OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 8 July 1981

The Council met at half past two o'clock

PRESENT

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)
THE HONOURABLE THE CHIEF SECRETARY
SIR JACK CATER, K.B.E., J.P.

THE HONOURABLE THE FINANCIAL SECRETARY
MR. JOHN HENRY BREMRIDGE, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)
MR. GERALD PAUL NAZARETH, O.B.E., Q.C.

THE HONOURABLE THE SECRETARY FOR HOME AFFAIRS
MR. DENIS CAMPBELL BRAY, C.M.G., C.V.O., J.P.

THE HONOURABLE DAVID AKERS-JONES, C.M.G., J.P.
SECRETARY FOR THE NEW TERRITORIES

THE HONOURABLE LEWIS MERVYN DAVIES, C.M.G., O.B.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE DAVID WYLIE McDONALD, C.M.G., J.P.
DIRECTOR OF PUBLIC WORKS

THE HONOURABLE KENNETH WALLIS JOSEPH TOPLEY, C.M.G., J.P.
SECRETARY FOR EDUCATION

THE HONOURABLE DAVID GREGORY JEAFFRESON, C.B.E., J.P.
SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE DEREK JOHN CLAREMONT JONES, C.M.G., J.P.
SECRETARY FOR THE ENVIRONMENT

DR. THE HONOURABLE THONG KAH-LEONG, C.B.E., J.P.
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE ERIC PETER HO, C.B.E., J.P.
SECRETARY FOR SOCIAL SERVICES

THE HONOURABLE JOHN MARTIN ROWLANDS, C.B.E., J.P.
SECRETARY FOR THE CIVIL SERVICE

THE HONOURABLE JAMES NEIL HENDERSON, J.P.
COMMISSIONER FOR LABOUR

THE HONOURABLE DONALD LIAO POON-HUAI, O.B.E., J.P.
SECRETARY FOR HOUSING

THE HONOURABLE COLVYN HUGH HAYE, J.P.
DIRECTOR OF EDUCATION

THE HONOURABLE ROBERT STRONG SUN YUAN-CHUANG
SECRETARY FOR INFORMATION (*Acting*)

THE HONOURABLE MRS. ANSON CHAN, J.P.
DIRECTOR OF SOCIAL WELFARE (*Acting*)

DR. THE HONOURABLE WONG CHEN-TA, J.P.
DIRECTOR OF AGRICULTURE AND FISHERIES (*Acting*)

THE HONOURABLE LAWRENCE WILLIAM ROBERT MILLS, J.P.
DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS (*Acting*)

THE HONOURABLE DAVID JOHN LITTLE
LAW DRAFTSMAN (*Acting*)

THE HONOURABLE OSWALD VICTOR CHEUNG, C.B.E., Q.C., J.P.

THE HONOURABLE ROGERIO HYNDMAN LOBO, C.B.E., J.P.

THE HONOURABLE LI FOOK-WO, C.B.E., J.P.

DR. THE HONOURABLE HARRY FANG SIN-YANG, C.B.E., J.P.

THE HONOURABLE LO TAK-SHING, O.B.E., J.P.

THE HONOURABLE FRANCIS YUAN-HAO TIEN, O.B.E., J.P.

THE HONOURABLE CHEN SHOU-LUM, O.B.E., J.P.

THE HONOURABLE LYDIA DUNN, O.B.E., J.P.

DR. THE HONOURABLE HENRY HU HUNG-LICK, O.B.E., J.P.

THE REVD. THE HONOURABLE PATRICK TERENCE McGOVERN, O.B.E., S.J., J.P.

THE HONOURABLE PETER C. WONG, O.B.E., J.P.

THE HONOURABLE WONG LAM, O.B.E., J.P.

THE HONOURABLE CHARLES YEUNG SIU-CHO, O.B.E., J.P.

DR. THE HONOURABLE HO KAM-FAI, J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, J.P.

THE HONOURABLE ANDREW SO KWOK-WING, J.P.

THE HONOURABLE HU FA-KUANG, J.P.

THE HONOURABLE WONG PO-YAN, O.B.E., J.P.

THE HONOURABLE WILLIAM CHARLES LANGDON BROWN, J.P.

THE HONOURABLE CHAN KAM-CHUEN, J.P.

ABSENT

THE HONOURABLE GRAHAM BARNES, J.P.
DIRECTOR OF HOME AFFAIRS

THE HONOURABLE ALEX WU SHU-CHIH, O.B.E., J.P.

THE REVD. THE HONOURABLE JOYCE MARY BENNETT, O.B.E., J.P.

DR. THE HONOURABLE RAYSON LISUNG HUANG, C.B.E., J.P.

THE HONOURABLE DAVID KENNEDY NEWBIGGING, J.P.

THE HONOURABLE JOHN JOSEPH SWAINE, O.B.E., Q.C., J.P.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, J.P.

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MRS. LORNA LEUNG TSUI LAI-MAN

Oath

Mr. David John LITTLE took the Oath of Allegiance and assumed his seat as a Member of the Council.

HIS EXCELLENCY THE PRESIDENT:—I should like to welcome Mr. LITTLE to this Council.

Papers

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

Subject	*L.N. No.*
Subsidiary Legislation:	
Magistrates Ordinance. Magistrates Ordinance (Amendment of Fourth Schedule) Order 1981	190
Fire Services Ordinance. Fire Service (Installations and Equipment) (Amendment) Regulations 1981	191
Evidence Ordinance. Evidence (Authorized Persons) (No. 9) Order 1981	194
Evidence Ordinance. Evidence (Authorized Persons) (No. 10) Order 1981	195
Hong Kong War Memorial Fund Ordinance. Hong Kong War Memorial Fund (Amendment of First Schedule) Order 1981	196
Port Control (Cargo Working Areas) Ordinance. Port Control (Public Water-front) Order 1981	197
Legal Practitioners Ordinance. Admission and Registration (Amendment) (No. 2) Rules 1981	198
Legal Practitioners Ordinance. Articled Clerks (Amendment) Rules 1981	199
Supreme Court Ordinance. Rules of the Supreme Court (Amendment) Rules 1981	200
Rating (Amendment) Ordinance 1981. Rating (Amendment) Ordinance 1981 (Commencement) Notice 1981	201
Dutiable Commodities Ordinance. Dutiable Commodities (Amendment) Regulations 1981	202
Public Health and Urban Services Ordinance. Public Health and Urban Services (Civil Centres) (Amendment of Thirteenth Schedule) Order 1981	203

Subject *L.N. No.*

Public Health and Urban Services Ordinance.
Designation of Museums (Hong Kong Space Museum) Order 1981 204

Public Health and Urban Services Ordinance.
Public Health and Urban Services (Public Markets) (Designation and Amendment of Tenth Schedule) (No. 4) Order 1981 205

Factories and Industrial Undertakings (Cartridge-Operated Fixing Tools) Regulations.
Factories and Industrial Undertakings (Cartridge-Operated Fixing Tools) (Amendment of Schedule) Notice 1981 206

Public Health and Urban Services Ordinance.
Declaration of Markets in the New Territories (No. 3) 207

Proclamation.
No. 2 of 1981 208

Public Health and Urban Services (Public Pleasure Grounds) (Amendment of Fourth Schedule) Order 1981.
Corrigendum 209

Mental Health Ordinance.
Mental Health (Kwai Chung Psychiatric Observation Unit) (Mental Hospital) Order 1981 210

Sessional Paper 1980-81:

No. 57—Report of the U.M.E.L.C.O. Police Group 1980.

Oral answers to questions

Drug abuse in schools

1. MR. LOBO asked:—

(a) What positive action is the Government taking to control and eliminate drug abuse in schools?

(b) What follow-up action is taken when students attending Hong Kong schools are found to be using dangerous drugs?

SECRETARY FOR SECURITY:—Sir,

(a) There is an on-going and intensive programme of preventive education targetted at students which for 1981-82 includes school talks, seminars, provision of drug prevention material to teachers, production of educational films, a youth participation scheme in anti-narcotics publicity projects, an information wall chart for display in schools and extensive publicity through the mass media. Available evidence indicates that drug

abuse is not generally a problem in schools and I believe that an important factor which contributes to this is the preventive educational programme.

(*b*) Where students are found by law enforcement officers to be using dangerous drugs they would be prosecuted and depending on the court's view of the case subsequent treatment and rehabilitation could be provided either in the voluntary programme operated by the Society for the Aid and Rehabilitation of Drug Abuse or in the custodial programme at a Drug Addiction Treatment Centre operated by the Prisons Department. In either case close liaison between the after-care officers, the parents and the schools would be maintained throughout this process.

New Territories village postal service

2. MR. CHARLES YEUNG asked:—*Will Government inform this Council the improvements made in door-to-door postal delivery service to established villages in the New Territories since my last question in this Council on this subject on 29 November 1978?*

SECRETARY FOR ECONOMIC SERVICES:—Sir, the programme to provide a door-to- door postal delivery service to established villages in the New Territories has been progressing satisfactorily.

In my reply on 29 November 1978, I said that the Postmaster General was planning to extend door-to-door delivery of mail from 31 to 375 established villages. Today, 362 of these villages are now enjoying this facility. The remaining 13 will get the service within a few months.

The Postmaster General has investigated the possibilities of providing more established villages with door-to-door delivery services, and has plans to include another 76 villages in the next phase of this exercise.

MR. CHARLES YEUNG:—*Sir, it will be recorded that the effort of the postal services is laudable and it is hoped that these services will be extended to other villages.*

SECRETARY FOR ECONOMIC SERVICES:—Sir, I would like to thank my honourable Friend on behalf of the Postmaster General, and I do assure him that postal delivery services will be extended to other villages just as soon as it is possible to do so.

Auxiliary Medical Service and the St. John's Ambulance Association and Brigade

3. MR. CHARLES YEUNG asked:—*Will Government make a statement on the comparative strengths, levels of performance, and Government expenditures on the Auxiliary Medical Service and the St. John's Ambulance Association and Brigade?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, first of all, in answering Mr. YEUNG's question, I will have to put this matter in its proper perspective.

Basically, the Auxiliary Medical Service (A.M.S.) and the St. John's Council for Hong Kong which operates the St. John's Ambulance Association and Brigade are two organizations which by nature of their roles and structures, cannot be comparable.

To begin with, the A.M.S. is an organization which is part of the Essential Services. Its members are subject to the Essential Services Regulations under which they are obliged to turn out for active service whenever required under pain of penalties which may include a fine of $1,000 or a term of imprisonment for six months. The Service is funded under the Defence Item Head 30 of the Estimates, the current provision of which is $6.12 million.

The Service has a permanent staff of 51 who are members of the Civil Service. The approved maximum membership of the A.M.S. is 5,835.

Apart from its civil defence role, its function is to augment the medical services of the Medical and Health Department and the ambulance service of the Fire Services Department during major emergencies and disasters. Its members also undertake first aid coverage and nursing duties at public functions.

The A.M.S. also provides members to man 20 day and evening centres at methadone treatment clinics and to operate medical centres and sick bays at country parks and in various Vietnamese refugee camps.

On the other hand, the St. John's Council for Hong Kong is a voluntary organization whose members are entirely voluntary and are not subject to any Essential Services Regulations. Its approved medical and social welfare activities are subvented on a discretionary grant basis through two Government departments, namely, the Medical and Health Department and the Social Welfare Department. The medical and social welfare subventions are $870,000 and $80,364 respectively.

The two subventions also include provisions for the employment of 26 full-time staff by the St. John's Council for Hong Kong. These employees are of course not civil servants.

The medical subventions include provisions for the Brigade, the strength of which is 1,974 while the welfare subvention makes provision for the cadets whose present strength is 709.

In summary, therefore, it is not appropriate to compare the A.M.S. which is part of the essential services corps, with a voluntary organization such as the St. John's Council for Hong Kong, not only because of their basic differences in organization and roles, but also because of the scope and magnitude of their services which are reflected in their respective methods of funding.

Finally, Sir, in all fairness, I must say that both organizations, within the resources being made available to them for approved activities, have each in their own way made valuable contributions in the service of the community.

MR. CHARLES YEUNG:—*Sir, it is appreciated that the roles of these two organizations are different, however, in view of the last paragraph saying that both organizations are doing a good job, would more funds be considered in future to be channelled to the St. John's Ambulance Association and Brigade?*

DIRECTOR OF MEDICAL AND HEALTH SERVICES:—Sir, the answer is yes, of course, provided a good case is made to the usual channel, I am sure the Government is ever ready to consider such cases with its usual generosity and sympathy (*laughter*).

Reciprocal arrangement with the British National Health Service

4. MR. OSWALD CHEUNG asked:—*Can the Government assure this Council that visitors and students going from Hong Kong to the United Kingdom if they fall ill, will not suddenly find themselves subjected to full cost charges under the British National Health Service?*

SECRETARY FOR SOCIAL SERVICES:—Yes, Sir, I am pleased to be able to give this assurance.

Members will wish to know that ever since the United Kingdom Government first indicated its intention to introduce regulations to charge visitors for treatment under the National Health Service, the Hong Kong Government has been in touch with them over the matter. As a result of these exchanges you yourself, Sir, led a Hong Kong team which held discussions with the Department of Health and Social Security in London, on 27 April 1981, to work out a reciprocal agreement. At these talks agreement in principle was reached that persons ordinarily resident in each territory should be provided with immediately necessary medical treatment during their temporary stay in the other. Our students will be covered by this agreement.

Health hazards in electronics industry

5. DR. HENRY HU asked:—*Is Government aware of the latent health hazards posed by the electronics industry to workers? If so, what measures will Government take to protect our workers from such hazards?*

COMMISSIONER FOR LABOUR:—Sir, Government is aware of the health hazards posed by the electronics industry but they are very similar to the hazards posed by other industries where dust and fume are produced and a variety of chemical substances are in use.

The legal basis for health protection in the workplace is contained in the Hygiene Section of the Factories and Industrial Undertakings Ordinance in particular Regulation 33 dealing with control of 'dust or fume or other impurity'. As in other work situations it is essentially the employer's responsibility to ensure that health protection measures are taken and of course the workers should also follow safe practice.

Inspection by the Factory Inspectorate helps to maintain standards and during the past two years some 387 undertakings were referred to the Industrial Health Division for further survey. The majority of these were concerned with assessment of ventilation systems to ensure maximum efficiency. Occasional cases of dermatitis or other allergic manifestation may be expected in any work-force exposed to the particular chemicals in use, but there has been no undue incidence or report of lead poisoning or other serious industry related disease. Any report of such occupational illness would of course be fully investigated by the Industrial Health Division to determine cause and advise of the means of prevention. The Division is also available to give advice on any health problem which may be submitted by employer or employee.

DR. HENRY HU:—*Sir, is there any complaint received by the Labour Department concerning the occupational illness caused by the electronics industry?*

COMMISSIONER FOR LABOUR:—As I have said, Sir, there has been no report of lead poisoning or similar serious occupational disease. I might add that there are regulations under the Factories and Industrial Undertakings Ordinance requiring any medical practitioner to make known to the Director of Medical and Health Services and to me any case of serious occupational illness.

DR. HENRY HU:—*Sir, is there any request received by the Labour Department for any advice from any factories?*

COMMISSIONER FOR LABOUR:—I think that question would be very difficult to answer. We get asked for advice all the time.

Multi-Fibre Arrangement

6. MISS DUNN asked:—*Is the Government aware that the Secretary of State for Trade said in the House of Commons on 1 June that the '(British) Government are broadly in favour of something approximating to a recession clause' in the forthcoming negotiations on the renewal of the Multi-Fibre Arrangement? If so, does the Government agree that such a clause would not be workable but if it is incorporated in the M.F.A. would be extremely detrimental to Hong Kong's textile and garment industry?*

DIRECTOR OF TRADE INDUSTRY AND CUSTOMS:—Sir, not only are we aware of what the Secretary of State for Trade said in the House of Commons, but a member of the Trade Industry and Customs Department from the London Office was present in the House when the Secretary of State for Trade make these remarks.

