE AND INDUSTRY  
THE HONOURABLE DAVID AKERS-JONES, JP  
SECRETARY FOR THE NEW TERRITORIES  
THE HONOURABLE LEWIS MERVYN DAVIES, CMG, OBE  
SECRETARY FOR SECURITY  
THE HONOURABLE PETER BARRY WILLIAMS, JP  
SECRETARY FOR SOCIAL SERVICES (*Acting*)  
THE HONOURABLE WILLIAM COLLINS BELL, JP  
DIRECTOR OF PUBLIC WORKS (*Acting*)  
DR THE HONOURABLE CHUNG SZE-YUEN, OBE, JP  
THE HONOURABLE WILSON WANG TZE-SAM, OBE, JP  
THE HONOURABLE LEE QUO-WEI, OBE, JP  
THE HONOURABLE OSWALD VICTOR CHEUNG, OBE, QC, 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, OBE, JP  
THE HONOURABLE HILTON CHEONG-LEEN, OBE, JP  
THE HONOURABLE LI FOOK-WO, OBE, JP  
THE HONOURABLE JOHN HENRY BREMRIDGE, JP

DR THE HONOURABLE HARRY FANG SIN-YANG, OBE, JP  
THE HONOURABLE MRS KWAN KO SIU-WAH, MBE, JP  
THE HONOURABLE LO TAK-SHING, JP  
THE HONOURABLE FRANCIS YUAN-RAO TIEN, OBE, JP

### IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR KENNETH HARRY WHEELER

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### Affirmations and Oaths

MR BREMRIDGE, DR FANG and MISS KO took the Oath of Allegiance, MR LO and MR TIEN made the Affirmation of Allegiance and assumed their seats as Members of the Council.

### Welcoming of new Members and Valedictories

HIS EXCELLENCY THE PRESIDENT: —Before we proceed to the business in the Order Paper, I would like to welcome the new Members to this Council—MR BREMRIDGE, DR FANG, MISS KO, MR LO and MR TIEN. I do assure them whatever is said on this Council, this is the first occasion on which anybody has hinted at putting a bomb underneath it (*laughter*).

I would also like to pay a tribute to the Members who they have replaced and who have just left us—MR P. C. WOO, MR SZETO Wai, Mr Wilfred WONG, Mr T. K. ANN and Mr SAYER.

I am deeply grateful to Mr P. C. WOO for the long and distinguished service he has given this Council and in particular I would like to say how much I have admired the exemplary way in which he has discharged the very onerous work of Senior Unofficial Member. This is work which goes unseen by the public, but makes all the difference to the smooth working of this Council and I am sure that in you, Sir, he has a most suitable and able successor.

I am very pleased that the advice and support of three of the other retiring Members—as well as Mr WOO—MR SZETO Wai, Mr ANN and Mr SAYER will continue to be available to myself in the Executive

Council and to members of UMELCO. They have in their different ways contributed very much to the work of this Council and to the community in Hong Kong and it is most satisfactory that in this way they will be able to continue to do so.

Finally I would like to thank Mr Wilfred WONG for the service he has rendered over a very long period. His contributions have always been wise and lively and we will all miss them and if the Financial Secretary sighs at his departure, I am sure it will be with regret rather than with relief. It is only fair that after nine years' service, Mr WONG should be allowed to enjoy the retirement that he has asked for and in this, I am sure we all wish him continued good health and success.

DR CHUNG: —Your Excellency, despite the delay in our proceedings this afternoon, I still wish to rise to add a few words on behalf of the Unofficial Members of this Council to what you, Sir, have said regarding the retirement of five of our former colleagues.

Whilst we shall miss all of them, the greatest loss is of our former leader Mr P. C. Woo. I and my colleagues who have had the privilege of serving under his leadership recognize the great contribution which he has made to the proceedings of this Council during his term of office. His enormous knowledge of legislation, his ability to work at breakneck speed and his wide interest in a vast range of public affairs will be sadly missed. So will his brisk Chairmanship of the meetings of the Unofficial Members of this Council that are held in the UMELCO Office. It is there, rather than here, that we have seen him in action in his role both as our Whip and as our Leader: and he has not hesitated either to chide us, or to shine the torch, when this has been necessary. I shall personally have cause to miss him rather more than others since the burden of his responsibilities has now fallen upon myself.

Perhaps I may be allowed here, Sir, to digress for a moment. I had not expected to be speaking today as the Senior Unofficial Member of this Council. Whilst I regard this as being both an honour and a challenge, I am conscious also of my own shortcomings. There is a Chinese saying 十年樹木,百年樹人 which means that, although it takes only ten years to nurse a tree to maturity, it takes a hundred years to train a person to the fullest extent of his capacity. By this standard I fall far short of the requirements. Nevertheless I assure you, Sir, that I shall do my best to serve in this Council in this position.

[DR CHUNG] **Welcoming of new Members and Valedictories**

We also lose Mr SZETO Wai, Mr T. K. ANN and Mr G. M. SAYBR. These three former Members will continue to serve on Executive Council and hence their great knowledge of Hong Kong affairs will continue to be put to good use in another place. This does not make it any easier to fill the gap they leave on this Council. Their devotion to the public service is of a high order and will continue to act as an inspiration to those who follow them.

Finally, we shall particularly miss the presence of Mr Wilfred WONG whose discourses or dissertations on economic as well as medicinal matters have enlightened not only the Unofficial Members of this Council but also—if I can catch the eyes of my honourable Friends the Financial Secretary and the Director of Medical and Health Services—those officials in high places who struggle with Hong Kong's economic and medical problems. Mr Wilfred WONG is a man of ideas and of ideals and has his own particular brand of independent thought which has such a rare and treasured quality. He has also been an excellent "Ombudsman" and has devoted much time to pursuing particular grievances which have come to his attention as a Member of UMELCO. His wide experience and his great humanity will surely be missed. Since he alone, Sir, among the names I have mentioned today, is finally retiring from the Councils, it is appropriate, and I am sure that I speak for all my colleagues, that we should wish him good fortune, long life and happiness in the years ahead.

Thank you, Sir.

THE COLONIAL SECRETARY: —Sir, may I on behalf of the Official Members associate myself with the tributes which you, Sir, and the honourable Dr CHUNG have paid to those of our Unofficial colleagues who have retired from this Council. All of them have for varying periods and in different fields made substantial and valuable contributions to the work of the Council. We shall greatly miss not only their long experience of Hong Kong and its problems, but also their tolerance and good humour which have made them a pleasure to work with as colleagues and as friends. We express our thanks to them for all they have done for the community as Members of this Council and wish them every good fortune in the future.

### Papers

The following papers were laid pursuant to Standing Order 14(2): —

	<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:		
Trade Marks Ordinance.		
	Trade Marks (Amendment) Rules 1974 .....	125
Labour Tribunal Ordinance.		
	Labour Tribunal (General) (Amendment) Rules 1974	131
Labour Tribunal Ordinance.		
	Labour Tribunal (Fees) (Amendment) Rules 1974 .....	132
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Pilotage Ordinance.		
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Protection of Women and Juveniles Ordinance.		
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Revised Edition of the Laws Ordinance 1965.		
	Annual Revision 1973 .....	136
Chinese Permanent Cemeteries Ordinance.		
	Chinese Permanent Cemetery Rules 1974 .....	137
Public Health and Urban Services Ordinance.		
	Stadia By-laws 1974 .....	138
Import and Export Ordinance.		
	Export (Certificates of Origin and Commonwealth Preference Certificates) (Amendment) Regulations 1974 .....	139
Interpretation and General Clauses Ordinance.		
	Rectification of Errors (No. 3) Order 1974 .....	140
Revised Edition of the Laws Ordinance 1965.		
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Interpretation and General Clauses Ordinance.		
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Banking Ordinance.		
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## Oral answers to questions

### Finance Companies

1. MR LEE asked: —

In view of the widespread interest in the references made by the honourable Financial Secretary in the budget debate last March to regulating deposit-taking and non deposit-taking finance companies as well as a possible change in bank licensing policy, is Government yet in a position to make a statement as to its intentions?

THE FINANCIAL SECRETARY: —Sir, the short answer, Sir, is not quite, but I would like to bring honourable Members up to date with the discussions that have been taking place in various forums, including the Banking Advisory Committee, and bilaterally with various members of the financial community. These discussions have related to three areas of concern.

The first is the protection of smaller depositors. In the budget speech I indicated that my preferred approach was to specify a minimum size of deposit which finance companies could accept from the public, this being linked with the voluntary formation of one or more associations of finance companies which would set rules and standards of conduct for their members. But I mentioned that it had been forcibly urged upon me that a better method would be to register and control deposit-taking companies and that, in consequence, I might delay bringing forward a Protection of Depositors Bill.

The second area of concern is the related but more general one of the extent to which the development of Hong Kong as a financial centre is dependent upon regulatory measures being introduced over at least some activities of some finance companies.

The third area of concern relates to the difficulty of administering, and the possibly undesirable effects of, our current bank licensing policy. The fact is that it does prevent the participation in our banking system of some of the most highly reputable international banks in the world and inhibits the emergence of any new local banks. I suggested in the budget speech that some rethinking of our present limited moratorium policy was required.

Apart from these three main areas of concern, I mentioned in the budget speech that certain amendments to the Banking Ordinance were under consideration, mainly to tidy it up, or so I thought at the time.

Following upon a general discussion on all these matters in the Banking Advisory Committee I arranged in April for two officials—the Commissioner of Banking and someone from my own staff in the Secretariat—to carry out a review of our policy relating to the issue of bank licences and, in doing so, to hold such consultations as they thought necessary with all sections of the financial community. It became apparent that the outcome of this review might have implications for the Protection of Depositors Bill and for at least one of the amendments which we had in mind for the Banking Ordinance. I have decided, therefore, rather reluctantly, that these measures will have to be held up in view of the probable need for a number of interlocking measures in a single package. The report of the two officials is now in my hands, but I cannot disclose its contents or indicate my reactions to it today for the issues are such that the Governor in Council will have to be consulted.

Meanwhile, the Commissioner of Banking as the most appropriate official to do this has, with my approval, encouraged the finance companies to form a voluntary association covering as wide a range as possible of both local and overseas companies. It would have been difficult for any one of the companies to take an initiative in this which would have found a response from all others, as finance companies vary widely in size and in the type of business they transact. The Commissioner's initiative was designed purely to bring representatives of the companies together and to start them talking. As I have said, I would welcome the existence of an association of finance companies, which would set a code of conduct for its members and could represent their views to Government. But we have not attempted to impose our ideas on the form the association should take and the manner in which views are formulated for submission to the Government; and would not wish to do so.

MR LEE: —Sir, while appreciating the complication of the situation, may I still ask my honourable Friend whether he would indicate when, what he described as the interlocking measures is a single package, will be submitted to the Governor in Council for consultation?

THE FINANCIAL SECRETARY: —Sir, within the next three to four weeks those of us concerned with these matters in the Secretariat and the Commissioner of Banking's Office will, I hope, have developed a view as to what should be done in each of the three areas of concern I have just mentioned; and I hope also by then we shall have developed an internally consistent package of legislation, and this legislation will

[THE FINANCIAL SECRETARY] **Oral answers**

not be very complicated. Obviously I must then consult the Banking Advisory Committee and other interested parties to see what their reactions are. Provided their reactions are not too difficult to reconcile with each other and with what we might consider to be the broad public interest, I would hope to be in a position to ask Your Excellency in Council to consider these matters in the late summer with a view to introducing legislation into this Council in the autumn.

### **Multi-storey building management committees**

2. MR CHEONG-LEEN asked: —

- (a) How many multi-storey building management committees have been registered and approximately how many multi-storey buildings do not yet have management committees?
- (b) How soon will it be possible to introduce a compulsory management system in these buildings if such is at all feasible?

SECRETARY FOR HOUSING: —Sir, there are just over 600 management committees serving corporations registered under the Multi-Storey Buildings (Owners Incorporation) Ordinance but there are in addition some other forms of organization providing satisfactory building management; I refer to buildings under the management of landlord and tenants associations and building co-operative societies of which there are some 650. Then there are some 400 buildings managed by property companies and boards, sometimes through estate agents. All this adds up to something over 1,600 buildings with some management organization in the private sector.

The reply to the question as to how many buildings are without management committees (or indeed any other form of management organization) is less easy, because we do not have detailed information ready to hand on the number of individual blocks of different heights and use. However, we can say that acute management problems are generally confined to domestic buildings of over six storeys, where there is a lift service and more common parts than are found in lower blocks. If we use this definition, then there are at least 2,000 multi-storey domestic buildings without one or other of these forms of management.



As to compulsory management, we have been studying the case for this in recent months and I am convinced that the general climate of opinion on this has changed over the last 10 years or so, and that it should be introduced. I have in mind that compulsory management should be introduced first of all for all new buildings, leaving existing buildings to be provided for within the present voluntary system for the time being. This is because it is much easier to get effective management going in a building in good condition than in one which has been allowed to deteriorate; but, in due course, old buildings too should be covered. As to timing, firm proposals for the first steps in compulsory management should be ready in the autumn. I must stress, though, that whatever arrangements we make must take full account of the practical difficulties that face management committees.

### **Purchase of flats in public housing estates**

3. MR F. W. LI asked: —

Has any progress been made on the question of allowing the occupants of flats in public housing estates to purchase them outright?

SECRETARY FOR HOUSING: —Sir, no, the Housing Authority has no plans for allowing public housing tenants to purchase their units. To do so would have attractions from a cash-flow point of view, but the Housing Authority has decided that the shortage of public housing over the next few years, coupled with the heavy demand for housing from low-income groups makes it a non-starter for the foreseeable future.

MR F. W. LI: —Sir, does this mean the scheme of home ownership is shelved indefinitely or for good?

SECRETARY FOR HOUSING: —Not at all, Sir. It is a scheme, as I said, which we would like to resurrect to bring forward again when the supply/demand situation is better; but to be honest, I think I should say that this is not likely to happen for the next year or two.

DR CHUNG: —Sir, may I ask a supplementary question please? Is my honourable Friend aware that apart from the attractions from a cash-flow standpoint, allowing public housing tenants to purchase their units would also create a sense of belonging for them and encourage orderliness and tidiness in the public housing estates?

## Oral answers

SECRETARY FOR HOUSING: —Yes, Sir, I certainly do appreciate the point. Perhaps I should not have been so mercenary as to speak about cash-flow, but there are other advantages—one of which my honourable Friend has mentioned—and I am sure that many members of the authority do appreciate that home ownership has the advantages he described.

## Detention centres

4. MR WILLIAMS asked: —

Would Government state the number of persons who have now passed through the new-type detention centres and evaluate the success or otherwise of this type of punishment?

SECRETARY FOR SECURITY: —Sir, the first detention centre came into operation in June 1972, and up to 28th June this year, 978 detainees had been admitted. Of this number 708 have been discharged from the centres. 346 of these have completed their subsequent supervision period and 362 are still under supervision.

Of the 708 discharged, 48 only have been re-convicted. This represents some 6.5% of total admissions. In addition, 33 detainees have been recalled, while still under supervision, for failing to comply with supervision orders.

When the centres were established it was decided that an evaluation of their success should be carried out after two years. To this end the Prisons Department has been keeping the necessary records and, in co-operation with the Criminal Records Office of the Royal Hong Kong Police Force, has kept a check on re-convictions. The Commissioner of Prisons is now preparing a report which should be available shortly.

I do not wish to anticipate the report, but, from the figures of re-convictions which I have mentioned, it appears that the detention centres are achieving their object of deterring the very great majority of young offenders from committing further offences.

### Summer programmes for 12-14 year olds

5. MR CHEONG-LEEN asked: —

What recreational and educational programmes will be carried out for the estimated 4,000 young people between the ages of 12 and 14 in Wong Tai Sin District who will be school drop-outs this summer?

SECRETARY FOR SOCIAL SERVICES (ACTING): —Sir, my honourable Friend Mr Hilton CHEONG-LEEN has specified Wong Tai Sin in his question possibly because it is the most densely populated district where 95% of the people live in public housing. The problem of the 12 and 13 year olds not at work and not at school exists in varying degrees in all our districts.

Mr CHEONG-LEEN's question refers, I am sure, to the post-summer programme period from September onwards. But there is some tie-up with the summer programme which has just started and which will provide for 65,000 children in Wong Tai Sin.

But what is being done in the longer term? In Wong Tai Sin a community development co-ordination committee was set up earlier this year and this problem of the 12 to 13 year olds was selected as a special subject for action. They soon discovered that—the first step—the identification of these youngsters was by no means straightforward. For various reasons, ranging from disillusionment to reluctance, many of these young people (and their parents) do not respond readily to appeals. This lack of response has also been clearly identified as a difficulty in a special survey being conducted by the Social Welfare Department in Chai Wan. But active steps are now being taken to identify them by seeking the help of primary school headmasters, the Housing Department and local leaders on the area committees, mutual aid communities and the kaifongs.

The same pattern of activity is taking place in all the other districts.

This work of identification is, as I have said, the first step. In Wong Tai Sin the departments concerned are now being asked by the Community Development Committee to consider programmes such as educational night school classes, vocational courses by voluntary agencies and other recreational activities.

As my honourable Friend is aware the Inter-departmental Committee on Services for Youth, which is chaired by the Secretary for Home Affairs, is also giving much thought to the 12 and 13 year olds

[SECRETARY FOR SOCIAL SERVICES (ACTING)] **Oral answers**

and has now decided on a number of measures which will go some way to alleviate this problem and will help the district community development committees in their planning.

I say *some way* because as the Secretary for Home Affairs said in his reply to the honourable Hilton CHEONG-LEEN in his adjournment debate speech of 24th April, the only satisfactory solution to this problem in the longer term is to provide school places for all the children concerned. In the meantime the various activities I have briefly described in this reply will be pursued and I hope that there will be further progress to report not only from Wong Tai Sin, but all districts, in the autumn of this year.

### **Safety glass for public omnibuses**

6. MR CHEUNG asked: —

Are all public omnibuses fitted with safety glass in the driver and passenger compartments, and if not, what percentage of the omnibuses are?

SECRETARY FOR THE ENVIRONMENT: —Sir, my honourable Friend enquires whether all public omnibuses are fitted with safety glass in the passenger and driving compartments. Regulation 67 of the Road Traffic (Construction and Use) Regulations states, and I quote, "all glass used in the construction of: —

an omnibus; and

a light bus,

shall be safety glass".

Safety glass means glass so constructed or treated that, if fractured, it does not fly into fragments capable of causing severe cuts.

The correct use of safety glass in the construction of omnibuses and light buses is one of the features checked by the Transport Department during the mechanical inspection of these motor vehicles before initial registration and later at regular inspections. It is fairly certain therefore that all public omnibuses are fitted with safety glass throughout and if there are any which are not so fitted they are in contravention of the law.