I will not speculate on what (quote) 'something approximating to a recession clause' (unquote) really means, but the advocates of the so-called recession clause, including the British Textiles Confederation take the view—and here I quote from a Confederation document—that the level of demand in the E.E.C., must be the determining factor in deciding the extent of low-cost suppliers' access to the Community market. It would therefore be necessary to include a recession clause or a similar device to relate the growth of low-cost imports to the state of demand in the Community, with the object of 'sharing' growth, or recession in demand, between the E.E.C. industry and the Community's lowcost suppliers (end of quote).

The Hong Kong Government considers that any such clause in the M.F.A. would not only be inimical to our interests, but would also be unworkable. I can do no better than to reiterate the arguments made by the Hong Kong Textile and Clothing Industries' Joint Conference in their excellent publication entitled 'Myths, Facts, Application'. Trade in textiles and clothing is highly cyclical. A downturn in consumption in a given year would, according to the advocates of the recession clause, justify a reduction in our access rights in the following year. That same downturn, in business terms, could well have been the result of overstocking in previous years and be followed by an upturn in demand as stocks are depleted. Thus the reduction in access rights in the year following the downturn in demand could take place in a period in which, paradoxically, the market of the importing country is experiencing growth in consumption. And the reduction in our access rights could only mean that domestic producers, and not Hong Kong, will be able to take advantage of the growth in consumption in their market.

Quite apart from this basic objection, there are important practical points for consideration. For example, it is not clear how 'recession' is defined and, more importantly, who is to define it. Nor is it clear whether the corollary—that is to say, recovery and growth —is also to be covered by such a clause. In this connection, the Trade Industry and Customs Department has noticed that in what has been made known about the E.E.C. Commission's proposals to the Council of Ministers for the Community's textiles policy, there is *no* proposal for a 'recession clause'. Indeed, the Secretary of State for Trade himself has said and I quote 'the idea of the recession clause does not command elsewhere the widespread support which it commands in the U.K.' (unquote).

MISS DUNN:—*Sir, is there any dialogue between the Hong Kong Government and H.M.G. in regard to Hong Kong's position on the recession clause in particular and the M.F.A. in general?*

DIRECTOR OF TRADE INDUSTRY AND CUSTOMS:—The answer to that, Sir, is yes, there is. There is a continuing dialogue both through the Commercial Section of our office in London and also through direct contact, Sir, with my Department. Mr. DORWARD has this year seen Mr. BIFFIN and Mr. PARKINSON and there have been other contacts at what I hesitate to refer to as the working level.

MISS DUNN:—*Sir, can Hong Kong rely on H.M.G. to adequately and fairly represent Hong Kong's interests in the forthcoming re-negotiation?*

DIRECTOR OF TRADE INDUSTRY AND CUSTOMS:—I think the answer must be yes, Sir, it can. We are both members of the Multi-Fibre Arrangement. From that Arrangement stems certain rights and obligations, and I have no doubt that the United Kingdom as part of the Community will seek to have its rights preserved and will also honour its obligations. But I must point out also of course that the United Kingdom is one often parties in the Community and, as is usual with the M.F.A., there will be a joint position put forward by the Community. And the United Kingdom will, and it will have to, follow that view of the Community as a whole. It does not have a separate voice in the discussions in the M.F.A. itself.

MISS DUNN:—*Sir, in that case then can the Government give an assurance that H.M.G. would not advocate more restrictions being imposed on Hong Kong and that the quotas of larger suppliers such as Hong Kong should be cut back to accommodate new suppliers as they did in 1977?*

DIRECTOR OF TRADE INDUSTRY AND CUSTOMS:—I don't think that we are in a position to give that assurance, Sir. But what I think we can do and assure this Council is firstly that our negotiating team will be very firmly instructed on this point when the negotiations take place. And we will of course relay to Her Majesty's Government in London the concern expressed in this Council and also in the textile and apparel industry at large.

MR. TIEN:—*Sir, does the Government agree that if E.E.C. should adopt the recession clause, that would set a dangerous precedent which other developed countries such as U.S.A. may follow?*

DIRECTOR OF TRADE INDUSTRY AND CUSTOMS:—Yes, Sir, I think that there is a serious danger that a precedent would be set. Indeed we have seen a first attempt at a kind of recession clause in the White Paper which the Administration of President CARTER confronted us with a couple of years ago. In that paper recessions were determined on the perceptions of the U.S. industry. It needs little imagination to see that those perceptions were that things were always going to get worse, and sure enough they did get worse, but not for U.S. industry but for the exporters to the United States. Thank you, Sir.

MR. LO:—*In view of the reply given earlier to Miss DUNN, is it possible for the Government to approach H.M.G. and ask H.M.G. whether it would give the assurance sought by Miss DUNN?*

DIRECTOR OF TRADE INDUSTRY AND CUSTOMS:—Yes, Sir, it is possible and it shall be done.

MR. LO:—*And could the reply please be given to this Council?*

DIRECTOR OF TRADE INDUSTRY AND CUSTOMS:—Yes, Sir, certainly.

(The following written reply was provided subsequently.)

With reference to your request that H.M.G. be asked for an assurance that, in regard to the renegotiation of the Multi-Fibre Arrangement they would not advocate more restrictions being imposed on Hong Kong or that the quotas of larger suppliers, such as Hong Kong, should be cut back to accommodate new suppliers.

H.M.G. has replied as follows:

'As the Acting Director of Trade, Industry and Customs made clear to the Hong Kong Legislative Assembly on 8 July it is the European Community rather than the U.K. which is party to the Negotiations on Renewal of the Multi-Fibre Arrangement (M.F.A.). The Community has not yet determined the details of its position. H.M.G.'s views remain as set out by the Government speakers in the Adjournment Debate in the House of Commons on 18 June (Hansard Cols 1190 FF). The U.K. believes that in order to secure the continued development of trade on an orderly basis growth in access must be more closely linked to growth in consumption. Within the limitations which this implies, H.M.G. support differentiation in favour of new suppliers, especially the poorest countries, and, with regard to established suppliers, treatment which takes account of the extent to which each maintains protective barriers of its own against textile and clothing imports.

It is not possible at this early stage to say precisely what terms these criteria would imply for individual supplier countries. But in the Parliamentary Debate both the Secretary of State for Trade and the Minister for Trade made the point that the open market maintained by Hong Kong deserved recognition. Mr. BIFFEN said "The Government believes that World Trade is a two-way affair: If we are to increase our own imports from the low cost suppliers we want in return to be able to increase our exports to those markets … in that context I must pay tribute to countries such as Hong Kong … which have operated open trade markets." Mr. PARKINSON said "I turn to the subject of differentiation and reciprocity … I was extremely pleased to hear recognition from all parts of the House that countries that open their doors to our products should be treated differently in the M.F.A. renegotiation—particularly as regards differentiation—from countries that do not. Hong Kong's market is completely open to our goods without tariffs or quotas. … that fact should be recognized in the renegotiation." These statements represent the position which H.M.G. will take when discussions in the European Community resume in September.'

Safety of scaffolding workers

7. DR. HO asked:—*What measures will Government take to ensure the safety of scaffolding workers?*

COMMISSIONER FOR LABOUR:—Sir, the safety of scaffolding workers as well as others working at height are receiving particular attention of the Factory Inspectorate. An analysis conducted by Factory Inspectorate of all accidents involving falls of persons from height on construction sites for the first half of 1980 revealed that out of the 1,000 such accidents only 47, less than 5%, involved falls from scaffolds. In the current industrial safety programme special emphasis is put on safety in working at height. In particular, a code of safe practices on scaffolds and platforms has been drawn up jointly by the Building Contractors' Association, the Hong Kong Scaffolding Merchants General Association and the Factory Inspectorate. The code sets out the practical safety guidelines to assist contractors to comply with the safety requirements under the Construction Sites (Safety) Regulations which prescribe for fencing of working platforms, openings in floors, floor edges and other dangerous places. Consideration is being given to the introduction of legislation to provide more specifically and in more detail for safe places of work on construction sites, such as stability of working platforms, use of suspended scaffolds, use of safety belts and safety nets etc. In this exercise the question of scaffolding safety will be further examined. Particular attention will be given to the practicability of transferring some parts of the safety code into law.

In the long term, education and training should play an important part in improving the safety of scaffolding workers as in other aspects of industrial safety. The programmes on industrial safety education and training are continuously being expanded and improved. More specifically, the Construction Industry Training Authority's Training Centre continues to conduct a scaffolding course which places great emphasis on the safety aspects of working on scaffolds. The second Construction Training Centre which will probably be established next year will also have a scaffolding course. As a result of this additional course, the number of properly trained scaffolding workers entering the industry will be substantially increased.

DR. HO:—*Sir, working on scaffolding is a skilled job. At present what powers does the Commissioner for Labour have in preventing untrained workers to work on scaffoldings?*

COMMISSIONER FOR LABOUR:—The present position is that scaffolding work and bamboo scaffolding worker is defined as a designated trade under the Apprenticeship Ordinance, which means no young person may be employed in the scaffolding trade without being employed on a proper apprenticeship supervised contract.

Exhibition centre

8. MR. ALLEN LEE asked:—*Will Government state what progress has been made with regard to the proposed exhibition centre?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—Sir, Stage I of the Consultancy on the proposed exhibition centre project was completed early 1980 and the consultancy report considered by the Governor in Council in November. As a result, the Government accepted that there was a demand—existing and potential—for such a facility and proceeded with the Stage II Consultancy, the purpose of which is to draw up specifications for developing a multi-storey complex to include an exhibition centre on a specified site in Tsim Sha Tsui, and provide estimates of capital and operating costs to be incurred, as well as revenue obtainable.

To oversee the Stage II Consultancy, a non-statutory board, chaired by Mr. M.G.R. SANDBERG, was established earlier this year to advise the Government on the various aspects of the consultancy.

The first meeting of the board was held in May. It decided on the overseas consultancy firms to be approached to undertake the consultancy and to date eight firms have already expressed interest. The board will meet again very shortly to compile a short list of five or six firms, based on which recommendations will be made to the Central Consultants Selection Board to invite tenders. We expect the appointed consultants to start work in October and a report to be made to Government early next year.

MR. ALLEN LEE:—*Sir, I appreciate a major project such as exhibition centre requires a great deal of consultancy, but will the Director give an estimated date of completion of the centre?*

DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS:—I think, Sir, that I cannot give an estimated date of the completion of the centre because the purpose of the Stage II Consultancy is, as I have said, to draw up specifications for it and to give estimates of capital and operating costs etc. to be incurred. When that information is to hand, it will then be possible for Government to make a judgment whether Government should proceed with this project.

Statement

Report of the U.M.E.L.C.O. Police Group for 1980

SECRETARY FOR SECURITY:—Amongst the papers laid on the table this afternoon is the fourth report of the U.M.E.L.C.O. Police Group.

The Group has been in existence since 1977 when it was established to monitor and review the handling by the Police of complaints from the public, to review statistics of the types of conduct by Police officers which lead to complaints, to identify faults in Police procedures which might lead to complaints, and to make recommendations to the Commissioner of Police and the Governor when appropriate.

The 1980 Report confirms that the Group has continued to play an important and effective role in the monitoring of these complaints. I wish again to pay tribute to the detailed and exhaustive work performed by the Group and to its methodical and thorough examination of the cases brought before it, a point illustrated by the Group having dealt with 430 more cases in 1980 than in the previous year.

The number of complaints registered increased by 14% from 2,290 to 2,601. The breakdown of these figures by origin in Section B of Appendix III is roughly the same as in 1979. The pattern of complaints also remained generally the same.

2,728 complaints cases, including 709 cases carried over from 1979 and covering 3,453 separate points of complaint, were examined by the Group in the course of the year, leaving 582 outstanding at the end of the year. Of these points of complaint, 368 were found to be 'substantiated'. A further 160 were classified as 'not proven', meaning that careful investigation had failed to adduce facts to warrant classification as 'substantiated'. Appendix VI shows that positive action, by way of criminal proceedings or disciplinary action, was taken against 422 Police officers, compared with 312 in 1979. A further four officers would have faced disciplinary action but chose to resign. 2,109 points of complaint were classified as 'unsubstantiated'. A further 136 were found to be false and 678 were withdrawn.

The Group has commented on the number of unsubstantiated cases (2,109, or 76%). The Report places this figure in perspective by observing that in the crime field less than 20% of all alleged offences reported to the Royal Hong Kong Police Force result in a conviction; and that in the United Kingdom less than 10% of all complaints against the Police monitored by the Complaints Board there result in action being taken against a Police officer. The Group refers in this connection to the fact that the majority of unsubstantiated complaints fail for lack of corroborative evidence, in circumstances where it is one man's word against another. In these circumstances and without other conclusive evidence the complaint cannot be classified as 'substantiated'. A Police officer is entitled to the same protection at law as any citizen, and the normal rules of evidence must be applied to any complaint against him which implies criminal conduct.

The allocation of minor and trivial complaints to local Police formations for investigation has reduced the backlog and the time taken to bring the majority of complaints to a conclusion has been shortened. This should enable the Group to achieve its objective of receiving a preliminary report within six weeks.

The Group has expressed itself generally satisfied with the thoroughness and objectivity of C.A.P.O. investigations, and remains convinced that to transfer the investigation of Police complaints to a non-police body is neither practicable nor viable. The public continues to make an increasing use of the Police complaints machinery.

However, the Group has drawn attention to certain aspects of complaints which require further examination and continuing diligence.

The Group acknowledges the co-operation and assistance it receives at all times from C.A.P.O., and pays tribute to its professionalism. I echo this tribute, and look forward with all those concerned to a further consolidation and continuation of the progress achieved both by the U.M.E.L.C.O. Police Group and by C.A.P.O. over the last three and a half years.

Government business

Motions

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

THE DIRECTOR OF MEDICAL AND HEALTH SERVICES moved the following motion:—That section 10(1) of the Antibiotics Ordinance be amended by deleting 'one thousand dollars' and substituting the following—

'ten thousand dollars'.

He said:—Sir, I rise to move the motion standing in my name on the Order Paper.

Section 10 subsection (1) of the Antibiotics Ordinance, Cap. 137, has provided for the imposition of a fine of $1,000 for offences under the Ordinance, relating to the Control of Sale and Supply and to the Prohibition of Possession of Substances to which the Ordinance applies, since 1955.

This fine is now considered to be inadequate as a deterrent. Further, section 34 of the related Pharmacy and Poisons Ordinance, Cap. 138, which was amended in 1972, provides for penalties including liability to a fine of $10,000 for offences analogues to those in Cap. 137 of the Antibiotics Ordinance.

It is now proposed that section 10 subsection (1) of the Antibiotics Ordinance be amended by increasing the fine from $1,000 to $10,000.

Sir, I beg to move.

Question put and agreed to.

FACTORIES AND INDUSTRIAL UNDERTAKINGS ORDINANCE

THE COMMISSIONER FOR LABOUR moved the following motion:—That the Factories and Industrial Undertakings (Fire Precautions in Registrable Workplaces) Regulations 1981, made by the Commissioner for Labour on 17 June 1981, be approved.

He said:—Sir, I move the motion standing in my name on the Order Paper for the approval of the Factories and Industrial Undertakings (Fire Precautions in Registrable Workplaces) Regulations 1981, which I made on 17 June 1981. In accordance with section 7(3) of the Factories and Industrial Undertakings Ordinance, these regulations have been submitted to Your Excellency and are now referred to this Council for approval.

At present measures for the prevention of, and escape from fire are contained in regulations 26 to 31 of the Factories and Industrial Undertakings Regulations. By virtue of regulation 31, the Commissioner has powers to require the proprietor of a registrable workplace to take certain fire safety precautions specified in a notice. Over the years many of such fire precaution notices have become standardized and contain the routine requirements for fire safety to supplement the regulations.

It is felt, however, that routine matters of fire safety requirements should be public knowledge and part of the ordinary legal process and that the discretionary powers of the Commissioner should be reserved for particular and unforeseen situations. Furthermore, a separate set of regulations on fire precautions would have the advantage of being distinct and have a better impact. The regulations now before this Council replace the existing provisions in the Factories and Industrial Undertakings Regulations relating to the prevention of and escape from fire in registrable workplaces. In addition, they incorporate the standard fire precaution requirements which at present are issued, where necessary, to registrable workplaces under regulation 31.

Regulation 4 provides for proper design and installation of doors. Regulation 5 requires proper maintenance of fire escapes within the workplace. Regulation 6 empowers the Commissioner to require the provision of appropriate means for fighting fire. Regulation 7 deals with prohibition of smoking. Regulation 8 prohibits unauthorized alterations to premises that may create serious fire risk or obstruction of fire escapes. These five regulations cover the same areas as regulations 26, 27, 28, 29 and 30 of the Factories and Industrial Undertakings Regulations and also represent improvements in presentation and detail.

Regulation 9 provides for the safe storage of inflammable substances. Regulations 10 and 12 provide for the prevention of naked flames from igniting inflammable vapours or substances. Regulation 11 deals with the prevention of escape of inflammable vapours. These four regulations cover areas which at present are dealt with by standard requirements contained in notices issued under the present regulation 31 of the Factories and Industrial Undertakings

Regulations, and are therefore not new in substance, but first appear in regulation form for the reasons I have stated earlier.

Regulation 13 empowers the Commissioner to require safety precautions by notice. It is similar to regulation 31 of the Factories and Industrial Undertakings Regulations, which it replaces.

Regulation 14 provides for maximum penalties of $10,000 in certain cases and $30,000 for more serious offences. These are in line with those provided in the review of penalties in the Factories and Industrial Undertakings Regulations which we have been undertaking in accordance with principles agreed with the Labour Advisory Board, and which have already been introduced in respect of other regulations approved by this Council.

By having a separate set of regulations, it is hoped that measures for the prevention of fire in workplace will have a clearer legal identity, will be better known and will have a greater impact.

Sir, I beg to move.

Question put and agreed to.

First reading of bills

ARMS AND AMMUNITION BILL 1981

WEAPONS BILL 1981

GAMBLING (AMENDMENT) BILL 1981

IMMIGRATION (AMENDMENT) (NO. 2) BILL 1981

DANGEROUS DRUGS (AMENDMENT) BILL 1981

IMMIGRATION (AMENDMENT) (NO. 3) BILL 1981

CRIMES (AMENDMENT) BILL 1981

REGISTRATION OF PERSONS (AMENDMENT) BILL 1981

FIRE SERVICES (AMENDMENT) BILL 1981

MERCHANT SHIPPING (AMENDMENT) BILL 1981

MERCHANT SHIPPING (SAFETY) BILL 1981

FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) BILL 1981

FIXED PENALTY (CRIMINAL PROCEEDINGS) (AMENDMENT) BILL 1981

ROAD TRAFFIC (DRIVING-OFFENCE POINTS) BILL 1981

MEDICAL CLINICS (AMENDMENT) BILL 1981

CRIMINAL PROCEDURE (MISCELLANEOUS PROVISIONS) BILL 1981

LEGAL AID (AMENDMENT) BILL 1981

MAINTENANCE ORDERS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL 1981

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

ARMS AND AMMUNITION BILL 1981

THE ATTORNEY GENERAL moved the second reading of:—'A bill to repeal and replace the Arms and Ammunition Ordinance'.

He said:—Sir, I move that the Arms and Ammunition Bill 1981 be read the second time.

This Bill has the general object of strengthening and modernizing the law relating to arms and ammunition. It will replace the present Arms and Ammunition Ordinance, which was enacted in 1933. There are four areas in which the Bill seeks to make substantial changes and improvements. First, by redefining 'arms' and 'ammunition' to cover the ever-widening range of modern weaponry undreamt of 50 years ago. It will include, for instance, portable electrical stunning devices which, Members may be surprised, if not stunned, to learn, can severely injure or even kill by discharging an electric shock close to the victim. And it makes provisions for yet other items to be included in the future by declarations made by the Governor in Council.

Second, the licensing procedures are rationalized and made more effective. In so doing, we have looked closely at the circumstances in which a person may properly possess arms or ammunition without a licence and have extended the range of exemptions. On the other hand, provision in the existing Ordinance permitting an arms licence to be issued to a limited company will be abolished. Under the Bill licences will be issued only to individuals.

Third, the Bill introduces a number of new offences, carrying suitably severe penalties, directed against the prevalent and worrying trend of crimes committed with fire-arms. It may be felt in some quarters that the penalties provided for these offences are too severe. But it is the view of the Government that the present situation demands these measures. Those who are minded to use fire-arms and imitation fire-arms in the commission of crimes should be left in no doubt as to the severe penalties to which they will be liable.

Fourth, the Bill makes additional provision for the difficult problem of imitation fire-arms. So far this has been dealt with by a simple provision in the Summary Offences Ordinance, which has proved to be inadequate. The Bill replaces that provision and in addition provides substantially increased sanctions against the unlawful use and possession of imitation fire-arms.

Before I proceed to outline the contents of the Bill I should like very briefly to refer to the circumstances that call for increased sanctions against the illegal use of fire-arms and imitation fire-arms.

In 1977 there were 47 cases of criminal activity involving the use of fire-arms or imitation fire-arms; in 1978 there were 77; in 1979, 133 and in 1980, 194. In the majority of cases it was not possible to establish whether the object used was a real or imitation fire-arm. But clearly there has been a substantial increase in the criminal use of both fire-arms and imitation fire-arms. And it is to this disturbing situation that the substantially increased penalties in the Bill are directed.

Turning then to the Bill itself, Part I is concerned essentially with definitions, and I would call attention to the wide definitions of ‘arms’ and of ‘ammunition’. The former includes not only fire-arms in the conventional sense, but also powerful airguns, portable stunning devices, guns that can discharge gas or chemicals, weapons for discharging noxious liquids, gases, powders and so on (this, for example, would include the well-known chemical, mace). Also included are harpoons and spear-guns, the component parts of fire-arms and any antiflash device or silencer. The definition of ammunition includes cartridges for cartridge-operated fixing tools.

Part II sets out the very wide range of circumstances in which it is considered possession of arms and ammunition would not be licensed. Thus the following are exempted from licensing, namely arms and ammunition in the possession of soldiers, policemen and other Crown servants required to carry arms in their official capacity; arms and ammunition carried for protection on ocean-going ships and on aircraft, or carried on foreign warships and military aircraft, or shipped through Hong Kong as cargo without being off-loaded, or being exported from Hong Kong. Also the subject of appropriate exemptions are cartridges for cartridge-operated fixing tools in the possession of genuine dealers or of users for building work, and sporting clubs and persons under instruction in the use of fire-arms.

In addition clause 4 empowers the Governor to make general exemption orders which could be used for example on occasions when Commonwealth troops come to Hong Kong for training. Clause 5 similarly empowers the Commissioner of Police to issue individual exemption orders, which can be used to meet a host of situations where an arms licence would not be appropriate.

Part III of the Bill contains what I may describe as the teeth of the Bill. Clause 13 makes it an offence to possess arms or ammunition without a licence. The offence is punishable with up to ten years in prison or a fine up to a maximum of $100,000. However, no offence is committed under clause 13 where arms or ammunition are possessed by an agent or servant of a licensee and he is carrying out the genuine and lawful instructions of the licensee. Clause 14 imposes similar penalties on those who deal in arms or ammunition by way of trade or business without a licence. Clause 15 introduces a new offence—that of parting with possession of arms or ammunition to a person who is neither licensed nor exempted from licensing. It is vital to the scheme for controlling arms and ammunition that those who lawfully have such weapons should be accountable for them and should not be able to pass them on except to others who are known to the Police and are similarly accountable. Clause 15 also makes it an offence to obtain possession by false pretences.

Clause 16 deals with the situation where a person has in his possession arms or ammunition with intent to endanger life. The offence is aimed at the person possessing arms ready for use, if and when occasion arises, in a manner which endangers life. Clause 17 makes it an offence to use arms or ammunition to resist arrest. Clause 17 also makes it an offence for a person to be in possession of arms or ammunition at the time of his committing any offence specified in the First Schedule. The effect of clause 17 is this: where a person commits a First Schedule offence, say a robbery, and at the time has in his possession arms or ammunition, he is liable to be punished not only for the robbery, but also for the possession of arms. Like that in clause 16, this is a grave offence and both are punishable with imprisonment up to 14 years.

Clause 18 deals with a different situation. It is concerned with circumstances where a person has with him arms or ammunition with intent to commit an arrestable offence or to resist arrest, either of himself or someone else. This offence, it may be noted, does not turn on ‘possession’. Possession is a far wider concept than that of ‘having a fire-arm’. A man may ‘possess’ arms even if they are locked up in a safe deposit box. But he does not have them with him. The offence is aimed at those who either carry or have immediately available arms or ammunition with criminal intent. Once again, this is a serious offence and carries a maximum penalty of 14 years in prison.

Clause 19 makes it an offence to trespass without reasonable excuse while having arms or ammunition or an imitation fire-arm. It extends not only to trespass on buildings, but also to vessels, trains, aircraft and vehicles.

Clause 20 is concerned with the possession of imitation fire-arms. As I have said, over recent years there has been a disturbing growth in the number of crimes committed by persons carrying imitation fire-arms—'pistol like objects' is, I believe, the standard expression. The time has come to adopt a sterner line to combat this unwelcome and worrying trend. But, naturally, at the same time, a balance must be struck so that those who innocently carry toy guns are not caught in the net. Thus, while clause 20 makes it an offence, punishable with up to two years in prison, to be in possession of an imitation fire-arm, no offence is committed if the person concerned satisfies the Magistrate that he is under 15 years of age or is a genuine dealer in imitation fire-arms or was not in possession for a purpose dangerous to public peace or of committing an offence. Reference to the definition of 'dealer' in clause 2 will show that a very wide range of trade and business activity is covered by this exemption. Nevertheless yet another safeguard is provided against unnecessary prosecution for possession of imitation fire-arms. This lies in the requirement for the Attorney General's consent to prosecution. One last word before I leave this clause. Because its object is to penalize and deter the possession of imitation fire-arms for illegal purposes, it provides in subsection (2) for an enhanced penalty of ten years imprisonment if the offender has been convicted of an offence under the Bill or a First Schedule offence, like robbery, in the previous ten years.

A recent disquieting development has been the proliferation of imitation fire- arms which can, quite readily by some simple work, be converted into lethal weapons. To counter this development, clause 21 makes the conversion of an imitation fire-arm into a fire-arm an offence punishable with five years imprisonment.

Clause 22 makes it an offence without lawful authority or reasonable excuse to discharge any arms or ammunition in a manner likely to injure, or endanger the safety of, any person or property or with reckless disregard for the safety of other people. In the crowded conditions of Hong Kong it is clearly unacceptable for people to let off guns or ammunition without having some care or regard to others. The penalty is again seven years imprisonment.

Clause 24 provides that a person who has in his possession or control anything, or the keys of any thing or place, or any document relating to premises, in which arms or ammunition are found, is presumed to have had the arms or ammunition in his possession. This presumption can of course be displaced. It is considered necessary having regard to the matters at stake, and it is modelled upon a similar presumption in the Dangerous Drugs Ordinance.

As I have already said there are many occasions where it is difficult or impossible to prove whether an object used is real or an imitation fire-arm. Accordingly, clause 25 provides that, in relation to offences under clauses 17, 18, 19 or 20 if the prosecution is unable to establish whether the article the accused had was a real or imitation fire-arm, it shall be sufficient to prove that the article was either one or the other.

It is not the intention of this legislation that low-powered air weapons should be subject to the same stringent controls as fire-arms. The definition of 'arms' accordingly excludes air-weapons having a muzzle energy of less than 2 joules. Such a weapon is incapable of discharging a missile that will ordinarily cause injury or damage. In order to assess such weapons, the Commissioner of Police has acquired a machine to test muzzle energy. Clause 26 deals with the method of proving in the courts the evidence obtained from the use of this machine.

Part IV establishes the licensing system. It is intended that this Part will be supplemented by detailed regulations which will cover, for instance, the testing of applicants in their knowledge of handling guns. Under clause 31 licences will be personal and not transferable.

Part V contains important provisions relating to the recording of transactions involving arms and ammunition. These provisions seek to ensure that the Police are kept informed of the movement of all licensed arms or ammunition. Dealers will be required to keep detailed records of all transactions involving arms and ammunition and will be required to submit quarterly reports to the Commissioner of Police.

Part VI deals with enforcement and confers powers of entry and search, power to search vehicles, and power to stop and search persons who are entering or leaving Hong Kong if they are reasonably suspected of having arms in their possession or if they are found in a place where arms or ammunition or imitation fire-arms have been found. Part VI also makes it an offence to obstruct a Police officer or a Customs and Excise officer when exercising the powers I have just mentioned, and makes provision for the seizure and forfeiture of arms or ammunition or imitation fire-arms.

Part VII contains a number of miscellaneous clauses, some of them of considerable importance.

Clause 45, which repeats powers existing in the present Arms and Ammunition Ordinance, gives the Governor in Council power to order the delivery up of arms or ammunition and the suspension of any business of dealing in arms.

Clause 57 contains transitional provisions. In general, all existing licences and exemption permits issued to individuals under the present Arms and Ammunition Ordinance will continue in force as if issued under the Bill. A licence or permit issued to a corporation will continue in force for a period of six months after commencement of the Bill. This will give corporations sufficient time to norminate a responsible officer to take out an individual licence on their behalf.

It would be tempting to think that this Bill will have an immediate and dramatic effect on those whom the papers colourfully describe as 'gun wielding thugs'. But as Members know only too well legislation, by itself, does not have

that sort of effect. Nevertheless, I believe that this Bill will prove to be a measure of immense value in the campaign against the illegal use of fire-arms and imitation fire-arms.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

WEAPONS BILL 1981

THE ATTORNEY GENERAL moved the second reading of:—'A bill to prohibit the possession of certain weapons and to provide exemptions from such prohibition, to restrict the possession of martial arts weapons and to provide for incidental matters'.

He said:—Sir, I move that the Weapons Bill 1981 be read the second time.

The existing Arms and Ammunition Ordinance, provides for both fire-arms and for other weapons. The new Arms and Ammunition Bill, on which I have just spoken, deals only with fire-arms, and not with other weapons. As the existing Ordinance is to be repealed, this Bill now makes provision for weapons.

Having said that I must make it clear that this Bill is not intended to provide for the control of all weapons. In particular it is not intended to provide for bladed weapons as such, for reasons I will explain in a moment. What the Bill is intended to do, is to provide for two main objectives. First, to prohibit the possession of a class of particularly vicious weapons and, second, to exercise an appropriate degree of control over martial arts weapons.

The Bill will replace the present system of controls over certain types of bladed weapons exercised under the Arms and Ammunition Ordinance. The definition of 'arms' in that Ordinance includes 'every sword, cutlass, spear, pike, bayonet, dagger, fighting-iron, flick knife, gravity knife or other deadly weapon'. By virtue of being included in the definition of 'arms', a person wishing to possess one of this category of weapons has to have a licence or otherwise be exempt from licensing.