MR CHEUNG: —Sir, in spite of these mechanical inspections before registration and the later regular inspections, is my Friend still unable to give me a factual answer as to what percentage of public omnibuses are fitted with safety glass?

SECRETARY FOR THE ENVIRONMENT: —Sir, there are 4,000 light buses and—to the best of my knowledge—2,000 ordinary buses. I am afraid I can't inspect them all in one week; but to the best of my knowledge, all are fitted with safety glass.

MR CHEUNG: —Are they inspected, for example, after an accident when the glass has been shattered, to see that they are replaced with safety glass ?

SECRETARY FOR THE ENVIRONMENT: —I can't say conclusively they are, Sir, but I would be very surprised if during the course of inspection after an accident, if plate glass for instance or any other glass was found, it would not be reported; to the best of my knowledge, no report has been made.

### **Safety glass for PLBs**

7. MR CHEUNG asked: —

Are all public light buses fitted with safety glass in the driver and passenger compartments, and if not, what percentage of these vehicles are so fitted?

SECRETARY FOR THE ENVIRONMENT: —Sir, in replying to my honourable Friend's previous question, concerning the use of safety glass in public omnibuses, I have stated that by law all glass used in the construction of an omnibus or a light bus must be safety glass and that this feature is checked by the Commissioner for Transport before initial registration and at later regular inspections.

It also follows, therefore, that all public light buses should be fitted with safety glass.

**Government business****Motion****White Paper on the Problem of Dangerous  
Drugs in Hong Kong****Resumption of debate on motion (19th June 1974)**

DR CHOA: —Sir, as honourable Members have spoken on various aspects of treatment of drug addiction, I should like to review the subject briefly, but I hope comprehensively, with particular reference to the methods commonly used and their suitability for local application, instead of replying to the individual points raised.

Although there are many variations, the main themes behind all treatment programmes for drug addicts are: (1) psychotherapy with emphasis on social rehabilitation, (2) physical rehabilitation with emphasis on vocational training and (3) drug therapy.

Drug addiction has long been regarded as a psychological problem. Since the objective of any form of therapy for a disease condition is to treat its cause, psychotherapy has been used for the treatment of drug addiction for many years in North American and European countries. In their societies, addicts are labelled as social misfits or outcasts or inadequate or irresponsible persons, showing such abnormal traits as emotional immaturity, character disorder, personality defect or criminal tendency. To them, drug addiction may be a means of acceptance in a social subculture, or rebellion against conventional social values. Besides heroin or morphine addiction, the incidence of alcoholism is even greater, while abuse of other drugs such as barbiturates or amphetamine is also common. However, here in Hong Kong, where the main problem is addiction to an opiate: heroin, opium and morphine in that order of frequency, I have some reservations in applying these labels to our addicts. From the volunteer addicts now attending the Medical and Health Department's Methadone Maintenance Trial Scheme, we learn that their reasons for taking either heroin or opium are: curiosity, bad company, fatigue, stimulation and physical illness, rather than discontent, disillusionment and frustration. Incidentally, their average age is 37.9 years, and 91% of them have regular jobs in many occupations and trades, in striking contrast to the low employment rate among addicts in other countries. There is no evidence that any kind of subculture exists among them, indeed, there are no

stigmas to distinguish them from the rest of society apart from the effects of addiction on their physical appearance perhaps. There are programmes in which the addicts are first detoxified or simply given symptomatic treatment for their withdrawal symptoms, and then provided residential accommodation in institutions where they undergo individual and group therapy for a period of time but they have freedom of movement and contact with the outside world. They are taken care of by experienced counsellors who help them to achieve total social rehabilitation after diagnosing and treating as far as possible the psychological causes responsible for their addiction. Day Top Village in New York and Phoenix House in Chicago are good examples of this approach. Our addicts require counselling on whatever social problems they may have but apart from this, it is my view that as they have no predominant psychological problems, residential programmes with an emphasis on psychotherapy and restructuring of character would appear to have little practical value in Hong Kong.

As regards physical rehabilitation programmes, let me say at once that on our Shek Kwu Chau Island we have one of the best in the world. I say this quite confidently after having seen another, the Arthur Kill Rehabilitation Centre on Statten Island, New York, which, generously financed and staffed and lavishly equipped, is in a class by itself. A physical rehabilitation programme carried out in an isolated area is an excellent method of treatment after detoxification, and is especially recommended for younger addicts who have had no previous treatment and require vocational training so as to enable them to turn a new leaf and make a good start in life. As honourable Members are familiar with Shek Kwu Chan, which is administered by S.A.R.D.A. with a deficiency grant from Government, it is not necessary for me to discuss it further.

Besides Shek Kwu Chan, there is the other physical rehabilitation programme run by the Prisons Department at the Addiction Treatment Centres at Tai Lam and Ma Po Ping. Honourable Members are aware that under the Drug Addiction Treatment Centres Ordinance, persons convicted of an offence punishable with imprisonment are detained in these centres for between six to eighteen months. It also provides a compulsory period of one year's after-care under supervision and for recall, if necessary, during that time. The programme consists of medical treatment for withdrawal symptoms, individual and group counselling, and physical activities aimed at instilling good habits. I may add that this must also be regarded as one of the best of its kind in the world.

[DR CHOA] **White Paper on the Problem of Dangerous Drugs in Hong Kong**

Whether drug addiction is a psychological problem or not, it is also a medical problem because the addicts suffer from the pharmacological effects of the drug they take. Viewed in this light there are 3 types of drug therapy which can be given for treatment. First, the addictive drug is given in the form of a pharmaceutical preparation, and after the dosage is determined and the frequency of administration regulated, withdrawal is attempted by gradual reduction of both the dosage and the frequency. The main difficulty with this method is that more often than not, maintenance is achieved rather than abstinence. Honourable Members may be interested to know that in the United Kingdom addicts are registered and maintained on their addictive drug which they can obtain on prescription. They are required to attend special clinics regularly for the purpose of having their dosages checked. Withdrawal treatment is given only to those who volunteer. Second, medication is given only for the alleviation of withdrawal symptoms as they occur. If this method alone is used, without, for instance, removing the addicts to a drug-free environment or subjecting them to some form of psychotherapy, the results have been shown, as expected, to be very disappointing. Third, a substitute to the addictive drug is used, with the view to maintaining the addicts on it for sometime before an attempt to withdraw is made. This leads me to methadone maintenance, and as we are now conducting trials on this method, I would like to take this opportunity to dispel certain misgivings which honourable Members and the public may have in their minds.

I do not intend to go over the arguments for and against the use of one addictive drug in substitution for another. I have said that drug addiction is also a medical problem and therefore it can be or should be treated by drug therapy. May I quote Dr. Vincent Dole of the Rockefeller University, the pioneer in using methadone for treating heroin addiction, who said in his Harvey Lecture in 1972 that: "The difficulty of this old theory (that is drug addiction is a psychological problem) was its lack of cures. Fifty years of psychotherapy, group therapy, psychoanalysis *etc.* had failed to stop more than a small number of addicts from using heroin, perhaps no more than would have stopped without treatment." I do not think I need to elaborate. Broadly speaking, methadone maintenance is the treatment of choice for addicts in the older age-groups, who have relapsed after other forms of treatment and have difficulties with either finding or keeping a job. The obvious advantages of methadone are as follows: its pharmacological



effect lasts for 24 hours, and it is taken by mouth only once a day, dissolved in orange juice, unlike heroin which has to be inhaled or given by injection several times a day; while on it, the addicts are alert, interested, able to behave normally and carry on with their jobs; if they take heroin at the same time they do not experience its euphoric effect any more; and in suitable cases it can be withdrawn gradually over a period of time.

The danger of death from taking methadone for a long time has often been mentioned as a warning as well as an objection to methadone maintenance. This has been completely misunderstood and misinterpreted. Having been briefed on the causes of death of addicts on methadone maintenance in New York City I am entirely satisfied that like other people they die of many diseases, of which I may mention heart disease and alcoholic cirrhosis of the liver, remembering that abuse of alcohol is also very common. The fact that when they die they have methadone in their system only means that they have been faithfully taking it and not that they have died because of it. Those who die as the result of methadone over-dose are outside of the maintenance programmes. They obtain methadone on the black market and take it as an addictive drug without supervision, or in some instances, having left the programmes, they have access to methadone and start taking it again, also without supervision, in large doses, at a time when the degree of tolerance to the drug has been greatly or completely reduced.

As I have come out in favour of methadone maintenance, it may will be asked why two separate trials are still being conducted by the Medical and Health Department and the Discharged Prisoners' Aid Society respectively, and no clinics are yet operating. In my view, certain preliminary investigations must be carried out before we can decide how best to plan a mass treatment programme.

- (a) As drug addicts in Hong Kong are treated on a voluntary basis, we must find out whether such a method would attract them or not. In the Medical and Health Department scheme we originally intended to treat 550 in 3 years, but after one year this number was already reached. The response therefore has been very good, and we now have every reason to believe that this will prove to be a popular method of treatment for the local addicts.
- (b) However, it is expected that a number of addicts will drop out after admission into the trial scheme. Though the commonest cause is likely to be lack of motivation, there must be many others. It is clearly necessary to find out what these

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causes are and the ways to correct them, otherwise a full-scale programme will become a wasteful effort as the result of poor attendance.

- (c) The regimen used in the High Street Centre since December 1972 is as follows: the addicts are confined in a ward for a few days at first; they continue to take methadone under supervision after discharge, hence, they must turn up at the centre everyday and under no circumstances are they given a supply to take away; the maximum dose of methadone used in this trial scheme is low compared to the standard used in other programmes. This is admittedly a rather strict regimen but it has obvious merits, especially as it prevents the abuse of methadone. In order to assess its suitability for mass treatment, a reasonable period of time must be allowed.