Experience has shown that the range of bladed weapons to be controlled is now somewhat unreal and, in any event, other Ordinances make adequate provision for preventing crimes being committed with bladed weapons. Very few arms licences have been issued for bladed weapons, but many more exemption permits have been issued by the Commissioner of Police, particularly to people who have swords and the like as collector's pieces but also to martial arts associations. No licence or exemption permit has been issued in respect of flick-knives or gravity knives.

It is against this background that a review of the present system of controls over bladed weapons has been carried out by the Government. Out of this review, a number of conclusions emerged. First, there are weapons that are so inherently vicious and which have no purpose other than as weapons, that it must be in the public interest to prohibit them completely. Apart from flick- knives and gravity knives, this class includes knuckledusters, steel batons (both spring loaded and gravity operated) and Chinese style throwing darts and fighting-irons.

Secondly, it was concluded that the licensing system relating to the possession of a broad range of other bladed weapons served no useful purpose in the overall context of crime prevention. Both the Public Order Ordinance and the Summary Offences Ordinance contain provisions that deal adequately with the possession of offensive weapons in public places and the possession of offensive weapons with unlawful intent. In addition, the criminal law contains severe penalties for those who commit crimes while armed with offensive weapons. The imposition on this list of preventive measures of a licensing system added very little. Indeed it is fair to say that that system fell somewhat into disuse, latterly at any rate.

However, the review also concluded that there was one area where some system of control was necessary in the interest of public safety and crime prevention. This area concerns the possession by martial arts etablishments of the range of weapons traditionally associated with martial arts. Although many martial arts associations are perfectly respectable and provide a place where young men can engage in an ancient and well-respected form of training in self-defence, it is also true that many martial arts associations are a meeting place and recruiting ground for organized gangs of thugs—the triads.

Total abolition of weapons control over these establishments is likely to encourage the activities of the gangs that infest some of them and to act as a spur to recruitment, particularly through the attraction, even fascination, that martial arts weapons appear to have for some of our youth. Further, the weapons used in martial arts are capable of inflicting fearful injuries and, of course, of causing death. These considerations lead to the conclusion that it would be imprudent, to say the least, to abandon control altogether. On the other hand, quite apart from the resources required to operate an effective licensing system, it is felt that a licensing system as such will impose an unnecessary burden on the majority of the legitimate, respectable martial arts associations. It is, therefore, proposed to replace the present licensing system with a notification system. This will, in essence, simply require a martial arts association to notify the Police of any martial arts weapons on their premises and of the subsequent acquisition and disposal of such weapons. The knowledge such notification will provide, together with a power to order the surrender of weapons in appropriate circumstances, should, it is considered, afford the Police a suitable degree of control.

Turning to the Bill itself, clause 2 defines the key expressions in the Bill—'martial art', 'martial arts association' and 'martial arts weapon'. The latter refers simply to any weapon used or designed for use as part of or in connection with any martial art. It is considered that this encompasses all weapons traditionally used in martial arts. 'Prohibited weapons' (that is, those weapons that will be banned completely) are set out in the First Schedule to the Bill.

Clause 3 excludes from the Bill the possession of prohibited weapons or martial arts weapons by soldiers, policemen and other Crown servants i.e. in the course of their official duty. But, let me reassure Members that this is not a prelude to re-arming the Police with cutlasses and pikes!

Clause 4 bans the possession of prohibited weapons. Clause 5 requires a martial arts association to notify the Police of any martial arts weapon in their possession. Under clause 6, a disposal of a weapon by a martial arts association must be notified to the Police. Clause 7 requires the removal of martial arts weapons from martial arts associations to have the written permission of the Commissioner of Police, but not where the removal has been notified under clause 6. Clause 8 provides that notices required to be given to the Police under clauses 5 and 6 must be given by an office bearer of the relevant martial arts association. Clause 9 gives the Commissioner of Police power to order the delivery up of martial arts weapons in specified circumstances. This power will enable the Commissioner to act where he suspects that a martial arts association is a triad society or that its members are triad members or where any office bearer has been convicted of a crime of violence or a crime involving possession or use of a weapon or arms.

Clause 10 sets out a number of offences relating to martial arts weapons, including possession of a weapon that has not been notified to the Police and failing to give notice of disposal or removal.

Part II of the Bill, makes provision for entry and search, seizure and forfeiture and to deal with obstruction of Police and Customs and Excise officers acting under the Bill.

Clauses 15 to 20 contain miscellaneous provisions. Martial arts weapons held under existing licences and exemption permits will be deemed to have been notified to the Police under clause 5.

Sir, it is intended that the Bill, if enacted, will be brought into operation some three weeks after enactment. This is to give martial arts associations that have not got licences or exemption permits under the present Arms and Ammunition Ordinance time in which to notify the Police of their stock of martial arts weapons. However, during this period the Arms and Ammunition Ordinance would continue in force so that those who come forward to comply with clause 5 of this Bill would technically be subject to prosecution under that Ordinance. But of course that is not our object, indeed it would tend to defeat our object of getting all those martial arts weapons notified to the Police. Accordingly it is proposed to grant an amnesty to all persons who notify the Police of the

possession of martial arts weapons that are not licensed, so that they will also extend to prohibited weapons which are surrendered during that period, for it is in the public interest that the possession of these weapons is eliminated as far as possible.

Sir, I move that the debate on this motion be now adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

GAMBLING (AMENDMENT) BILL 1981

THE ATTORNEY GENERAL moved the second reading of:—'A bill to amend the Gambling Ordinance'.

He said:—Sir, I move that the Gambling (Amendment) Bill 1981 be read the second time.

The enforcement of the Gambling Ordinance is periodically reviewed. The last review carried out quite recently has revealed that illegal gambling continues to cause a problem throughout Hong Kong. And this despite the threat of the heavy penalties approved by this Council in 1977, and a very high level of Police activity. For instance, during the first four months of this year 3,174 persons were charged with bookmaking and illegal casino-type gambling. Last month alone, in relation to illegal casino-type gambling the Police took action against some 1,096 premises, arresting 1,531 persons in the process.

In relation to bookmaking, illegal syndicates continue to operate both on and off course. There are known to have been at least eight syndicates operating at Sha Tin and Happy Valley during the last racing season despite action by the Police and the security staff of the Royal Hong Kong Jockey Club. During that season some 212 persons suspected of involvement in illegal bookmaking were ejected by the Security Staff of the Royal Hong Kong Jockey Club from the two race-courses. In regard to off-course betting, only a fortnight ago the Police detained two persons suspected of illegal bookmaking and seized betting slips with a face value of over one million dollars.

These, Sir, are only partial aspects and isolated incidents, but I hope they indicate the dimensions of the problem. The present level of illegal gambling is less than it was three years ago; nonetheless it remains at an unacceptably high level.

It will be apparent from what I have said that the problem areas of illegal gambling are illegal bookmaking and illegal casino-type gambling. The recent review I mentioned has identified two major weaknesses in the action that can be taken against these activities, weaknesses that could be largely removed by the introduction of two statutory presumptions.

Let me take illegal bookmaking first. Operators tend to use agents to collect bets from their clients. I believe these agents are commonly known as runners. The Police have demonstrated their ability to apprehend runners in possession of betting slips. But mere possession of betting slips is not an offence. It is the assisting in illegal bookmaking that is an offence. So that when a runner is caught with betting slips in his possession, not itself a particularly easy task, the Police are still faced with the major hurdle of proving that the betting slips were for the purpose of illegal bookmaking. And this is where a presumption to that effect would make a vital difference. The Bill provides for this in the following way. Clause 2 defines a betting slip in effect as any document or thing which evidences a bet. And clause 3 provides that a person in possession of a betting slip is presumed to be in such possession for the purpose of assisting another person in bookmaking. It was, of course, appreciated when this legistation was drafted that the presumption could arise in relation to a perfectly lawful bet. For instance, if a punter off to the races, makes a note of a bet he agreed to place for a friend, that would be a betting slip within the new definition and the presumption could arise. But it was considered most unlikely that action would be taken in respect of such a transaction and that even in that remote eventuality the innocent punter would quite easily be able to displace the presumption. All that he would have to do is to show that on the balance of probabilities the bet was not received by way of trade or business.

Proceeding to the other matter of illegal casino-type gambling, formidable measures involving considerable ingenuity are taken by organizers to avoid detection and prosecution. Premises are rotated, operating hours are changed, only known customers admitted, lookouts, walkie-talkie radios and telephone paging systems are used, customers are transported from pre-arranged pick-up points and are confined to the premises until gambling is completed. These formidable obstacles and the considerable profits to be made call for effective deterrents once an offence is established.

One of the sanctions provided by the Ordinance is the mandatory forfeiture of money or property which a Magistrate is satisfied has been used for or in connection with unlawful gambling. The weakness of this sanction lies in the difficulty of establishing that the money or property was so used. If money is found on a gambling table there is no difficulty, but if it is found elsewhere it is not easy to satisfy a Magistrate that it was used in connection with gambling. This has become generally known and now very little money is ever found on a table. To refer to just one unexceptional case, where Police entry was delayed, no money at all was found on the table, but $38,000 was found in the pockets of the 12 persons present, all of whom were convicted. What the Bill accordingly proposes in clause 3 is a presumption that where the entry of the Police is prevented, obstructed or delayed, all money or property found in the premises is presumed to have been used for or in connection with gambling. Unless the owners were able to prove that it was not so used, it would then be liable to forfeiture. The presumption is directed primarily at money and other things like cheques, negotiable instruments, gold and watches.

Sir, Unofficial Members have already given consideration to this Bill, through an ad hoc committee, and have through an ad hoc committee given the Bill their usual careful and detailed consideration and have had full discussions with the officials concerned. The committee expressed concern about the application of the betting slip presumption to records of lawful bets and stressed the need for some additional safeguard. Further consideration has accordingly been given to this matter and with the agreement of the ad hoc committee I will move an amendment to make the Attorney General's consent a pre-requisite to prosecution for assisting in illegal bookmaking. This will mean that no prosecution will be instituted without the particular case being studied by a legal officer to whom the power of consent is delegated.

The ad hoc committee also expressed its concern about the effect of extending the presumption of use for or in connection with illegal gambling to property as opposed to money, and questioned its necessity. Further consideration has been given to this matter also and I have agreed with the committee to move another amendment at the committee stage to delete references to other property, so that the presumption will be confined only to money.

Finally, I am also indebted to the ad hoc committee for pointing out that the words 'in relation to bookmaking' in the proposed definition of betting slip in clause 2 are unnecessary and could cause difficulty. I shall move a committee stage amendment to delete those words. The attention the committee focused on the presumption relating to betting slips revealed to me some minor scope for its improvement and at the committee stage I shall be moving yet a further amendment, again with the agreement of the committee, to relate that presumption more closely to the offence to which it is intended to apply.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned— THE ATTORNEY GENERAL.

Question put and agreed to.

IMMIGRATION (AMENDMENT) (NO.2) BILL 1981

THE ATTORNEY GENERAL moved the second reading of:—'A bill to amend the Immigration Ordinance'.

He said:—Sir, I finally move that the Immigration (Amendment) (No. 2) Bill 1981 be read the second time.

The Immigration Ordinance 1971 was enacted in October of that year to consolidate and revise the immigration and deportation laws. It contained extensive transitional provisions in its Second Schedule. In 1977 a revised edition of that Ordinance was issued and the Second Schedule was omitted as it

was considered that the transitional provisions it contained had all had their effect and were spent. In 1979 a further revised edition of the Immigration Ordinance was issued, again omitting the Second Schedule.

While the vast bulk of the transitional provisions are undoubtedly spent, cases are encountered where those provisions have to be relied upon. For instance old deportation orders made under one of the Ordinances repealed by the 1971 Ordinance and preserved by the transitional provisions have had to be relied upon to take action against the persons in respect of whom the deportation orders were made. Recently, however, the Court of Appeal expressed doubt about the continued effect of the transitional provisions, in consequence of their omission from the revised editions.

It is therefore considered desirable for the avoidance of doubt to restore the transitional provisions. And notwithstanding that most of those provisions are spent, having regard to their form and all relevant circumstances it is considered prudent and appropriate to restore all of them. The Bill provides for this with necessary adaptation to take account of the text of the current revised edition of the Immigration Ordinance.

I must stress, Sir, that the Bill does not seek to effect any change; on the contrary it seeks to prevent a change of the law unintentionally resulting from the omission of the transitional provisions. It seeks to confirm the position effected by the Immigration Ordinance 1971 and the amendment Ordinances enacted by this Council since 1971, a position, I may add, that has been generally accepted since 1971.

Finally, Sir, preparation of revised editions of Ordinances, particularly Ordinances that have been extensively amended, goes on all the time, and is a valued service to those who have to refer to the laws. Omission of spent provisions is one of the principal objects of revision and is expressly authorized by section 4 of the Revised Edition of the Laws Ordinance 1965. I have not been able to discover any other instance of omission that has occasioned the sort of difficulty that has arisen in this instance. Nevertheless it is proposed to exercise even greater caution in the future in omitting the provisions that appear to be spent.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE ATTORNEY GENERAL.

Question put and agreed to.

DANGEROUS DRUGS (AMENDMENT) BILL 1981

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

He said:—Sir, I move that the Dangerous Drugs (Amendment) Bill 1981 be read a second time. The purpose of the Bill is to give legal protection to the confidentiality of records on drug addicts kept by the Central Registry of Drug Addicts and its reporting agencies.

The Registry was set up in 1972. As a result of a drastic reorganization in 1976, the Registry adopted a new computerized system (Integrated Data-base Management System—I.D.M.S.) which makes it possible to assess with much greater accuracy the trends and characteristics of drug addiction in Hong Kong as well as to evaluate the effectiveness of the various treatment and rehabilitation programmes. Between September 1976 and December 1980, the Registry received 124,000 reports on 35,600 drug addicts from its reporting agencies. Up to March, it has produced seven periodic reports on the overall drug situation here and has conducted a series of studies on the major treatment and rehabilitation programmes. The Registry is therefore an invaluable facility in providing accurate data on which analyses vital to the formulation of realistic anti-narcotics policies and to the monitoring of their effectiveness, can be based.

The proper functioning of the Registry depends on timely and accurate contact reports sent in by its 88 reporting agencies, which receive data from 180 centres. There is no statutory obligation for such information to be supplied, and the agencies concerned have indicated that the continuance of their cooperation will depend on the Government's assurance that confidentiality will be maintained. Furthermore an assurance was given when the methadone programme was introduced that the information in the record would be treated as confidential.

Confidentiality of information is also very necessary to encourage addicts to come forward for voluntary treatment, which is the first step to getting them out of criminal involvements. This is because drug addiction is regarded as a social stigma and most addicts, especially those who have previously committed crimes, would not wish to be identified or recorded in a Government register. If confidentiality is not assured, the reliability of information provided by addicts may also be affected, thus defeating the whole purpose of the Central Registry. It is therefore proposed that such information will not be disclosed except with the consent of the addict concerned or under the other circumstances as prescribed in the Bill.

Under new section 49A and B the confidential information to be protected under the Bill covers everything in the records in the Central Registry and its reporting agencies relating to the use of dangerous drugs by any persons; the care, treatment and rehabilitation of such persons, and convictions for offences involving dangerous drugs.

Such records will be immune under new section 49C from search and from production in court except in a prosecution for an offence created by the Bill, or where under new section 49G the Attorney General has exercised the power given to him by the Bill to order their disclosure.

Disclosure of confidential information is to be an offence with a fine of $5,000 and six months' imprisonment, but such an offence will not be committed where disclosure is made for research purposes without revealing the identity of any drug addict; or where an addict gives his consent to disclosure in prescribed circumstances; where disclosure is ordered by the Attorney General, or is made to the Central Registry or its reporting agencies for the purpose of their work; or where it is made to a doctor for the purpose of treating a person or investigating the cause of a death.

I move that the debate on this motion be adjourned.

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

Question put and agreed to.

IMMIGRATION (AMENDMENT) (NO. 3) BILL 1981

THE SECRETARY FOR SECURITY moved the second reading of:—'A bill to amend the Immigration Ordinance'.

He said:—Sir, I move that the Immigration (Amendment) (No. 3) Bill be read a second time.

This Bill is one of three Bills the principal purpose of which is to increase penalties for offences relating to forged documents which constitute proof of identity as defined under section 17B of the Immigration Ordinance—that is to say an identity card, a travel document, a driving licence, a Services identity card, a Vietnamese refugee card and an acknowledgment of an application for first registration for a new identity card.

The other two Bills are the Crimes (Amendment) Bill and the Registration of Persons (Amendment) Bill. What I have to say about the Immigration (Amendment) (No. 3) Bill applies equally to these other two amending Bills.

With the introduction of the measures in October 1980 consequent upon the abandonment of the reached base policy the documents defined as proof of identity have become very important. As we all know—and as we all have readily accepted—one of them is required to be carried at all times for purposes of identity. In addition one of them (with the exception of a driving licence) has to be produced to an employer before a person may obtain legal employment.

The implementation of the policy has significantly reduced the number of illegal immigrants attempting to enter from China and has enabled the law enforcement agencies to detect possible evaders. Inevitably it has also had the effect of increasing the demand for forged documents of identity.

In the period 24 October 1980—31 May 1981 127 identity cards, 99 travel documents and 50 driving licences have been found to be forged resulting in the arrest of 186 persons.

As has been said on many occasions—but bears repeating again—the Government will continue to take all possible and practicable steps to reduce illegal immigration. It will maintain the security forces on the border to arrest persons on entry. Should persons evade arrest they will be sought out in the urban areas and aiders and abetters will continue to be identified and prosecuted. Forgers and those engaged in bringing in immigrants illegally will be pursued relentlessly.

To this latter end we have reviewed the offences and penalties in respect of the possession of forged documents, for forging documents and for possessing materials, tools, etc. intended for use in forgery. The results of this review are contained in these three amending Bills.

The Immigration (Amendment) (No. 3) Bill provides for an increase in the maximum term of imprisonment for forgery of immigration documents of the types specified in section 42 of the Ordinance from seven years to 14 years. It also makes two other small but important amendments, the reasons of which have been set out in the Explanatory Memorandum.

I move that the debate on this motion be adjourned.

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

Question put and agreed to.

CRIMES (AMENDMENT) BILL 1981

THE SECRETARY FOR SECURITY moved the second reading of:—'A bill to amend the Crimes Ordinance and to make a consequential amendment to the Road Traffic Ordinance'.

He said:—Sir, I move that the Crimes (Amendment) Bill be read a second time.

I have already spoken about the reasons for the introduction of this Bill. The Bill provides under clause 2 that forgery of identity cards and other documents issued under the Registration of Persons Ordinance and of driving licences shall be punishable with imprisonment for 14 years.

It also introduces a new provision under clause 3 by which any person found to be in possession of anything fit and intended for use in forgery will be liable to a maximum penalty of 14 years imprisonment. It would also place the burden of proof in any proceedings for an offence under this clause upon the accused.

I move that the debate on this motion be adjourned.

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

Question put and agreed to.

REGISTRATION OF PERSONS (AMENDMENT) BILL 1981

THE SECRETARY FOR SECURITY moved the second reading of:—'A bill to amend the Registration of Persons Ordinance'.

He said:—Sir, I move that the Registration of Persons (Amendment) Bill be read a second time.

This is the third measure in the series to which I have already referred. Under clause 4, it provides that the maximum penalty for a person found guilty of being in possession of a forged identity card or other documents issued under the principal Ordinance should be seven years imprisonment.

In addition, clause 3 provides a sanction for non-compliance with section 5 of the principal Ordinance. This section requires that every person of the age of eleven years and upwards shall in all dealings with Government use the personal name and surname entered on his identity card and furnish the number of his card to the satisfaction of an officer requiring such number. Although the statutory requirement of using the name and surname on the identity card has been a provision of the law for some years no penalty for declining to furnish the number of an identity card to a public officer has previously existed. It is proposed that in the future such a penalty should be included in the legislation.

I move that the debate on this motion be adjourned.

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

Question put and agreed to.

FIRE SERVICES (AMENDMENT) BILL 1981

THE SECRETARY FOR SECURITY moved the second reading of:—'A bill to amend the Fire Services Ordinance'.

He said:—Sir, I move that the Fire Services (Amendment) Bill 1981 be read a second time.

The Bill makes a number of unrelated amendments to the Fire Services Ordinance and I propose to comment only on the more important ones.

The first one seeks to make it clear that the Director of Fire Services' responsibility for vessels is limited to extinguishing fires which may break out on them. The responsibility for fire protection on board vessels, including boat squatters and vessels permanently moored in typhoon shelters, rests with the Director of Marine. As regards vessels ashore, under construction or under repair, the Commissioner for Labour is responsible for fire protection.

Secondly, an amendment is proposed to section 7 of the Ordinance which sets out the duties of the Fire Services Department. One of the department's duties under the existing law is 'to give advice on fire protection measures as occasion requires'. The view has been that this enables the Department to give negative or prohibitory advice as well as positive advice: in other words, to advise that something ought *not* to be done, as well as that something should be done, to protect against fire. However, some doubt about this arose in 1978 as a result of an action brought against the Director for refusing to agree to the inclusion of a restaurant in a large and complex industrial building. Although the action was subsequently dropped, it is desirable that any possible doubt be removed and clause 3 of the Bill therefore makes it clear that the Director may give advice on fire hazards as well as on fire protection measures.

Finally, amendments are proposed to the disciplinary provisions of the Ordinance, so as to empower the Director of Fire Services summarily to dismiss an officer who is absent without leave for more than 21 days, and to add compulsory retirement (with or without pension and other benefits) as a punishment for breaches of discipline. These powers already exist and have been delegated by the Governor to heads of departments.

Sir, in answering a question in this Council in February, I said that we were considering proposals for substantially increased fines for various offences under the Fire Services Ordinance involving fire hazards. I personally am disappointed that progress has not allowed the results to be included in this Bill. A wider plan designed to reduce fire hazards in commercial and industrial buildings is being drawn up. I hope that the results will be included in a further amending Bill in the next session.

Sir, I beg to move that the debate on this motion be adjourned.

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

Question put and agreed to.

MERCHANT SHIPPING (AMENDMENT) BILL 1981

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—'A bill to amend the Merchant Shipping Ordinance'.

He said:—Sir, I move that the Merchant Shipping (Amendment) Bill 1981 be read the second time. As the Bill is basically an enabling one, I am afraid that I shall have to explain what it is for rather than simply referring honourable Members to the Explanatory Memorandum.

At present, the manning scales for deck and marine engineer officers on British foreign-going ships and foreign passenger ships leaving any port in Hong Kong and matters relating to the issue of certificates of competency for these officers are prescribed in the Merchant Shipping Ordinance. As the standards adopted in the Ordinance conform with those applicable in the United Kingdom, the certificates of competency issued under it are recognized as the equivalent of certificates issued by the United Kingdom Department of Trade.

Since 1977, the United Kingdom has introduced changes to the manning scales and to the system of certification. These changes were given legislative effect to by the United Kingdom Merchant Shipping (Certification of Deck Officers) Regulations 1977 and the United Kingdom Merchant Shipping (Certification of Marine Engineer Officers) Regulations 1977 as amended by the 1980 Regulations.

To ensure that certificates of competency issued in Hong Kong will continue to be recognized by the United Kingdom and other Commonwealth countries, thereby enabling the holders of them to obtain employment on British and Commonwealth ships, it is proposed that Hong Kong should generally give effect to the United Kingdom's new system except where the changes are inapplicable to Hong Kong's circumstances.

Under the new system proposed for Hong Kong, the intention is to introduce of four-tier structure in respect of deck and marine engineer officer manning scales. As regards deck officers, the present master certificate becomes deck officer Class I, the first and second mates certificates Classes II and III, and a new Class IV certificate will be introduced. As regards marine engineer officers, the present first and second class certificates will be replaced by Classes I and II certificates respectively, and new Classes III and IV certificates will be introduced to cover the standards required for junior watchkeeping officers. The number of officers required to be carried on foreign-going ships will continue to be based on the United Kingdom's requirements and will depend on the registered power of the vessel in question.

To be in line with the United Kingdom, the new manning scales will come into effect on 1 September 1981. To enable junior watchkeeping officers who are uncertificated but are now required to be certificated either as third deck watchkeeping officers or third or fourth engineer watchkeeping officers to continue their services, it is intended that the Director of Marine be empowered to issue Certificates of Service to persons who can satisfy him as to their sufficient sea service and general fitness for the issue of such certificates to permit the continuation of their service at sea. In addition to deal with such

exceptional circumstances as illness or absence of an officer, a ship may proceed to sea for a period of up to 28 days manned by one less than the required number of deck officers or marine engineer officers, provided that the master is satisfied that it is safe for the ship to do so and that all reasonable steps are taken to man the ship in accordance with the standards required.

Special arrangements are intended to cater for a number of conventional ferries and a variety of dynamically supported craft (such as jetfoils, hydrofoils and hoverferries) which operate within the limits of the so-called river trade (which roughly covers the inland waters adjacent to Hong Kong). At present, masters and engineers on the Hong Kong and Yaumati Ferry Co.'s hoverferries on the Canton service hold only local certificates of competency. Other river trade vessels are manned by holders of the full foreign-going certificates of competency. As little of the knowledge and experience such officers have as a result of holding foreign-going certificates is relevant to the rive trade services, it is intended to create a separate three-tier structure for deck and marine engineer officers for river trade vessels between the local certificates of competency and the foreign-going certificates of competency. All masters and watchkeeping officers aboard such vessels will have to be certificated. The number of officers to be carried will also be specified.

Holders of foreign-going certificates of competency will continue to be eligible to man river trade vessels. But to ensure that those officers with the requisite experience and sea service who do not meet the requirements of the new system are not unnecessarily disqualified, it is intended that, as for foreigngoing ships, the Director of Marine should be empowered to issue Certificates of Service to enable them to continue their service.

The Merchant Shipping (Amendment) Bill 1981, before honourable Members, seeks to give enabling powers for the making of subsidiary legislation by the Governor in Council to cover the system I have outlined.

The Hong Kong Port Executive Committee and the Marine Division of the United Kingdom Department of Trade have been consulted and endorsed the proposed changes.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR ECONOMIC SERVICES.

Question put and agreed to.

MERCHANT SHIPPING (SAFETY) BILL 1981

THE SECRETARY FOR ECONOMIC SERVICES moved the second reading of:—'A bill to consolidate and amend the law relating to the safety of merchant shipping and for purposes connected therewith'.

He said:—Sir, I move that the Merchant Shipping (Safety) Bill 1981 be read the second time.

The present state of statute law in Hong Kong relating to merchant shipping is one of some confusion. The main sources are the Merchant Shipping Ordinance and various Orders in Council which extends certain parts of the United Kingdom Merchant Shipping Acts to Hong Kong. This confusion is compounded by the effect of section 117 of the Merchant Shipping Ordinance which incorporates into Hong Kong's law such provisions of the United Kingdom Merchant Shipping Acts as are not inconsistent with the Ordinance. Apart from the confusion, having Hong Kong's merchant shipping law arranged in this manner makes it difficult to revise.

Thus, the object of the Bill now before honourable Members is to consolidate into one Hong Kong ordinance the existing law concerning the safety of merchant shipping as it affects Hong Kong. The opportunity has also been taken to modernize some provisions to take account of recent changes to the law in the United Kingdom as a result of the Merchant Shipping Act 1970, the Merchant Shipping (Safety Convention) Act 1977 and the Merchant Shipping Act 1979. Apart from some modifications designed to bring up-to-date the existing provisions, and to bring the wording into line with current practice, no new provisions have been introduced.

Of these modifications, four are significant. The *first* relates to *clause 38* of the Bill which re-enacts section 34 of the Merchant Shipping Ordinance. This section makes it an offence to carry excess passengers on a passenger ship. We had thought that this section was wide enough to enable us to take action when a *cargo* ship carried excess passengers. So we invoked section 34 when cargo ships came to Hong Kong carrying large numbers of Vietnamese refugees. But the courts have held that section 34 could not apply to such ships as the 'Huey Fong', because they are not passenger ships for the purposes of that section. So clause 38 of the Bill modifies section 34 to extend the prohibition to the carriage of excess passengers on cargo ships.

The *second* modification relates to unsafe ships and their detention. At present, under section 45 of the Merchant Shipping Ordinance, the Director of Marine or a Government Surveyor may provisionally detain for a period of 24 hours any ship considered unsafe. When a ship is detained, a written statement of the grounds for the detention has to be served on the master and the Governor may appoint some competent person to survey the ship. Upon receipt of the survey report, the Governor may order that the ship be finally detained either absolutely or until the satisfactory performance of certain conditions necessary to render the ship safe. A copy of the survey report must be served on the ship's master, who may appeal to a court of survey. Subject to the Governor's approval, the owner or master may request that the surveyor so appointed be accompanied by another competent person selected by the owner or master. In such cases, if these two persons agree, the Governor may cause the ship to be detained or released. But if their opinions differ, the Governor may

order the ship detained and the master or owner may appeal to the court of survey.

Clauses 67 and 68 restate the relevant sections of the Merchant Shipping Ordinance with modifications to simplify the detention procedures. Under the provisions of the Bill, if the Director has reason to believe that a ship is unsafe, he may appoint a surveyor who shall report to him. If the report confirms the Director's opinion that the ship is unsafe, he may order that the ship be detained. The owner or master of the ship may, within seven days, apply to the Director for the ship to be re-surveyed or appeal against the decision to a court of survey. During a re-survey, the owner or master may request that the surveyor be accompanied by an assessor (being a person of nautical, engineering or other special skill) nominated by the owner and approved by the Director. On the completion of the re-survey, if the surveyor and the assessor are in agreement, the Director may upon receipt of the survey report, order that the ship be released or continue to be detained. But if the surveyor and the assessor are in disagreement, the ship shall continue to be detained and the owner or master may then appeal to a court of survey against the re-survey report. If, *during* the re-survey, the Director is satisfied that the owner has carried out work to make the ship fit to proceed to sea, he may, upon the owner paying all costs incidental to detention, survey and re-survey, order the ship to be released.

The *third* modification relates to the transfer of certain powers regarding the issue of certificates and the granting of exemptions. At present, most of these powers are vested in the Governor, although in practice a number have been delegated administratively to the Director of Marine. To reflect the actual situation, the opportunity is taken formally to transfer such powers to the Director. In addition, the powers to appoint Government surveyors and survey organizations under *clauses 5 and 8* and the power of granting a general exemption from compliance with the requirements of the Bill under *clause 114* have been given to the Secretary for Economic Services.

The *fourth* modification introduced by the Bill relates to agents' responsibilities. The Bill seeks to remove the liability at present imposed on agents in respect of the actions of owners and masters of ships in certain circumstances. Exceptions to this modification are in *clauses 38 and 39* which cover the carriage of excess passengers. The liability of agents in cases involving the carriage of excess passengers has been retained because it is clearly right that, where a ship's agent is party to the overloading of a ship with human beings, he should bear the consequences. I should add that both clauses include a statutory defence when the agent can prove that the excess passengers were shipped without his knowledge or consent and that he derived no profit from the operation.