I must now turn to the evaluation of the results of a methadone maintenance programme. It has been said that some addicts will drop out and it is up to us if some of the excuses they give can be eliminated or not. Also, among those who attend every day, there will always be a number who still take heroin either occasionally or every day as shown by the results of the routine urine tests. I have pointed out that they do not experience the euphoric effect of heroin any more once they are on methadone but it is possible that they will still use it out of sheer habit like smoking cigarettes. These common observations should not detract from the value of the programme or be interpreted as failures. Honourable Members may be surprised to hear that when we mentioned to much more experienced workers abroad that so far only 25% of our sample showed that they were completely drug-free they considered this preliminary result as good enough. They added that success rested on making treatment available to those who wished to have it and keeping the programme open to all who had commenced in it. These were certainly the views expressed by one authority, Dr Avram GOLDSTEIN, of the Addiction Research Laboratory, Stanford University Medical Center, who wrote: "I do not accept the dichotomy between drug and drug-free, about which so much fruitless debate has been expended, nor that between detoxification and maintenance. A flexible approach is needed." Then he went on to say: "It is a mistake to reject the likelihood of cure merely because the cure rate heretofore has been so poor. It would be surprising indeed, if 'treatments' based on incarceration and compulsion have been successful. It is too early to say whether more humane approaches will have greater success."

In conclusion, Sir, may I sum up by saying that for Hong Kong, with an estimated 100,000 addicts, physical rehabilitation and methadone maintenance should be in operation simultaneously. If I may mention methadone maintenance again, some 1,150 addicts have in the course of 19 months been through the Medical and Health Department's trial scheme. Once it is decided that a full-scale treatment programme should be launched, many more can be offered treatment. With this, and possibly further expansion of Shek Kwu Chau, we shall be able to treat a significant number of addicts, bearing in mind the target suggested by my honourable Friend Mr CHEONG-LEEN of 50,000 in 3 years. The ideal arrangement is to have a board to screen an addicts who apply for treatment and allocate them to either one of the two programmes according to the criteria laid down for admission. To augment the programmes social workers are required to give counselling to the addicts and club facilities should be provided for them so that they have somewhere to go to whenever they wish to keep away from undesirable company or drug-polluted environments. The addiction treatment centres for both male and female offenders have been very successful and this form of humane treatment should be continued. Furthermore, Hong Kong is a most suitable place for further research because follow-up studies are facilitated by the fact that virtually no movement takes place among the addict population. For instance, work on longer-acting methadone preparations and antagonists to opiates is now being carried out in the United States. The advantage of the former is to reduce the daily attendance at a clinic to perhaps two to three times a week, and the use of the latter is to make the addicts intolerable to opium, morphine and heroin, like antabuse for alcohol. Given support, trials on these and any other methods worth investigating, can be carried out here. I hope that under the Action Committee Against Narcotics, all interested will work together as a body, with the Medical and Health Department's newly formed Narcotics and Drug Administration Division co-ordinating all treatment programmes.

Sir, I beg to support the motion.

SECRETARY FOR SECURITY: —Sir, I am grateful for the support which honourable Members have given to the motion welcoming the White Paper and for their constructive suggestions and proposals. Some comments have indicated the need to say more about what is being done by the various agencies engaged in combating addiction and opposing trafficking. In the course of this speech I will try to answer the main points and give further information on some aspects of this long standing problem.

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I hope that honourable Members will understand if I do not comment individually on all the advice and suggestions which they have already put forward. I am arranging for copies of their speeches to be circulated to the Action Committee Against Narcotics which will be considering them in greater detail and over the next few months.

For the purpose of winding up this debate I propose to reply to honourable Members under three main headings—

- first, community involvement and education;
- second, the international aspects of trafficking; and
- third, our internal problems.

Community involvement and education about drug abuse is of course a continuing process. It is not something which is only the concern of Government. It affects the whole community, especially parents and teachers, and our prime concern must be to protect the young. It is encouraging that there is increasing awareness of the need to ensure, without exciting too much curiosity, that young people especially, are informed of the dangers of drug abuse. For the purpose ACAN has a sub-committee on education and publicity which is responsible for co-ordinating the various programmes. As an example of this work, in 1974 it is planned for community education programme in six districts to begin in Western and Chai Wan in Hong Kong Island, Kowloon City, Kwun Tong and Sham Shui Po in Kowloon and Tsuen Wan in the New Territories which will involve seminars, talks, group discussions, competitions, visits *etc.* to enable the widest participation by young people. The Education Department, too, has already arranged two workshops in May and again in June this year for some 150 principals and senior teachers in schools on each occasion and five further workshops will be held in the course of this year. Officers of the Narcotics Bureau of the Police who run a drug counsellor service recently began a series of school visits to discuss drug abuse problems with school principals. The Prisons Department maintains an information room at Tai Lam and Ma Po Ping Treatment Centres and caters for group visits for educational purposes. For those who want personal help and advice there are the SARDA and Narcotics Bureau hot lines.

It is also encouraging that other organizations, such as the Council of Social Service, are engaged in the important field of publicity. Quite recently honourable Members may have seen in the press that the

Association of the Pharmaceutical Industry is concerned with the Council of Social Services' Keep Hong Kong Drug Free campaign due to start in August. As we all know the press and television generally are also contributing.

The suggestion by the honourable Hilton CHEONG-LEEN that we might revert to the public burning of drugs will certainly be considered. We performed these rites in 1967 and again in 1969 and ACAN will decide whether further ceremonies will have a beneficial effect on public opinion. The suggestion that a regular TV programme on drugs might be produced will also be borne in mind.

I hope I have said enough to show that there is in fact a steady programme proceeding. ACAN, as I have said, will continue to coordinate these arrangements so that the dangers of drug taking are kept well before the community. Whilst additional publicity would always be welcome the existing policy is to maintain it, for the time being, in middle key. That said, there is no doubt whatever that greater community involvement is essential if we are finally to eradicate the misery of drug abuse from our midst.

And now my second heading—international aspects of trafficking. In proposing the motion I referred to Hong Kong's participation in the work of the various international agencies responsible for narcotics control. Several honourable Members reinforced my remarks and urged constant vigilance. 1973 saw a great increase in anti-narcotics action in Burma and Thailand which we believe resulted in a substantial drop in the amount of drugs imported into Hong Kong. Whilst various UN sponsored programmes of crop substitution have made some headway the rewards from trafficking are such that supply is being constantly stimulated. Even so, international co-operation has helped considerably to reduce imports, particularly of opium, into Hong Kong. And to this end the Narcotics Bureau and the Preventive Service maintain the closest liaison with overseas authorities, especially in the producing countries. We are also alive to our own responsibilities to stamp out any possible use of Hong Kong as a base for heroin exports. My Friend the honourable P. C. Woo referred to this aspect. There have recently been reports of arrests in Europe of Chinese in possession of heroin allegedly procured in Hong Kong. In many cases those arrested are, in fact, overseas Chinese and often citizens of the countries in which they are arrested and in the majority of cases, I am told, the heroin was procured elsewhere in South East Asia and is not at all typical of Hong Kong made heroin. However we are concerned about these allegations and, coincidentally, on the day before the present debate commenced, two experienced Narcotics Bureau

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officers left for Europe to carry out on the spot investigations and to establish closer contact with enforcement agents there. I believe that increased co-operation and the exchange of information with our neighbours should help to build up the "Great Wall" to which the honourable Wilson WANG referred and I know that Hong Kong is helping to do this.

And this brings me to my third heading—our internal problems. And here in reply to honourable Members proposals and comments I would like to make five points:

First law enforcement and the law. The Narcotics Bureau has recently seen a shift in emphasis to enable it to concentrate on syndicate penetration operations at a level likely to inflict the most damage to drug syndicates. Since this came about in September last year 4 heroin refineries have been detected, about \$15 million worth of drugs have been seized and 18 high level personalities charged with a variety of offences. Of the 5 cases so far completed 4 persons charged with manufacturing were sentenced to 10 and 12 years' imprisonment. We believe that this action is beginning to have an effect on the syndicates at levels where it really hurts them. At the same time the Preventive Service and the Uniform Branch of the Police are maintaining pressure on importers, traffickers and divans.

As for the suggestion that more should be done to encourage and protect persons to come forward to give information about narcotic offences, I can only say that these offences are crimes of consent—the addict is a willing market for the seller and almost invariably enforcement officers have to search for information. Even so we are advertising on TV for assistance in detecting heroin refineries and all possible steps will be taken to safeguard those who provide information. Complementary to this action by the Narcotics Bureau (to whose work we owe so much) is the actual content of the law. I shall be moving the second readings of two bills later this afternoon to increase substantially the maximum fines which may be imposed for the more serious drug offences for profit and to allow the provisions of the Corporal Punishment Ordinance to be applied, as the courts may decide, to those convicted of certain drug offences.

Under this heading of law enforcement and the law I should add that drafting instructions are now being prepared for legislation

to control factory-made drugs abused here. On the return of the Commissioner for Narcotics in August and in consultation with the Law Draftsman work on the actual draft will be put in hand. Provided things go reasonably smoothly the new bill ought to be ready early next year. I cannot be more specific at this stage since it is not easy to assess how complicated the bill may have to be or how easily agreement can be secured between the various Government departments concerned.

Secondly, there is the point made by the honourable Wilson WANG that compulsory registration of addicts should be introduced. This is not the first time this proposal has been made or considered, but the view currently prevails that such an arrangement is premature. ACAN considered it in 1967 in conjunction with the HK Medical Association and the British Medical Association and concluded it might be practical, only if, and when, comprehensive facilities for compulsory treatment are available. We are not yet in this position but I can assure the honourable Member that his suggestion will not be forgotten even though early implementation seems unlikely.

Thirdly, there is a related point regarding the central register on the accuracy of which the same honourable Member expressed doubts. He may be right but some effort is being made within the current treatment policy to obtain meaningful figures. We trust that as these facilities develop the register will become more useful and comprehensive, but for the time being it provides the most reliable information which we have.

Fourthly—treatment. The honourable Director of Medical and Health Services has already spoken on this subject and I do not intend to say much more. I would however just like to take up one point made by the honourable Hilton CHEONG-LEEN regarding the role of ex-addicts. Their importance is recognized and, so far, SARDA has 22 ex-addicts on its staff and those engaged in treatment are very, very alive to the psychological importance of ex-addicts helping those who are still addicted.

Fifthly—corruption—and one small element of it. That Government recognizes the need to be constantly on its guard within the public service is evidenced by the recent police action against those alleged to be involved in a drug racket in Stanley Prison.

It is plain, Sir, that an immense task lies before us before addiction is eradicated and that a carefully formulated treatment programme is a most important element. Honourable Members have underlined this

[SECRETARY FOR SECURITY]     **White Paper on the Problem of Dangerous Drugs  
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and ACAN and the Government recognises it. I have explained at some length what new initiatives are being taken against drug abuse: further, ACAN is currently engaged on a comprehensive review of treatment programmes and facilities with a view to the production of a treatment blueprint. The result of this review will in due course be placed before Government together with an indication of the estimated cost. I was pleased to hear from my honourable Friend the former Senior Unofficial Member that in his view this cost must be met, and I am sure that this view will be supported by the new Senior Unofficial Member. Of course it is not likely to be small and much planning, investigation and careful consideration and assessment of alternatives will be needed first: but when we are ready to put forward firm proposals to reduce substantially and eventually to eradicate drug abuse from the community, I am glad that we can rely upon the support of this Council.

*Question put and agreed to.*

4.10 p.m.

HIS EXCELLENCY THE PRESIDENT: —Perhaps at this point, honourable Members might like to have a short break. Accordingly Council will resume in fifteen minutes.

4.25 p.m.

HIS EXCELLENCY THE PRESIDENT: —Council will resume.

**First reading of bills**

**COMPANIES (AMENDMENT) BILL 1974**

**COPYRIGHT (AMENDMENT) BILL 1974**

**LANDS TRIBUNAL BILL 1974**

**CROWN LANDS RESUMPTION (AMENDMENT) BILL 1974**

**PORT CONTROL (CARGO WORKING AREAS) BILL 1974**

**MEDICAL REGISTRATION (AMENDMENT) BILL 1974**

**DUTIABLE COMMODITIES (AMENDMENT) BILL 1974**

**PROTECTION OF NON-GOVERNMIENT CERTIFICATES OF ORIGIN  
(AMENDMENT) BILL 1974**



**CORPORAL PUNISHMENT (AMENDMENT) BILL 1974****DANGEROUS DRUGS (AMENDMENT) BILL 1974****EMPLOYMENT (AMENDMENT) (NO 2) BILL 1974**

*Bills read the first time and ordered to be set down for second reading pursuant to Standing Order 41(3).*

**Second reading of bills****COMPANIES (AMENDMENT) BILL 1974**

THE FINANCIAL SECRETARY moved the second reading of:—"A bill to amend the Companies Ordinance."

He said:—Sir, as honourable Members are aware this is the first of a series of bills designed to give effect to the recommendations of the second report of the Companies Law Revision Committee. This report, which was tabled in this Council on 1st August last year, covers an extremely wide range of subjects in the general field of company law. To have tried to implement the Committee's recommendations all at once, in the form of a completely rewritten Companies Ordinance, would have been a lengthy, complicated and altogether formidable task. The Government decided, therefore, to start by implementing the Committee's recommendations on company accounts and directors' reports, as the accounts provisions of the Ordinance, being more or less self-contained, could be brought up to date comparatively easily.

The existing provisions of the Companies Ordinance relating to company accounts and directors' reports are almost identical with those of the United Kingdom Companies Act of 1929. The Companies Law Revision Committee studied the changes made by the United Kingdom Companies Acts of 1948 and 1967, together with a number of other changes recommended by the Jenkins Committee on Company Law Reform, but which have not yet been the subject of legislation in the United Kingdom. In passing, the Committee noted that there is no part of company law in which more sweeping changes have been made in United Kingdom than the statutory provisions relating to company accounts.

The bill now before this Council deals with accountancy matters of practical business application and brings the accounting provisions in Hong Kong company law broadly into line with those now in force in the United Kingdom. It also provides for directors' reports to give much fuller information than hitherto.

[THE FINANCIAL SECRETARY]      **Companies (Amendment) Bill—second reading**

I could easily impose upon honourable Members a lengthy discourse on the detailed provisions of the bill. But, as the explanatory memorandum gives a full description of the purpose and content of all the clauses in the bill and is written in reasonably comprehensible language, I shall confine myself simply to the bill's salient and more important features.

To begin with, the bill is intended to apply to accounts covering the current calendar year. This gives effect to the spirit of the recommendation contained in the report that there should be a six months notice of operation from the time the bill is published. In other words, the commencement of the new provisions will be postponed to 1st January 1975, which it is hoped will afford companies adequate time in which to make the necessary arrangements to comply with the requirements of the bill. All company accounts prepared after 1st January 1975, in respect of financial years ending on or after 31st December 1974, will, therefore, have to comply with the new requirements.

The two clauses in the bill of most significance are clauses 11 and 13. Dealing first with the rather massive clause 12: although there are several sections in the existing Ordinance requiring certain matters to be stated in the annual balance sheet, the most important of which is section 123(1), there are, at present, no requirements relating to the contents or form of the profit and loss account, which every company must submit each year. In view of the importance of the profit and loss account, since the trend of profits indicates the relative prosperity of a company, this is a serious omission. The new section 123, in clause 12 of the bill, seeks to rectify this by requiring a company's balance sheet and profit and loss account to give a true and fair view of the state of its affairs and of its profit or loss by, *inter alia*, being drawn up in accordance with the requirements of the Tenth Schedule. This gives effect to equivalent provisions in the United Kingdom Companies Act 1948 which set out in general terms the objectives and the standard of disclosure required, whilst prescribing certain specific information that must be given.

Here, Sir, I would hasten to add that many companies in Hong Kong are already voluntarily including in their accounts most of the information which will now be required under this section. But this is not true of all companies and the new requirements are clearly necessary for all.

The new section 123 in clause 12 deals with the question of disclosures relating to subsidiary companies. It has been a common practice for some time now for large companies to carry on parts of their business through subsidiary companies. As most of these are private companies, whose accounts do not have to be filed with the Companies Registry, the only information available to the shareholders of the holding company with regard to the profits and assets of the subsidiaries is that which may, or may not, be given in the holding company's accounts. The amount of information on subsidiaries at present required to be disclosed in these accounts is very limited although, again, many holding companies in Hong Kong do include in their accounts much of the information required by the United Kingdom legislation. The accounting information published by a holding company should, as far as is reasonably practicable, include information with regard to the financial position and results of its own operations and those of its subsidiaries similar to that which would be required by statute if the businesses were carried on by a single company through a number of branches. Consequently, the new section 124 now requires a holding company to prepare group accounts dealing with the profit and loss of the company and its subsidiaries.

Group accounts must, under section 125, be consolidated accounts comprising a consolidated balance sheet of the holding company and subsidiaries and a consolidated profit and loss account. That is to say, the group accounts should give a true and fair view of the state of affairs and profit and loss of the holding company and of its subsidiaries as a whole.

I turn now, Sir, to the question of directors' reports. Although these reports are intended to supplement the information contained in the accounts, they are not always renowned for the wealth of information and detail they reveal to shareholders often, indeed, being totally uninformative. Yet, there is an obvious need for certain minimum information about the activities of a company to be provided annually. Accordingly, the new section 129D in clause 12 requires the attachment to a company's balance sheet of a comprehensive directors' report which must include, *inter alia*, details on the state of its affairs, its profit and loss, its principal activities, its proposed dividend, transfers to reserves, changes in fixed assets, issues of shares and debentures and the list of its directors, together with any other matters necessary to help its shareholders better to understand the state of its affairs.

[THE FINANCIAL SECRETARY]      **Companies (Amendment) Bill—second reading**

Turning now to clause 13 which deals with the question of the information required to be stated in the auditors' report: the new section 141 makes radical changes in the matters required to be stated in this report. Hitherto, all that has been required has been for the auditors simply to state a true and correct view according to the best of their information and the explanations given to them, and as shown by the books of the company. In the view of the Companies Law Revision Committee, this has not been enough to ensure that a full picture is presented of the company's affairs; and the Committee pointed out that, in the United Kingdom, it has been held that the last requirement, namely, to give a true view as shown by the books of the company, has inhibited auditors' freedom. For, if a company's affairs are incompletely revealed by its books, the auditors might nevertheless feel that they are entitled to certify that the balance sheet has been properly drawn up if it accords with the books. If this bill becomes law, the auditors' report will have to state whether, in the auditors' opinion, the accounts have been properly prepared in accordance with the provisions of the Ordinance and whether, in their opinion, the accounts provide a true and fair view of the company's position.