The Hong Kong Port Committee, the Foreign and Commonwealth Office and the Marine Division of the United Kingdom Department of Trade have all got an interest in the Bill and have been consulted on it. They have all favourably commented on the Bill's object to consolidate all the various

fragmented pieces of legislation relating to merchant shipping safety matters. But the commencement of the Bill will have to wait until appropriate action has been taken in the United Kingdom to repeal those Orders in Council which are the subject of the present consolidation exercise.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE SECRETARY FOR ECONOMIC SERVICES.

Question put and agreed to.

(4.15 p.m.)

HIS EXCELLENCY THE PRESIDENT:—I think we might have a short break at this point. Council will resume in 15 minutes.

(4.33 p.m.)

HIS EXCELLENCY THE PRESIDENT:—Council will resume.

FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) BILL 1981

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—'A bill to amend the Fixed Penalty (Traffic Contraventions) Ordinance'.

He said: — Sir, I rise to move the second reading of the Fixed Penalty (Traffic Contraventions) (Amendment) Bill 1981.

The purpose of this Bill is to make certain changes in the procedures for dealing with fixed penalties for parking offences, particularly in two main areas.

The first is that, in future, if an alleged offender wishes to dispute liability for a fixed penalty parking ticket he or she will be required to notify the Police of the intention; and summons action will be initiated only in cases where liability is disputed. At present, summons action follows on automatically from nonpayment of a ticket and this leads to a considerable waste of time for the Police and Judiciary in cases where liability is not disputed. It is hoped that, by placing the onus for notifying disputed liability upon the offender, this difficulty can be considerably alleviated.

Secondly, in order to encourage speedy payment of fixed penalty tickets and to penalize those who ignore them, the Bill provides, in clause 6, that offenders who fail either to pay the fixed penalty or to notify the Police of a wish to dispute liability within 21 days of receiving the demand notice, will in future be subject to an additional fine equal to the amount of the original penalty. Under

clause 9, also, the same additional penalty can be imposed on persons who, having disputed the penalty, do not appear before the Magistrate or who, having appeared, offer no defence or a frivolous or vexatious defence.

The only other change of substance proposed by the Bill is that a magistrate will be empowered, under clause 12, to direct the Commissioner for Transport to refuse to issue or to renew the driving licences of those who have ignored court orders to pay a fixed penalty.

Sir, I move that the debate on this motion be adjourned.

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

Question put and agreed to.

FIXED PENALTY (CRIMINAL PROCEEDINGS) (AMENDMENT) BILL 1981

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—'A bill to amend the Fixed Penalty (Criminal Proceedings) Ordinance'.

He said:—Sir, I move the second reading of the Fixed Penalty (Criminal Proceedings) (Amendment) Bill 1981.

The purpose of this Bill is to make changes in existing procedures for dealing with fixed penalties for moving traffic offences similar to those provided for in the Fixed Penalty (Traffic Contraventions) (Amendment) Bill 1981 in respect of parking offences.

The Bill thus proposes that, in future, the onus for notifying the Police of a wish to dispute liability for a fixed penalty ticket shall be placed upon the offender. It also proposes that those who fail, either to notify disputed liability or to pay the fixed penalty within the time limit specified, should be subject to an additional penalty, equal in amount to the original.

In addition the Bill provides for the issue of a distress warrant for the recovery of outstanding fines and debts where an offender has ignored court orders to pay.

Sir, I move that the debate on this motion be adjourned.

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

Question put and agreed to.

ROAD TRAFFIC (DRIVING-OFFENCE POINTS) BILL 1981

THE SECRETARY FOR THE ENVIRONMENT moved the second reading of:—'A bill to provide for the recording of points in relation to various road traffic offences connected with road safety, for the disqualification from driving of persons in respect of whom a certain number of points have been recorded and for connected purposes'.

He said:—Sir, I rise to move the second reading of the Road Traffic (Driving-Offence Points) Bill 1981.

The purpose of this Bill is to introduce a 'driving-offence' points system in Hong Kong to encourage greater safety on the roads. The basis of the system is that drivers who are convicted of certain of the more serious offences under the Road Traffic Ordinance should be awarded driving-offence points, the level of points being dependent upon the degree of seriousness of the offence. Those who accumulate 15 points within a period of three years will be liable to disqualification from driving, on the first occasion for a period of three months and on second and subsequent occasions for six months. The system will be operated on a 'roll-over' principle. That is to say the points incurred for a particular offence will no longer count after the expiry of three years following the commission of the offence.

I should point out that the five offences which will incur driving-offence points, as set out in the Schedule to the Bill, are all considered to be serious, and conviction on four of them can already lead to discretionary disqualification by a Magistrate. In other words, what is proposed is to make sure that the persistently dangerous driver is penalized by temporarily removing him from the road. A further advantage is that the points system allows a series of offences to be counted against a bad driver, on a cumulative basis, and this means that disqualification from driving need not be dependent solely on a conviction for one serious offence under the Road Traffic Ordinance.

I should add that similar systems to the one proposed in this Bill have been operating in a number of other countries, including Australia, New Zealand and Japan and that they have generally proved effective in discouraging dangerous driving habits. The hope is that the provisions of this Bill, if enacted, will have similar effects in Hong Kong and that this will contribute to a reduction in the number of accidents on our roads.

Sir, I move that the debate on this motion be adjourned.

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

Question put and agreed to.

MEDICAL CLINICS (AMENDMENT) BILL 1981

THE DIRECTOR OF MEDICAL AND HEALTH SERVICES moved the second reading of:—'A bill to amend the Medical Clinics Ordinance'.

He said:—Sir, I rise to move that the Medical Clinics (Amendment) Bill 1981 be read the second time.

Firstly, the Bill seeks to increase the penalties prescribed in section 14 of the principal Ordinance as set out in the Explanatory Memorandum. The level of penalties has remained unchanged since the legislation was enacted in 1963. These penalties are unrealistically low and have declined to the point where they are no longer a deterrent. The inadequacy of the penalties has been adversely commented upon both by the Courts and by the Police.

The Police have stated that a very serious view should be taken of persons who operate unregistered clinics and that stringent action in respect of such premises is necessary. A Magistrate also commented in 1979 that patients' lives were being put at risk and that the penalty for practising as a doctor without being registered was inadequate. I endorse these views.

In recent years the most common type of offences the Police have been called upon to deal with have involved unregistered clinics run by unregistrable persons. They are often people who are unable to pass the Licentiate Examinations which would enable them to be registered to practise in Hong Kong. Licentiate Examinations have been held each year since the first examination in 1977 and there has been ample opportunity for competent practitioners to qualify in order to practise locally. 70 persons were convicted of offences under the Ordinance in 1980. Several individuals were convicted of more than one offence.

The proposed penalties, including both fine and imprisonment, represent considerable increases over the existing penalties. For the most serious offences which are those included in section 14(*a*) and 14(*b*) of the Bill, the maximum penalties are increased from a fine of $1,000 and three months imprisonment to $50,000 and five years respectively. These offences relate to the carrying on or taking part in the management of an unregistered clinic or diagnosing, prescribing or administering any treatment in an unregistered clinic. For these offences one penalty has been proposed to replace existing penalties which referred to first, second or subsequent offences. The change is to give the Courts discretion to assess a penalty appropriate to the gravity of any particular offence. A first offence could be more serious than a second or third offence.

I must emphasize that the proposed penalties are the maxima which can be imposed for any offences under the Ordinance.

Secondly, the Bill seeks to clarify the requirement concerning display of registration certificates by medical clinics under section 5(4) of the principal Ordinance. This section at present does not specify the person responsible for

displaying the registration certificate in respect of medical clinics. Clause 2 therefore makes it clear that this obligation falls on the person or sponsoring organization which is registered in respect of the clinic.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE DIRECTOR OF MEDICAL AND HEALTH SERVICES.

Question put and agreed to.

CRIMINAL PROCEDURE (MISCELLANEOUS PROVISIONS) BILL 1981

THE LAW DRAFTSMAN moved the second reading of:—'A bill to amend certain Ordinances to make better provision for securing the attendance of witnesses in criminal cases in the District Court and the High Court'.

He said:—Sir, I move that the Criminal Procedure (Miscellaneous Provisions) Bill 1981 be read the second time.

It is not unusual for the prosecution of criminal offences to be impeded, and indeed frustrated, by the refusal of persons who have made statements during an investigation, to attend court when their testimony is required. This occurs particularly, though not only, in cases arising out of gang violence. The powers and penalties at present available to the courts are inadequate to enable them to deal with this problem effectively.

The Criminal Procedure (Miscellaneous Provisions) Bill 1981 seeks to give the courts the ability to ensure that, as far as is possible, all material witnesses whom the prosecution or defence wish to call at a trial do attend. It does this principally by the introduction into Hong Kong, by clause 3, of provisions which have been well tested in England, and which in Hong Kong can conveniently be made to apply in both the District Court and the High Court. The main features of the new sections to be introduced into the Criminal Procedure Ordinance are that the higher criminal courts will be empowered to issue witness summonses, disobedience of which will be punishable as contempt of court (with a maximum penalty of two years imprisonment) and will also have power to issue a warrant for the arrest of any witness who has disobeyed, or is shown to be likely to disobey, a witness summons which has been served on him. Provision is also made by the Bill (in clause 2(*d*)) for the service of a simple form of witness order upon a person who has given evidence in committal proceedings and whose attendance is subsequently required in a High Court trial.

As far as magistrates' courts are concerned, the maximum penalty that may be imposed upon a recalcitrant witness is the subject of a proposed increase, in clause 2, to a fine of $5,000 and 12 months imprisonment. And the maximum

penalty that may be imposed in such a case in the District Court would, by clause 4(*b*) of the Bill, be increased to a fine of $5,000 and two years imprisonment.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE LAW DRAFTSMAN.

Question put and agreed to.

LEGAL AID (AMENDMENT) BILL 1981

THE LAW DRAFTSMAN moved the second reading of:—'A bill to amend the Legal Aid Ordinance'.

He said:—Sir, I move that the Legal Aid (Amendment) Bill 1981 be read the second time.

Expenses incurred by the Director of Legal Aid on behalf of a legally-aided person in a non-criminal case can, under the Legal Aid Ordinance, be realized out of money (or other property) which is successfully recovered for the aided person.

Question has recently arisen over whether, on the correct interpretation of the relevant provisions of the Ordinance, the Director's power to realize costs out of recovered property extends to out-of-court settlements in the same way as it applies to property recovered under a court order. This Bill seeks to remove such uncertainty as exists and to make it clear that the Director's power applies in both circumstances. This is effected by clause 2 which substitutes two new amplified sections for existing section 18, and by clause 5, which is intended to remove any doubt as to the Director's right to recover his expenses in cases where legal aid was granted in the past, irrespective of whether legal proceedings were actually commenced.

The Bill also seeks to provide relief to legally-aided persons who may suffer hardship from the deduction of legal expenses out of what is recovered for them. Hardship most commonly arises in cases where the payment of modest sums of maintenance in matrimonial proceedings are involved.

The Bill provides relief from such hardship in two ways. Firstly, by new section 18A(5) of the Ordinance (in clause 2), maintenance payments of up to $1,500 per month will be exempt from the Director's statutory charge on recovered property. Secondly, by clause 3(*c*), the Director is given authority to deduct from what an aided person recovers an amount which is less, by up to $10,000, than the full amount of the statutory charge, if serious hardship would otherwise be caused to the aided person.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE LAW DRAFTSMAN.

Question put and agreed to.

MAINTENANCE ORDERS (RECIPROCAL ENFORCEMENT) (AMENDMENT) BILL 1981

THE LAW DRAFTSMAN moved the second reading of:—'A bill to amend the Maintenance Orders (Reciprocal Enforcement) Ordinance'.

He said:—Sir, I move that the Maintenance Orders (Reciprocal Enforcement) (Amendment) Bill 1981 be read the second time.

The Maintenance Orders (Reciprocal Enforcement) Ordinance provides for the enforcement abroad of maintenance orders made in Hong Kong and, on a reciprocal basis, for the enforcement in Hong Kong of maintenance orders made in other countries. However, there is a gap in the legislation in that although maintenance orders may in Hong Kong be made by both the High Court and the District Court, the Ordinance only provides for enforcement abroad of District Court orders. So a woman who has obtained a maintenance order in the District Court in Hong Kong may continue to obtain her rights under the order against a husband who has left Hong Kong for a 'reciprocating' country, but a woman who has obtained a maintenance order in the High Court cannot.

The several amendments to the Ordinance which this Bill proposes have as their simple object the removal of that anomaly by providing that maintenance orders made by *any* court in Hong Kong may be enforced in reciprocating countries.

In addition, clause 5 of the Bill will enable the District Court to make a request for needed evidence direct to a court in a reciprocating country without the necessity (which exists at present) of channelling the request through the High Court.

Sir, I move that the debate on this motion be adjourned.

Motion made. That the debate on the second reading of the Bill be adjourned—THE LAW DRAFTSMAN.

Question put and agreed to.

DISTRICT BOARDS BILL 1981

Resumption of debate on second reading (24 June 1981)

Question proposed.

MR. PETER C. WONG:—Sir, the introduction of District Administration is a major step in the evolution of our political system. I have no doubt concerned members of the public would like to see the successful implementation of these reforms and the ensuing benefits that they would bring to the people of Hong Kong.

The legislation scrutiny group of the Unofficial Members of this Council has considered this and the two related Bills—Urban Council (Amendment) (No. 2) Bill 1981 and Electoral Provisions Bill 1981. The group met with seven Government representatives from the Home Affairs Branch and Department, the New Territories Administration, the Urban Services Department, the Administration Branch and the Legal Department. The Government team included the Secretary for Home Affairs, the Director of Urban Services, the Acting Director of Administration and Management Services and the Deputy Director of the Home Affairs Department.

As a result of discussions with the Administration, the Secretary for Home Affairs will be moving three amendments to the Bill—

1. Clause 27, which deals with discrimination against an employee by reason of his membership of a District Board, will be deleted. Under existing legislation, unofficial members of other Government boards, councils or advisory bodies are not accorded such privilege. Furthermore, experience has shown that employers have been very co-operative and there is no known instance of discrimination. Government will, of course, keep the situation under review, and should the need arise appropriate safeguards will be legislated.
2. Clause 11, in respect of acceptance of office by elected members, will be amended to include appointed members as well. Such amendment is in line with section 14 of the Urban Council Ordinance.
3. Clause 6(1)(*e*) will be amended to make it clear that the number of appointed members nominated by the Urban Council shall not exceed the maximum number of persons who could be elected in the District for which the Board is established as members of the Urban Council. This amendment is merely for the avoidance of doubt.

It may well be that in the light of experience further amendments may be necessary, but my group is satisfied that for a start the Bill does reflect the aims of the White Paper on District Administration and provide the necessary statutory framework to put them into operation. I share the Secretary for Home Affairs' hope that people will use this new opportunity to participate in the way things are run. It is therefore important and indeed imperative that Government should spare no efforts in publicizing both the concept and the practical aspects of this new scheme and encouraging positive involvement in District Administration.

Sir, I support the motion.

SECRETARY FOR HOME AFFAIRS:—Sir, I am most grateful to Mr. Peter WONG for his support for this Bill and for drawing attention to three points where our drafting failed to convey our thinking. None of the amendments I shall move in the committee stage involve fundamental change though they are necessary to clarify the Government's intentions. As Mr. WONG has explained the conclusions we reached, there is no need for me to go over the ground again.

Since I moved the motion, some suggestions have been made in the press for improving election arrangements.