Sir, I hope I have shown that, under this bill, much more information will now be readily available for the benefit not only of existing shareholders, but also of potential investors in, and the creditors of, a company. If the bill becomes law it should be easier to assess the results of the directors' management of a company's assets and whether the return realized on its assets is adequate. However, one consequence of requiring additional detailed information is that company accounts will become more lengthy and complicated and hence, to most laymen, somewhat difficult to understand. I hope, therefore, that our financial commentators in the press will readily seize the opportunity which will now be afforded them of objectively assessing the relative merits of different companies and conveying the results of their researches in a comprehensible form to their anxious readers.

*Motion made. That the debate on the second reading of the bill be adjourned*—THE FINANCIAL SECRETARY.

*Question put and agreed to.*

**COPYRIGHT (AMENDMENT) BILL 1974**

THE FINANCIAL SECRETARY moved the second reading of:—"A bill to amend the Copyright Ordinance 1973."

He said:—Sir, this bill seeks to provide for two changes to the existing Ordinance.

In the first place, under the United Kingdom Copyright Act of 1956, part of which extends to Hong Kong, proceedings may be brought against a broadcaster of a sound or television programme in which a copyright exists if the programme is broadcast without the authority of the owner of the underlying copyright. This is equitable. However, neither that part of the 1956 Act which extends to Hong Kong nor the Hong Kong Copyright Ordinance 1973 protects from liability any operator who, under licence, properly relays such a broadcast. This is inequitable as the relay operator cannot be expected to know whether copyright has or has not been infringed in the original broadcast.

Although there are no relay services in Hong Kong at present, such services might be licensed by the Government in the future and it is therefore considered prudent now to make provision to protect a relay operator from liability. This amending bill seeks to provide. Such protection will not affect the existing liability of any organization which broadcasts radio or television programmes, although the amending bill requires the court to take account of any relay in assessing damages against the broadcaster.

Secondly, although my honourable Friend the Director of Commerce and Industry is the competent authority in respect of copyright matters under both the United Kingdom Copyright Act and the Hong Kong Copyright Ordinance, investigatory powers of entry, search, seizure and detention are given not only to officers authorized by the Director under the Ordinance but also to police officers.

The majority of offences against the Act and the Ordinance are in respect of the reproduction of musical sound recordings infringing copyright ownership and these offences reflect adversely upon both the domestic and the overseas trading image of Hong Kong. Accordingly, it is considered by the Government that such offences should more properly be dealt with exclusively by the Commerce and Industry Department.

The Commercial Crime Office of the Royal Hong Kong Police Force has been involved in the enforcement of the United Kingdom

[THE FINANCIAL SECRETARY]     **Copyright (Amendment) Bill—second reading**

Copyright Act and the Hong Kong Copyright Ordinance but, with its rapidly increasing commitments, in such fields as the Securities Ordinance its withdrawal from the field of copyright offences would appear to be both appropriate and timely.

The second change proposed by the bill, therefore, seeks to relieve the Police from investigatory responsibility in respect of criminal offences under the copyright laws, leaving this responsibility solely with the Director of Commerce and Industry.

*Motion made. That the debate on the second reading of the bill be adjourned*—THE FINANCIAL SECRETARY.

*Question put and agreed to.*

### **LANDS TRIBUNAL BILL 1974**

SECRETARY FOR THE ENVIRONMENT moved the second reading of: —“A bill to establish a Lands Tribunal and to provide for matters connected therewith.”

He said: —Sir, the purpose of the bill is to establish a permanent tribunal charged with the responsibility of determining disputes between claimants and the Crown arising out of claims for statutory compensation relating to interests in land or property rights.

A number of existing ordinances provide for an arbitration board or tribunal to be set up to determine such disputes. The boards or tribunals are constituted separately under the different ordinances and their membership is not fixed, with the result that their findings are not always consistent and cannot be regarded as precedents. Furthermore, public works, as well as payments of compensation to land owners, are sometimes delayed by the lengthy and involved procedures.

The permanent lands tribunal which is now proposed is on the lines of the comparable tribunal operating in the United Kingdom. This latter tribunal comprises a panel of lawyers and valuers presided over by a lawyer. Because the tribunal is permanent, it has acquired over the years substantial experience and expertise of valuation matters with the results that its decisions are consistent and it is able to dispose of cases quickly and efficiently. It has been highly successful and is held in great respect in the United Kingdom.

The main features of the present bill are that it establishes a lands tribunal and defines its jurisdiction which would encompass the claims which may be submitted under the ordinances listed in the First Schedule and certain other specified statutory claims or appeals.

The tribunal will be made up of a president who will be a lawyer with the qualifications required of a district judge, and other persons who are qualified lawyers or valuers. They will all be appointed by the Governor and will become part of the Judiciary. In addition, a panel of persons from outside the Government service and not necessarily lawyers or valuers, whom the Governor considers to be suitable to assist the tribunal in the exercise of its jurisdiction, would be appointed. On the hearing of any proceedings before the tribunal, the president would have the power to select a person from this panel to sit as an additional member of the tribunal. In general, however, there would be a good deal of flexibility and constitution of the tribunal for individual cases, with members of the tribunal sitting singly or in groups at the discretion and direction of the President.

The tribunal will have the power to enforce the attendance of witnesses and examine them on oath; it will have the power to compel the production of documents and its members will have the right to enter upon and view any premises. The decisions of the tribunal would be final, but any dissatisfied could appeal, on a point of law, to the Full Court.

A number of amendments to existing ordinances consequent on the transfer of jurisdiction to the lands tribunal are necessary, and these are specified in the Second Schedule.

In conclusion, Sir, I am confident that the establishment of a lands tribunal as proposed will result in a marked improvement over the present arrangements for dealing with disputed claims for statutory compensation arising from the extinguishment or curtailment of interests in land or other damage to property rights.

*Motion made. That the debate on the second reading of the bill be adjourned*—SECRETARY FOR THE ENVIRONMENT.

*Question put and agreed to.*

**CROWN LANDS RESUMPTION (AMENDMENT)  
BILL 1974**

SECRETARY FOR THE ENVIRONMENT moved the second reading of: —"A bill to amend the Crown Lands Resumption Ordinance."

He said: —Sir, the amendments proposed under this bill are in the main consequential upon the enactment of the Lands Tribunal Bill 1974. Whereas the Crown Lands Resumption Ordinance (Chapter 124), provides that a compensation board must be appointed to award compensation for any land which reverts to the Crown under a resumption order, this procedure is clearly unnecessary where the claimants and the Crown are agreed on the level of compensation. It is therefore proposed in this bill that the principal Ordinance be amended to allow the Crown to make binding offers for land that is resumed and only if such offers are not accepted would reference to the proposed lands tribunal become necessary. The advantages to be derived from this are self-evident, with the most important improvement being a speeding up of negotiations for the surrender of land either before or after its surrender date and, in consequence, acceleration of payment of compensation.

Furthermore, with the establishment of the proposed lands tribunal, the need for the owners of resumed property to nominate a member to sit on a compensation board will not arise as the owners' interests can be protected just as well by representation before the tribunal. Indeed, under the present system, land owners often forego their right to appoint a member to the compensation board and instead are professionally represented before it.

The opportunity has also been taken to make a number of minor amendments, mainly of form, to the principal Ordinance.

*Motion made. That the debate on the second reading of the bill be adjourned*—SECRETARY FOR THE ENVIRONMENT.

*Question put and agreed to.*

**PORT CONTROL (CARGO WORKING AREAS)  
BILL 1974**

SECRETARY FOR THE ENVIRONMENT moved the second reading of: —"A bill to provide for control of the use of waterfront areas by persons,



vehicles and vessels and generally for control of the handling of cargo in such areas."

He said: —Sir, the essential aim of this bill is to provide a statutory framework for a system of control which it is hoped will bring order to the working conditions at the various public cargo-handling areas. These conditions have tended to become chaotic over recent years as a result of the increasing volume of Hong Kong's imports and exports and the limited space available for public use.

The bill is therefore a piece of enabling legislation, providing as it does for the declaration by the Governor of three types of waterfronts, namely, public cargo working areas, public waterfronts, and excluded waterfronts.

Public cargo working areas would be waterfront areas, including water areas and adjacent Crown land, which would be completely fenced off as cargo working reserves. Marine Department staff would be present on a 24-hour basis to regulate the berthing of vessels, parking of vehicles and movement of cargo. Parking fees, on an hourly basis, would be levied on goods vehicles entering and using these areas, and the masters of cargo vessels would be required to pay a permit fee before being allowed to berth.

Public waterfronts would be waterfront areas which could not be completely fenced off, because of road design or other reasons, for the purposes of cargo working. The road adjacent to such waterfronts would remain a public road, but Marine Department staff would still be present to exercise limited control. No fees would be payable in respect of goods vehicles using these areas but permit fees for vessels would still be levied.

Excluded waterfronts would be waterfront areas where it would not be possible to allow cargo working on a regular basis. Cargo working, therefore, would be prohibited in these areas except in very special cases and in the interests of the general public.

At present, cargo-handling facilities in Hong Kong harbour are not concentrated in dockyard areas as in most other ports but are spread over the northern waterfront of the island and at intervals along the waterfront on the mainland from Tsuen Wan to Kwun Tong. Lighters and other craft, as well as cargo-working lorries, have traditionally been allowed to use these areas free of controls and without charge. Naturally, as the volume of imports and exports has risen, these areas have become more and more congested, the congestion being caused

[SECRETARY FOR THE ENVIRONMENT]      **Port Control (Cargo Working Areas)  
Bill—second reading**

mainly by idle lorries plying for business and by the indiscriminate dumping of cargoes on the waterfront. Some control is therefore necessary to achieve better working conditions on both the landward and seaward sides of the seawalls. It is to be hoped that in areas to be declared public cargo working areas, by the charging of fees which would discourage unnecessary parking of lorries and berthing of vessels, and by the presence of properly trained Government staff to regulate traffic, cargo working can be carried out more smoothly and efficiently.

This would, clearly, be beneficial both to those engaged in the cargo-handling trade and to the general public and, indeed, the response from the trade to the controls now proposed has been favourable.

*Motion made. That the debate on the second reading of the bill be adjourned*—SECRETARY FOR THE ENVIRONMENT.

*Question put and agreed to.*

**MEDICAL REGISTRATION (AMENDMENT)**

**BILL 1974**

DR CHOA moved the second reading of:—"A bill to amend the Medical Registration Ordinance."

He said:—Sir, the purpose of this legislation is to seek to amend the Medical Registration Ordinance by widening the disciplinary powers of the Medical Council. At present, when the Council is satisfied that a medical practitioner has misconducted himself in such a way as to bring discredit on his profession, the Council may order his name to be erased from the register, either completely or for a specified period, or be reprimanded. Admittedly, any order made by the Council may be suspended but whatever decision is arrived at must at present be published in the official *Gazette*.

Instances occur from time to time of minor infringements of medical ethics and the Council considers that such instances do not merit what is tantamount to a public reprimand. It therefore considers that a lesser punishment should be permitted and it is proposed to follow the practice of the General Medical Council in the United Kingdom and give the Hong Kong Medical Council discretion to issue

warning letters and to decide whether or not any particular warning letter should be notified in the official *Gazette*.

*Motion made. That the debate on the second reading of the bill be adjourned*—DR CHOA.

*Question put and agreed to.*

## **DUTIABLE COMMODITIES (AMENDMENT)**

### **BILL 1974**

MR JORDAN moved the second reading of: —"A bill to amend the Dutiable Commodities Ordinance and the Dutiable Commodities Regulations."

He said: —Sir, as the explanatory memorandum says, the bill makes miscellaneous amendments to the principal Ordinance.

The main things the bill would do are to remove table waters and methyl alcohol from the ambit of the ordinance, and to make proper provision for refund of duty where dutiable goods have been supplied to persons entitled to these concessions by virtue of diplomatic or consular status.

Table waters and methyl alcohol are to be removed from the ambit of this ordinance because they are no longer dutiable.

Methyl alcohol however is poisonous and is virtually indistinguishable from potable ethyl alcohol. The bill therefore provides for the prohibition of the storage of methyl alcohol in premises used for holding intoxicating liquor.

It is also intended that we should seek power to continue to control imports of methyl alcohol by bringing it within the ambit of the Import and Export (General) Regulations.

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

*Question put and agreed to.*

**PROTECTION OF NON-GOVERNMENT CERTIFICATES OF  
ORIGIN (AMENDMENT) BILL 1974**

MR JORDAN moved the second reading of:—"A bill to amend the Protection of Non-Government Certificate of Origin Ordinance."

He said:—Sir, it has become common practice for some manufacturers to provide exporters with signed but otherwise blank application forms for certificates of origin. In some cases this has led to false declarations being made by exporters, but over manufacturers' signatures. Often in these cases the false declaration is made without the manufacturer's knowledge, but we suspect that it is sometimes made with his knowledge and direct connivance.

Under the existing legislation, proceedings can be taken against the exporter for the submission of such false declarations, but it has been held by two magistrates that the manufacturer has not made any declaration: he has merely signed a blank form.

I am sure honourable Members will agree that we must maintain the integrity of our certification system on which our access to many overseas markets depends. It is therefore, I suggest, necessary that those particulars in the application form that attest the origin of the goods concerned should be supplied by the manufacturer himself; that he should be required to certify that the information he has given is true; and that it should be an offence for him to fail to do so.

Clause 3 of the bill therefore provides that in future it should be an offence for a person to provide any document which may be used in support of an application for a certificate of origin which he has signed in blank or with the material particulars incomplete.

The material particulars are also defined in this clause. They include the place at which the goods are produced and the materials and the manner of manufacturing, processing or production.

The provisions of this bill have the support of all the non-Government bodies authorized to issue Hong Kong certificates of origin. Last week the Governor in Council made regulations making similar provision in respect of Government certificates of origin issued by the Commerce and Industry Department.

If this bill is passed, the new requirements will be communicated in English and Chinese to every firm authorized to apply for certificates of origin.

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

*Question put and agreed to.*

### **CORPORAL PUNISHMENT (AMENDMENT) BILL 1974**

SECRETARY FOR SECURITY moved the second reading of: —"A bill to amend the Corporal Punishment Ordinance."

He said: —Sir, this bill is one of two (the Dangerous Drugs (Amendment) Bill being the other) which stems from paragraph 37 of the White Paper on the problem of dangerous drugs in Hong Kong and which seeks to increase the deterrents in respect of those who may contemplate major drug offences. Clause 3 of this bill makes males who are convicted of the major drug offences committed for profit, that is to say, trafficking, manufacturing, storage, permitting premises to be used, and keeping a divan, subject to the provisions of the Corporal Punishment Ordinance.

Clause 2 of the bill seeks to apply the provisions of the Ordinance to male persons in the custody of the Commissioner of Prisons who are convicted of being in possession of, or smoking, inhaling, ingesting or injecting a dangerous drug, or being in possession of paraphernalia for the purpose of doing so.

*Motion made. That the debate on the second reading of the bill be adjourned*—SECRETARY FOR SECURITY.

*Question put and agreed to.*

### **DANGEROUS DRUGS (AMENDMENT) BILL 1974**

SECRETARY FOR SECURITY moved the second reading of: —"A bill to amend the Dangerous Drugs Ordinance."

He said: —Sir, honourable members will recollect that paragraph 37 of the White Paper "The Problem of Dangerous Drugs in Hong Kong" proposed an increase in some of the penalties under the Dangerous Drugs Ordinance for those convicted of certain offences, especially those relating to illicit drug trading for profit. The bill now before Council seeks to do this.

[SECRETARY FOR SECURITY] **Dangerous Drugs (Amendment) Bill—Second reading**

Clauses 2 to 5 refer to sections 4, 6, 7 and 35 of the ordinance which create offences of trafficking, manufacture, possession for trafficking and divan keeping. The bill provides that the maximum limit of fines which may be imposed under these sections should be increased ten times. The maximum period of imprisonment for offences under the first three sections is life imprisonment and 15 years for divan keeping and no change is proposed. However in the case of an offence under section 37, the maximum penalty on indictment is increased under clause 6 from 10 to 15 years' imprisonment at the same time as the maximum level of fine has been substantially increased.

Clause 3 of the amending bill also creates the offence of offering to do, or doing, any act preparatory to, or for the purpose of, manufacturing a dangerous drug. There is already a similar offence in relation to trafficking in dangerous drugs and experience has shown that the extension of that offence to the manufacturing of dangerous drugs is necessary. Broadly speaking, it brings within the ambit of the criminal law conduct which falls short of the offence of attempting to commit a crime.

Finally, clause 7 increases the maximum fine under section 38(4) from \$10,000 to half a million dollars for any person or company in control of premises who knowingly permits them to be used again for an offence under sections 4, 6, 7, 35 or 37 within twelve months of receiving a notice that they had been used for an offence under these sections.

*Motion made. That the debate on the second reading of the bill be adjourned*—SECRETARY FOR SECURITY.

*Question put and agreed to.*

**EMPLOYMENT (AMENDMENT) (NO 2) BILL 1974**

SECRETARY FOR SOCIAL SERVICES (ACTING) moved the second reading of:—"A bill to amend the Employment Ordinance."

He said:—Sir, this bill is designed to provide for severance pay on redundancy.

Severance pay on redundancy is the means whereby an employee may be compensated for loss of employment through no fault of his own. It is simply compensation for loss and not a reward for long service or good behaviour such as a gratuity or bonus. It arises only from dismissal due to redundancy and not where there is any element of volition or fault on the part of the employee. Where employment is terminated at the initiative of the employee or where the employee is dismissed for misconduct the loss may be regarded as self-induced and not deserving of compensation.

Severance pay on redundancy is a comparatively new concept. International Labour Recommendation No 119 concerning the termination of employment at the initiative of the employer was made only in 1963 and legislation on severance payments in most countries has thus been introduced only within the last decade. In Hong Kong, disputes involving claims for severance payments resulting from redundancy have become a significant problem in industry in recent years. Over the period from 1st July 1968 to 30th April 1974, more than 40% of all major labour disputes dealt with by the Labour Relations Service concerned redundancy.

But many industrial employers in Hong Kong have already accepted the need to make severance payments when redundancy occurs, although the amount and basis of payments vary considerably. Some employers pay a flat rate to all redundant employees, whereas others make severance payments in accordance with a scale based on the length of service. Many smaller establishments are either unable or unwilling to make any such payments at all. The bill therefore sets out to lay down minimum standards for severance payments.

The bill has three main aims. It will serve to protect employees against possible hardship arising from redundancy and, with Hong Kong's present system of social security, it seems important that this form of protection should be available to all employees who come within the scope of the Employment Ordinance. Second, it should serve to reduce the incidence of labour disputes concerning redundancy by introducing a minimum legal obligation in all cases. Third, it should help to clear up much of the existing confusion by confirming the practice, and regulating the method, of making severance payments.