First was the idea that we should simply print a provisional electoral roll from information held on identity card records. I was quite keen on this too. Only people who had forgotten to notify changes of address etc. would then need to do anything to register. Alas wonderful though computers are, it is quite impossible in the time to do this. The records are just not kept in such a way as to make this possible.

This being so we plan to make registration really easy. You do need a form though. Now this is what the form will look like. They will be available at District Offices, Post Offices and I hope at M.T.R. stations, possibly banks and anywhere else people will find convenient. In addition an army of temporary staff will be employed to give them out to mutual aid committees and housing managements. I have a few here today. Honourable Members who are not already on the electoral roll of the Urban Council may have them now (*laughter*) although it is too early to fill them in yet.

Another idea was for a holiday on election day. I am sure we all like holidays, especially unexpected ones like last Monday's (*laughter*) but a holiday seems a big price for the economy to pay for a few minutes in a polling centre. I know Hong Kong people work hard but I shouldn't think very many would find it impossible to fit in a few minutes to go to a polling station near home some time between seven in the morning and ten at night. There will be nearly 300 polling stations all told.

Mr. WONG urged the Government to work on publicity for the scheme. We shall. I have said the Government accepts a responsibility for publicity, at least on this occasion. This is not accepted by governments in other places where elections involve a real choice. Publicity is usually left to the candidates. I hope the candidates will do their bit, but at least on this first occasion we propose to spend a good deal of taxpayers money on publicity.

Extensive plans have been made. Some publicity has already been undertaken. 180,000 pamphlets have been distributed. Sets of slides and taperecording of talks have been prepared. These are actually very popular in City District Offices and are much demanded. Unfortunately this is not the only Government publicity campaign this year but it is a major one. Later today honourable Members, if they are not too weary, will be asked to vote some $1.14 million for extra publicity and I hope will do so with enthusiasm (*laughter*).

Sir, if this Bill, and its two supporting measures, are passed today we shall have set the stage for a major reform of the administration of public services at the point where they have impact on ordinary people. I am sure this will improve administration. I hope people will use the opportunity for the new forms of participation now prepared for them.

Sir, I beg to move.

Question put and agreed to.

Bill read the second time.

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

ELECTORAL PROVISIONS BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

URBAN COUNCIL (AMENDMENT) (NO.2) BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1981

Resumption of debate on second reading (24 June 1981)

Question proposed.

MR. BROWN:—Sir, I rise to support this Bill, but at the same time to draw attention to the considerable work load these proposals will place on our Marine Department.

The Explanatory Memorandum suggests that the Bill has no direct staffing implications, except for the establishment of a pound and a small increase in staff.

The Secretary for Security, when moving that this Bill be read a second time, estimated that no less than 3,000 pleasure vessels are currently unlicenced—that is to say about one third of all pleasure craft plying our waters. It is reasonable to assume, therefore, that the enactment of this Bill will result in a large number of applications for licences, and this could well be accompanied by an increase in the number of persons applying for their local engineers and masters certificates. In this latter context I am informed that the waiting time for such a test at the moment is approximately six to seven months.

As I stated, Sir, I fully support this Bill. I trust that sufficient staff will be made available to implement its proposals.

SECRETARY FOR SECURITY:—Sir, I am grateful to Mr. BROWN for his support for this Bill.

The Director of Marine advises me that his licensing offices are ready to handle applications from those who already own pleasure vessels but have not licensed them. In fact there has already been a slight increase in the number of applications since the Bill was introduced.

It is of course also possible that there will be an increase in the number of persons applying for local engineers and masters certificates. A problem has been created in providing facilities for these examinations, due in part to the fact that some persons who arrange to take the examination do not show up for it, or some of those who do are not very well prepared for it, and appointments are therefore wasted. However from the beginning of this month evening sessions for examinations have been introduced. I hope that this and other administrative arrangements which are being made with the Director of Marine will cope with the demand.

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).

SECURITIES (AMENDMENT) BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

ROAD TUNNELS (GOVERNMENT) BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

CRIMINAL PROCEDURE (AMENDMENT) BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

MAGISTRATES (AMENDMENT) (NO. 3) BILL 1981

Resumption of debate on second reading (24 June 1981)

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).

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1981

Resumption of debate on second reading (24 June 1981)

Question proposed.

MR. OSWALD CHEUNG:—Sir, I declare an interest in this Bill as director of a company that owns residential accommodation.

18 months ago, when there was a strong imbalance between supply and demand for residential accommodation, the Government appointed a Committee, with wide terms of reference, to look into all aspects of control of rents and security of tenure.

I can say with confidence that the Committee consisted of persons who had no particular bias one way or the other.

Members of the public were urged to submit their views and suggestions, and, as the Report of the Committee verifies, they received an encouraging response from a wide spectrum of the community. Individuals, trade organizations, some specially established for the purpose, and others came forward, and sent in nearly 200 letters to the Housing Branch, the Secretariat and the Rating and Valuation Department, and many expressed their views in the media.

Moreover the Committee formed three sub-groups to interview organizations and individuals who put forward interesting ideas and specific proposals. These have been considered by the Committee and, so far as I am aware, no suggestion or proposal went by default. The Committee also studied a wide range of subjects to get the necessary background information.

Having considered all the representations and sifted the facts, they have produced a report which was thorough, and, in my judgment, impartial.

The Administration in putting forward this Bill has selected to implement those of the Committee's recommendations which are feasible and not unduly disruptive. This is purely an interim measure whilst the main problem is being tackled.

The Committee recognized that it was impossible to make recommendations which would please all sectors of the community; they made a judgment as to what was good for the community as a whole.

In the circumstances and for those reasons, I consider it right that we support the Bill, and I commend it to honourable Members.

MR. S. L. CHEN:—Sir, when the Landlord and Tenant (Consolidation) (Amendment) Bill 1980 was last debated in this Council in January 1980, I made the points that the imposition of a 21% biennial rent increase ceiling was arbitrary and unrealistic and that the protection extended to luxury premises

was unjustified. I am therefore glad to learn that these are being rectified by the Bill now before Council. Although these changes come two years later than I expected, nevertheless it is better late than never.

It is evident that increased supply of domestic accommodation is the only genuine solution to Hong Kong's housing problem. While I welcome Government's announcement that as soon as circumstances permit, efforts should be made to phase out rent controls, I must reiterate here that measures aiming at achieving a balance between the supply and demand of domestic premises should be taken without delay. These should include increases in land supply and public housing production, an expanded home ownership scheme with private sector participation and, if necessary, appropriate anti-speculation actions in the property market.

Turning now to the provisions of the Bill, I would like to comment that while it is practically impossible to arrive at a rate of rent control increase that will be favourably accepted by all, the proposed 30% ceiling is more realistic given the present state of economic conditions. We are told that factors including the bank interest and inflation rates, the nominal average daily wage index and the likely future rates of increase in fair market rents had all been taken into consideration by the Committee of Review in recommending a suitable rent increase ceiling. Although the 30% proposal is slightly below that recommended by the Review Committee, it is still a desirable step in restoring the balance of interests between landlords and tenants. The raising of the percentage ceiling to keep in line with the rate of inflation in general will give landlords and potential landlords a fair deal and subsequently encourage them to let their flats out.

Sir, I do not wish to repeat the arguments against the extension of rent controls to luxury premises which I have outlined in this Council previously. The Committee of Review had made it clear that, and I quote, 'the reasoning behind the exclusion was that Government should seek to intervene only to assist those considered to be in need of protection, namely the middle and lower income groups'. Luxurious flats in my opinion, are just like many luxurious commodities, people who cannot afford them will simply either have to do without or accept a drop in standard. The proposed exclusion of these premises in two stages should, in my opinion, provide sufficient time for those affected to make the necessary adjustments.

One more point that I would like to make on this Bill concerns the repossession of rented accommodation by landlords. In the debate of the 1980 Bill, I suggested that tenants who themselves are property owners should not be given protection against repossession. I am therefore very glad to see that the Review Committee's recommendation that where the landlord offers suitable alternative accommodation under continued protection or where the tenant owns suitable available accommodation, the landlord should be entitled to recover possession of his premises. It is only fair to the landlords that the above circumstances should be included as an additional ground for repossession, and

I would like to urge Government to put this into legislative effect as soon as possible. Moreover I would also like to ask Government to consider extending this principle to public housing sector so that those well-off tenants who are enjoying subsidized public housing and at the same time be fortunate enough to be property owners themselves must be required to vacate their units and to release them to more needy tenants. This is not only in line with the principle that subsidized public housing units should only be provided to the lower income group, but it will also help to a certain extent relieving the high pressure on the demand for public housing.

Sir, I have said in this Council before that rent control legislation should be a temporary measure only and should not be allowed to perpetuate. I am glad that Government has at last proposed a reasonable degree of relaxations. This, in my opinion, is a step in the right direction, and I hope it is just the first step. With these remarks, Sir, I support the motion.

REVD. MCGOVERN:—Sir, in December 1977 and in June 1979, by a lone vote I opposed any relaxation of rent control for post-war domestic premises, and gave my reasons. In winding up the debate in June 1979 the acting Secretary for Housing said 'I believe that Government policies are along the right lines in recognizing the realities of the situation and I think a continuation of these policies is in the long-term public interest'. That was in June. In October the same year on the occasion of the vote of thanks I repeated my side of the argument and stated that we needed more rent control and not less. On that occasion someone must have been listening. Three months later in January 1980 a Bill was introduced which extendedrent control by slapping a blanket ceiling on rent increases of all post-war domestic premises, including those which had been previously excluded.

I do not intend to repeat the arguments put forward in earlier debates. The present Bill has been thoroughly discussed among Unofficial Members and with officials. The media have also extensively aired all sides of the difficult problems involved. I may be prejudiced in favour of my own point of view, but my reading of the predominant segment of public opinion reflected in the media seems to me to be in favour of no relaxation of rent control at this time. That remains my position too.

My reasons, without repetition, are easily gathered together by saying that the situation in housing which in January-February 1980 prompted Government to control all domestic rent increases is still the same today. It could be argued that the situation is worse today than it was then. Our hillsides are covered more thickly than ever with squatters, our rooftop huts are going up from single storey to two or even three storeys. Flats are not available for rent at prices which people can afford.

I therefore agree with Government that now is not the time to phase out rent control. For the same reasons I have to go further and say that now is not the time for any relaxation of rent control. As this Bill is a package with a variety of contents my only way of disapproving of the package of the unacceptable parts of it, is to oppose the whole package.

I agree with the extension of Part II for another two years. I disagree with raising the biennial ceiling on rent increases from 21% to 30%, and I disagree with all the proposed exclusions, especially the exclusion of new premises getting first occupation permits. First lettings of new buildings, and new lettings of old buildings are already excluded under the present law. The further exclusions are both unnecessary and harmful. I predict that just as the situation got out of hand in 1979 forcing the law to include all that had previously been excluded, so too in a short time today's relaxations will have to be included in a further amendment. By that time of course the damage will have been done and rents will have risen to a new high level platform even further out of reach of those who are already paying too high a proportion of their income on rent.

In conclusion, because of the change from 21% to 30% and because of the unnecessary exclusions, and because the housing situation is now at least as bad as it was in 1980, and because the unfair market rent is still as unfair as ever, I oppose the motion.

MR. WONG LAM delivered his speech in Cantonese:—

督憲閣下：隨著觀點與角度的不同，自然有人支持亦有人反對放寬租管，各持己見，全不把對方的利益當作一回事。本人認爲政府在處理這一影響民生極重大的問題時，不必強求市民意見的一致，而應當義無反顧地以本港社會的安定，及大多數市民的利益爲依歸，作出適當的決定。以目前本港的情況而論，全面放棄租管，極有可能引致租金劇烈的波動和迫遷的現象，從而引起社會不定，實在並不適宜。政府有責任爲市民提供適度的租住權保障，使市民因此能夠安居樂業，所以雖然有人以自由經濟的觀點，鼓吹立即全面放棄租管，但本人認爲把租管維持至一九八三年底，不失爲一明智的決定。不過，必須指出的是全面租管絕非長遠之策，因爲這樣必然扼殺商人建屋的意願，從而加速屋荒現象的形成。長遠之策，明顯地在於政府以有效的方法鼓勵商人興建更多樓宇，令供求達至平衡，使市民能夠以合理的價錢，租到屋宇居住。目前的全面租管，不獨使商人興建住宅的意願減低，也使業主不肯隨便租出樓宇，引致「有人無屋住」及「有屋無人住」的畸型現象，肯定並非香港之福。

如今政府提議把一九八一年六月十九日或以後獲發入伙紙的樓宇豁免管制，本人認爲此乃放寬租管非常恰當的第一步，能夠刺激商人興建樓宇的意願，也使業主放心將樓宇租出。另一方面，因爲舊有樓宇仍受租管限制，原有住戶居住權仍獲得保障，故這項提議對民生的影響利多於弊。

至於政府提議准許業主每兩年加租之百分率，由原來的百分之廿一增至百分之三十，本人並不清楚政府以甚麼方法計算出這個新的百分率。當然，不少住戶會感到此百分率過高，而業主則覺得過低。平心而論，部分香港人雖然在衡量本身工資收入時，瞭解到雇主必須顧及通貨膨脹而提高薪金，但在計算各項支出時，往往忽略或不肯承認提供服務者亦受通貨膨脹的影響，而被迫把服務費用提高的事實。在談論租金問題時，部份人士亦有相同的論調，認爲近年來工資的提高應該用來改善其本人生活的享受，業主擁有物業，既然是有錢人，則應當少收租金以免影響住戶生活的水準。本人無意批評這樣看法，因爲冀求提

高個人生活水準，也是自然不過的事。不過，不能忽略的是目前本港只擁有一層或半層樓宇的小業主數目不少，他們同樣地受通貨膨脹的影響，而所購置的樓宇所繳納的是幾乎達到年息二分的分期付款。購置樓宇收租是正當投資之一，而正如其他投資一樣，政府既無責任保障其絕不虧損，也沒有理由規定其不應獲得收益。本人支持政府以安定民生爲理由，來限定業主每年加租不能超過某一百分比，因爲這到底是從本港社會整體安定方面著眼，但認爲這個百分比，因爲實際經濟環境、市面租值及通貨膨脹等因素有相當程度的關連，例如通貨膨脹率只是一位數字時，則每年加租率大抵不應達到兩位數字，又例如真正租金與市面租值相近時，則此百分比更應減少。故此本人認爲這個准許加租的百分比，應該用一套較有系統的方法計算出來，隨便地規限於每年某一百分比而長時間地一成不變，未必是最適當的安排，應當每隔相當時間便因時制宜，向上或下調整，才是較適當的做法。此次政府提議把每兩年加租之百分比提高至百分之三十，未知如何計算得來，很難隨便置評。

最後要提及的，是最高差餉估值的樓宇應否豁免租管的問題，本人認爲政府應同樣地以此舉對民生及本港經濟的影響而作決定。一般普通收入人士，相信沒有能力入住這類樓宇，既已入住這二千餘高差餉估值單位者，自非泛泛之輩，大部分應該有能力，或其僱主有能力，支付較大幅度的租金調整，而不願繼續住此類龐大樓宇者，亦不難找到略小的樓宇來居住，從而避免所謂「貴租」之苦。既然豁免此類樓宇的租管，引致民生波動及影響經濟的可能性不大，故此本人樂於支持政府這方面的建議。

督憲閣下，本人謹此陳辭，支持這項法案。

(*The following is the interpretation of what Mr. WONG Lam said.*)

Sir, through different points of view, it is only natural that some people support rent control whilst some others are opposed to it. Each side insists on their own opinion with complete disregard to the interests of the other side. I think in dealing with such an issue which seriously affects the well-being of the people, the Government need not seek the consensus of the people. It should make appropriate decisions without fear, bearing in mind the social stability of Hong Kong and the interests of the majority of the people. In the present circumstances of Hong Kong, a complete abandonment of rent control could very possibly lead to violent fluctuations in rents and evictions which would precipitate social unrest and is thus extremely undesirable. The Government has the duty to provide suitable security of tenure to the people so that they can live and work happily. In spite of some advocates of doing away all rent control immediately on the ground of free economy, I still think it is wise to maintain the rent control until the end of 1981. However what must be pointed out is that a comprehensive rent control is by no means a long-term solution, because this would certainly kill the incentives of developers to build, thus accelerating the housing shortages. The long-term solution obviously lies in the Government devising ways and means to encourage developers to build more houses in order to achieve a balance, so that people are able to purchase living quarters at reasonable prices. The present comprehensive rent control does not only dampen the incentive of developers, but also makes landlords reluctant to

release their holdings easily. This has given rise to the unhealthy situation where 'some people have no house to live in' whilst there are 'houses which have no people to live in'. This is certainly not to Hong Kong's best interest.