The bill provides that severance payments at a flat rate of one-third of a month's salary for monthly-rated workers or ten days' wages for time-rated and piece-rated workers, for every year of continuous service, should be payable by an employer on dismissal by reason of redundancy

[SECRETARY FOR SOCIAL SERVICES (ACTING)]      **Employment (Amendment) (No 2)**  
**Bill—second reading**

to all manual workers and those non-manual workers earning not more than \$2,000 a month who have completed two years' service with the same employer subject to a maximum of the equivalent of twelve months' pay.

The proposed rate of one-third of a month's pay for each completed year of service was determined after careful consideration had been given to a number of factors including: the need to provide adequate relief to a redundant worker; the rate of severance pay should not be such as to overstrain the smaller employer; a worker with longer service stood to lose more than a worker with shorter service.

Some employers already operate their own redundancy schemes, a number of which are generous. I would emphasise that the bill lays down minimum standards only and my hope is that employers who have been more generous than its provisions will continue to be so and that others will also be inclined in this direction. For them and their employees legislation should provide a yardstick which could also be used as a basis for negotiation. However if the rates of severance pay provided by legislation were set too high, many small employers would be unable to meet their resultant legal obligations and would be driven out of business. This in turn would create further redundancy and defeat the object of this legislation.

A possible solution to this dilemma would have been to limit in some way the application of the scheme. It has been the practice in the past to limit certain provisions of labour legislation to the industrial sector. Another way would be to exclude those small employers with less than 20 employees. Such limitations however present serious enforcement problems with borderline cases and, in any event, it did not seem reasonable to determine an employee's basic entitlement to relief benefits by reference to the size or nature of his employees business. It was therefore concluded that the social advantages of applying the proposed legislation across the board to all employers were of sufficient importance to outweigh the risk of imposing too onerous a burden on a limited number of smaller employers.

As a number of firms in Hong Kong have for many years included long-service gratuities or redundancy provisions in the terms of their contracts of employment, which adequately protect employees against the adverse effects of redundancy, it was concluded that severance pay



should be alternative and not additional to such schemes and that employees should be given the option of choosing which was the more favourable. Severance pay is intended to provide compensation for loss of employment and not to operate as a bonus where such protection is already available.

Employees with less than two years' continuous service will not be eligible for severance payments, since only *after* such a period can the employment be regarded as permanent. Such a qualifying period may also have some beneficial effect in encouraging employees to remain in their jobs so reducing high labour turnover, but hopefully without endangering the economically advantageous mobility of labour which has traditionally been a strong feature of Hong Kong's economy.

To ensure that employers are not faced with too heavy an initial liability the bill imposes a limit on the number of years of service for calculating entitlement to severance payment. The limit suggested is five years before the enactment of the legislation. Any service prior to this would not count.

The Labour Tribunal would be granted jurisdiction to inquire into, hear and determine claims for severance payments. In cases of bankruptcy, winding-up and liquidation, severance payments will rank *pari passu* with wages, salaries and crown debts, and consequential amendments will be made to the Companies Ordinance and the Bankruptcy Ordinance to cover these situations.

In some countries redundancy payments are, in special circumstances, such as the bankruptcy of an employer or his refusal to pay, made from a central fund to which employers contribute. Such arrangements are, however, extremely complicated and are usually closely associated with a system of contribution under some form of national insurance scheme. Contributory social security does not exist in Hong Kong and to establish a separate central redundancy fund and to bring within it all employers covered by a scheme would be an enormous and costly administrative undertaking, requiring a large staff to manage it. If costs were to come out of the fund itself, it would be difficult to justify paying for the operation of such a scheme from money meant for employees. The amount of "policing" required would be enormous. A central fund to which employers would have to contribute was not therefore considered appropriate for Hong Kong at the present time.

The Labour Advisory Board has been consulted on the proposals and supports them in principle. The bill was published in the *Gazette*

[SECRETARY FOR SOCIAL SERVICES (ACTING)] **Employment (Amendment) (No 2)**  
**Bill—second reading**

on 7th June 1974 for the purpose of public consultation and a number of useful comments have since been received from various individuals and organizations. These comments are being carefully considered and it is likely that a number of amendments will be proposed at the committee stage of the bill in the light of the views that have been expressed.

*Motion made.* That the debate on the second reading of the bill be adjourned—SECRETARY FOR SOCIAL SERVICES (ACTING).

*Question put and agreed to.*

**PENSIONS (SPECIAL PROVISIONS) (HONG KONG  
POLYTECHNIC) HILL 1974**

**Resumption of debate on second reading (19th June 1974)**

*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 43(1).*

**RATING (AMENDMENT) BILL 1974**

**Resumption of debate on second reading (19th June 1974)**

*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 43(1).*

**RATING (AMENDMENT) (NO 2) BILL 1974****Resumption of debate on second reading (19th June 1974)**

*Question proposed.*

MR CHEONG-LEEN: —Sir, in his budget speech, the honourable Financial Secretary gave advance notice that the rate charge in the New Territories would be raised from 11% to 15% for newly rateable areas. He also said the rate of assessment during the first 4 years would be only 11%.

Residents in the New Territories who have to pay rates should not mind doing so, providing they see they are getting something back for their money.

They hear of and they see the Urban Council in the urban areas actively engaged in daily removing huge piles of litter so as to keep the streets clean and tidy.

They learn of the Urban Council's programmes to build parks and playgrounds, swimming-pools, libraries and study-rooms, and a host of other recreational and cultural services for the residents in each of the CDO districts.

Therefore, if rates have to be paid in the New Territories, it is only natural for the New Territories residents to expect that Government would provide an equivalent range of cleansing, environmental health, recreational, cultural and other services which the Urban Council is providing through the Urban Services Department for the urban areas.

The Urban Council receives two-fifths of the rates collected in the urban areas, plus additional financial support for major projects.

It is not unreasonable to expect that Government give some assurance at this time to the residents of the New Territories that not less than two-fifths of the rates collected will in future be spent on equivalent services which the Urban Council is providing in the urban areas, plus additional financial support for major Urban Council-type capital projects, such as civic centres and abattoirs, as and where required.

This assurance as a point of principle is desirable since the people in the rateable new towns are not yet fully informed as to how the money collected from rates will be allocated for street-cleansing, environmental health, recreational and cultural activities.

[MR CHEONG-LEEN]      **Rating (Amendment) (No 2) Bill—resumption of  
debate on second reading (19.6.74)**

In terms of priority, it is suggested that the Urban Services Department's requirements for cleansing services in the New Territories rateable areas be given a prompt review as to performance or lack of performance, due primarily to insufficient manpower and equipment resources.

THE FINANCIAL SECRETARY: —Sir, I am grateful for the support of my honourable Friend for this bill.

I have no difficulty whatsoever in assuring him that at least the equivalent of six-fifteenths which is the same thing as two-fifths of the rate yield from the New Territories will be spent on providing in the New Territories the same type of services provided by the Urban Council in the urban area.

By way of proving my point arithmetically, I would point out to him that the proposed expenditure of the Urban Services Department: New Territories Division as shown in the 1974-75 Estimates is considerably more than six-fifteenths of the likely yield from rates in the New Territories this year and there are, of course, other subheads of other heads of expenditure elsewhere in the Estimates relating to Urban Council-type services in the New Territories.

*Question put and agreed to.*

Bill read the second time.

*Bill committed to a committee of the whole Council pursuant to Standing Order 43(1).*

**STAMP (AMENDMENT) BILL 1974**

**Resumption of debate on second reading (19th June 1974)**

*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 43(1).*

**FIXED PENALTY (CRIMINAL PROCEEDINGS) BILL 1974**

THE ATTORNEY GENERAL: —Sir, I withdraw this bill. It will be replaced by another bill, which will be published in the *Government Gazette* this week. The new bill is the outcome of detailed discussions with honourable Unofficial Members, in the light of many representations received from the public after the introduction of the bill which I am withdrawing. The new bill, Sir, has the support of the Unofficial Members.

*Bill withdrawn pursuant to Standing Order 52.*

**POLICE FORCE (AMENDMENT) BILL 1974****Resumption of debate on second reading (19th June 1974)**

*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 43(1).*

**Committee stage of bills**

Council went into Committee.

**PENSIONS (SPECIAL PROVISIONS) (HONG KONG  
POLYTECHNIC) BILL 1974**

Clauses 1 to 4 were agreed to.

**RATING (AMENDMENT) BILL 1974**

Clauses 1 to 3 were agreed to.

**RATING (AMENDMENT) (NO 2) BILL 1974**

Clauses 1 and 2 were agreed to.

**STAMP (AMENDMENT) BILL 1974**

Clauses 1 and 2 were agreed to.

**POLICE FORCE (AMENDMENT) BILL 1974**

Clauses 1 to 3 were agreed to.

Council then resumed.

**Third reading of bills**

THE ATTORNEY GENERAL reported that the

Pensions (Special Provisions) (Hong Kong Polytechnic) Bill 1974

Rating (Amendment) Bill 1974

Rating (Amendment) (No 2) Bill 1974

Stamp (Amendment) Bill 1974

Police Force (Amendment) Bill 1974

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

*Question put on each bill and agreed to.*

Bills read the third time and passed.

**Adjournment and next sitting**

HIS EXCELLENCY THE PRESIDENT: —In accordance with Standing Orders I now adjourn the Council until 2.30 p.m. on Wednesday the 17th of July.

*Adjourned accordingly at twenty minutes past five o'clock.*