The Government now proposes to exempt houses from control for which occupation permits are granted on or after 19 June 1981. I think this is a very appropriate step towards the relaxing of rent control, and will certainly stimulate the willingness of developers to build more, and allow landlords let out their holdings without worry. On the other hand, as old houses are still subject to rent control, the tenure of the sitting tenants are protected. This proposal will, therefore, do more good than evil to the livelihood of the people.

As to Government's proposal that the rate of increase at which landlords are allowed to raise the rents from 21% to 30% every two years, I am at a loss to understand how Government arrived at this new percentage. Of course many tenants will find this percentage to be too high, whilst landlords find it too low. To be fair, some people in Hong Kong, although in assessing their own wage incomes, realize that employers must raise their wages in view of inflation, nevertheless, in calculating various outlays, often ignore or refuse to recognize that providers of services are just as much affected by inflation and are thus compelled to raise the cost of services. When discussing rent problems, some people show the same reasoning, saying that the increases in wages during the recent years should be devoted to improving their own standard of living, and since landlords who own property are rich people, the latter should receive less by way of rents in order to eliminate the effects on the standard of living of the tenants. I do not intend to criticize this way of thinking, because it is only natural that one seeks to improve his standard of living. Yet owners with title to only one flat or half a flat number by the thousands. They are also subject to the effects of inflation. Their purchases are often financed by mortgages for which they have to bear close to 20% interest per annum. Buying property to derive a rent income is a proper form of investment. As with all other forms of investments, the Government is neither obliged to ensure an absolute profit nor justified in providing that there should be no return to the capital.

I support the Government's proposal to fix a percentage ceiling for rent increases which is conceived with Hong Kong's overall social stability in mind. However the percentage must be in keeping with economic reality, market rents and inflation. For instance inflation at single-digit would never justify double- digit rent increase. Also the percentage ceiling should be reduced when the real rent is approaching the market rent. I am therefore inclined to the view that the permitted percentage should be arrived at by a more systematic method of calculation. It would not be the most suitable arrangement to fix some random percentage and apply it as an immutable rate over a long time. A better way is to revise it upwards or downwards where appropriate at proper intervals. It would be rash of me now to comment on the Government's proposed biennial increase of 30% not knowing how it has been arrived at.

Finally, on the question of whether premises with top rateable values should be exempted from rent control, I think the Government should also make the decision in the light of its possible social and economic impact. Flats under this category number about 2,000 and they are not readily affordable by all and sundry. Most of the tenants, or their employers, should be able to take substantial rent increases in stride. It would not be too difficult for them, should they be unwilling to go on paying exorbitant rents, to find smaller alternative accommodation. Since the social and economic repercussions arising out of exemption of such premises are slight, I am glad to support this proposal of the Government.

Sir, with these remarks I support the motion.

DR. HO:—Sir, the Government is well advised to extend Part II of the Landlord and Tenant (Consolidation) Ordinance for two further years. This decision is consistent with the present social and economic conditions and is in the best interest of the community as a whole.

In extending the life of this legislation, the Government proposed certain amendments. One of these is the exemption from rent control of those domestic premises for which occupation permits are issued on or after 19 June 1981. The arguments for the exemption are to encourage developers to produce more flats for the rental market and to induce owners of new premises to let out their flats and subsequently to bring about a stabilizing effect on the present rental levels. However, I have great doubt about the rent stabilizing role of this exemption provision.

In a free market, the price of a commodity is to a great extent determined by the forces of supply and demand. Statistics in the Report of the Committee of Review showed a shortfall in housing of about 204,000 flats in 1980 (page 37). This shortfall will still remain at a high level of 137,000 in 1985 (page 217). Given housing shortage of this magnitude, it is very unlikely that rents for domestic accommodation can be stabilized in the near future despite an improved supply that may result from this decontrol measure. Instead, the great discrepancy between the supply and demand in housing, coupled with the absence of rent control for newly completed premises will tend to set the movement of domestic rents upwards.

Furthermore, the proposed exemption of new premises will create two different categories of private rented accommodation unnecessarily. While sitting tenants continue to enjoy protection and security of tenure, tenants of the exempted premises will simply live at the mercy of their landlords. Some avaricious landlords may take advantage of the unbalanced situation of supply and demand in housing to impose ever-increasing rents on their tenants when their leases are due for renewal. This will seriously affect the security of their accommodation on which their peace of mind largely depends. In the end, a proportion of the tenants in these unprotected premises will find themselves unable to afford the rents demanded and may be forced to squat. They will

exacerbate the situation of public housing and will put undue pressure on the Government to accelerate its building programme beyond its capacity.

Given the fact that supply perpetually lags behind demand, removal of rent control for new premises will enhance the speculative appeal of these properties. It is therefore not unreasonable to expect speculative activities to become intensified. However, the Government did not make any attempt to curb speculation in this review exercise. As a result, the end-users of domestic accommodation will be victimized.

In the light of the above discussion, I would therefore suggest that the Government should seriously reconsider applying the biennial 30% rent increase ceiling to newly-built premises after the fresh or first lettings. Given the fact that the level of demand for domestic accommodation will continue to be high for several years and fresh or first lettings are free from any rent control, developers should have adequate incentives to build for rental or selling purposes.

Sir, I hope that the concern expressed by various sectors over this piece of legislation will be seriously taken into consideration.

MR. ALLEN LEE:—Sir, I live in my own flat, I do not own any other flat nor am I a tenant who has to pay rent to a landlord. Therefore, in reviewing the Landlord and Tenant (Consolidation) (Amendment) Bill 1981, I do not really have an interest to declare. I consider a roof over one's head as a necessity in life, however, in Hong Kong, people like myself consider it as a luxury to own a flat. I praise our Government which I believe during the past years has done its very best to provide as many flats as possible to enable the less privileged people to live in decent accommodations instead of squatters. Unfortunately, due to the rapid increase in population, we still have many residents living in not so desirable environments. Even though the public housing programme is vividly pursued, the housing problem will still be with us for a long time.

I am somewhat surprised after only 18 months of the introduction of the existing legislation on rent control, it needs to be changed. Some of my colleagues may recall during the last round, the bosses of the land developing companies swamped the U.M.E.L.C.O. Office and gave various justifications why rent control should not be introduced. However, after the current rent control legislation came into effect, during 1980 all the land developing companies recorded their highest profits in history and their stocks soared to an all time high recently in the Hong Kong Stock Exchange. What a strange phenomenon! Who is being hurt by rent control? Certainly it cannot be the land developers. I often ask who can afford to purchase a medium size flat at the current market value. People earning an income of $10,000.00 per month would have a hard time paying for the down payment. Needless to say, at the current interest rate, very few can afford to purchase a flat, therefore they have to rent a place to live. What is wrong with the current rent control scheme? Why raise the maximum allowable increase from 21% to 30% biennially? Is Government

projecting the inflation rate for the next two years at 14% per annum? Since landlords can ask for the fair market rent in the first letting, why are there so many empty flats in the private sector? I can only come to the conclusion that it is not a problem of supply and demand in the private sector. It has nothing to do with rent control nor security of tenure. It is simply the price to either rent or purchase is too high. I believe these empty flats are in the hands of developers and speculators. If any legislation is needed, it is to legislate against people who leave the flats empty and to discourage speculation activities.

I had the opportunity of joining the Legislative Council Housing Panel which was convened by Father MCGOVERN. On two occasions, I have put several questions to the representatives merely to seek their opinion on rent control and it turned out that their opinion is the same as mine. I cannot suport the proposed rent increase from 21% to 30% biennially because it concerns the interest of the general public. I respect the findings of the Review Committee, however I feel personally it is not necessary at this point in time to amend the current legislation. With due respect to our Senior Member Mr. Oswald CHEUNG, I hope my colleagues will consider my remarks.

MR. SO delivered his speech in Cantonese:—

督憲閣下：本人曾經重溫政府提出「一九八〇年業主與住客（綜合）（修訂）法案」時的背景及當時社會人士所提出的贊成與反對的理由，又細讀「業主與住客(綜合)條例檢討委員會」二百六十九頁的英文版本報告書，和研究社會各方面對現在所辯論的法案的意見後，覺得以目前屋荒和土地荒仍然存在的情況下，就社會整體利益而言，修訂租務管制｛A「使有關階層的利益獲得合理均勢」，乃屬權宜之計，有操之過急的弊端，一旦付諸實行，將產生連鎖反應，影響基本民生。故本人認爲「一九八〇年業主與住客（綜合）（修訂）法案」應原封不動，再實施最少兩年，使一般的住客，包括在本港投資的外商在昂貴的租金壓力下，有較長的喘息機會。

若謂放寬租管可吸引一些業主將其樓宇租出，則無疑是縱容囤積居奇的投機者。權宜之策一般都不是上策，既然大家都瞭解問題最終的解決辦法，就是增加土地供應和樓宇的產量，便應積極從這方面着手工作。

本人並無資格建築樓宇，連買樓的經驗也沒有，但聞說目前一般樓宇的成本，地價佔了八成，材料和人工只佔其餘二成。此說若然屬實，則政府必要徹底檢討高地價的政策，免被指爲「只許州官放火，不許百姓點燈」。

督憲閣下，本人謹此陳辭，反對本法案內所作放寬租管的條文。

(*The following is the interpretation of what Mr. SO said.*)

Sir, I have reviewed the background in which the Government presented the Landlord and Tenant (Consolidation) (Amendment) Bill 1980 and the pros and cons expressed by the public then. I have also read carefully the English version of the 269-page Report of the Committee of Review, Landlord and Tenant (Consolidation) Ordinance and studied the views of various sections on the Bill which is now before this Council. After all these efforts, I feel that in view of the current shortage of both housing and land and in the overall interest of the community, amending rent control to 'attain a reasonable balance on the benefits of the sectors concerned' is only an expediency which has the

disadvantage of rashness. If it is implemented, a chain reaction will be set off, resulting in the basic livelihood of the general public being adversely affected. SO I think the Landlord and Tenant (Consolidation) (Amendment) Ordinance 1980 should remain as it is for at least two more years. This will give a longer breathing-space to tenants, including foreign investors in Hong Kong who are under great pressure of high rent.

If it is argued that relaxation in rent control will encourage landlords to let out premises, then we are actually giving a free hand to speculators who have been manipulating the market. Expedient measures are bad measures. Since everybody knows that the ultimate solution to the problem is to increase land supply and house production, we should work positively in this direction.

I am no estate developer. Nor do I have the experience in buying a flat. However, I have heard that land cost now constitutes about 80% of the price of a flat, whereas materials and labour take up the remaining 20%. If this is true, the Government should review its high land cost policy thoroughly, so as to avoid being labelled as a government which permits itself to uphold high land costs but does not allow landlords to increase rents.

Sir, with these remarks, I oppose the motion.

MR. BROWN:—Sir, rent control is a subject which demands the careful deliberation. The pros and the cons of such controls were debated at great length in this Council in January and February last year, and many of the arguments put forward on that occasion have been recapitulated today. As a late speaker in this debate I do not intend to waste Members' time by repeating what has already been said, but I must add my voice to those who believe that it is normally futile, and damaging to the growth rate of an economy, to allow the operation of market forces to be frustrated.

Notwithstanding this belief I recognize that there are times when rent control must be tolerated on social grounds whilst the root causes of our housing problems are being tackled. It is not possible to divorce consideration of rent control from our housing and land policies and in this connection I would observe:—

First: Our housing problems are not likely to be resolved within the nexttwo years and it would be naive to believe that these temporary measures will not require further extension. If complete decontrol is not going to be possible for some time, then it is even more necessary to adjust the system at each extension to slow down the rate at which controlled rents fall behind market rents, and to encourage developers to maintain production and place flats on the rental market. The importance of this is illustrated by the fact that controlled rents today only average about 40% of market rents—and the percentage is only 20% in the case of pre-war premises. In March 1980 of the 620,000 households in private housing 311,000, or about 50%, were tenants, and the important role played by the private landlords in our overall housing situation is self evident.

Secondly: I think we are all agreed that our main effort must be directed at assisting the middle and lower income groups, and it is encouraging that the reconvening of the Working Party to review the Home Ownership Scheme, envisaged in the budget speech, has now taken place. In the expansion of this scheme lies one of our best hopes for solving the problems of the middle class within a reasonable time frame, and it is perhaps pertinent to note that the financial community will need to support this scheme on a much larger scale than hitherto. It is to be hoped that the many new financial institutions in the market will come forward to join the established banks in backing the Home Ownership Scheme, and thus illustrate their long-term commitment to the community from which they all derive much profitable business.

Thirdly: On the subject of land I would make two points. Although it sounds attractive to suggest that cheap land be made available to reduce the cost of housing (actually any such subsidy would more likely finish up as additional profits in the pockets of developers) it should not be overlooked that in the period upto 1985 Government expenditure on capital account will be largely financed by the revenue yield from land sales. Any significant reduction in the price of land must result in expenditure on capital account becoming more dependent on the surplus on recurrent account. The consequences to our tax structure and growth rate would be severe.

The second point relates to the role of the private sector and I hope the recommendation of the Special Committee on Land Production that the role of the private sector should be examined more closely will be taken seriously and lead to positive results. There is obviously a need to balance the desire of the private sector for profits and the responsibility of Government to protect the public interest, but if the will exists this can surely be achieved.

Sir, I do not like rent controls, nor do I like to see so many of our community suffer from housing problems. The Bill before us does not please everyone, but it is in my view a sensible attempt to balance the interests of all concerned whilst the problems are still being tackled. It is for this reason, Sir, that I support the motion.

MR. CHAN KAM-CHUEN:—Sir, I rise to support the Landlord and Tenant (Consolidation) (Amendment) Bill 1981.

Before commenting on this Bill, I wish to take this opportunity to congratulate the Chairman and his Committee of Review for the thoroughness of their report and the wealth of information contained therein.

It brought back to me vivid memories of the housing shortage which Hong Kong suffered even before the war. This shortage became acute whenever war drove large numbers of refugees across our border. Since childhood, I learned of such terms as shoe money, key money and construction money. These were commissions or premia which one had to pay for a roof over one's head.

After the war, the situation was no better as quite a number of houses were destroyed by bombing and shelling. Up to the 1950s I had to share a small cubicle of 70 sq.ft. with a friend, and owing to harassment, had gone through all the time-consuming processes of the Tenancy Tribunal, the Police and the District Court. Finally with some savings I managed to buy my first flat. To plan for my retirement, I even bought a second flat but on learning that there would be rent control on post-war premises, I subsequently sold both of them as I did not want my investment to be frozen and controlled (*laughter*). At present I have no personal interest to declare on domestic premises as my residence is subsidized by my employer. With these varied experience, I share the feeling of a wide spectrum of conflicting interests on this issue.

The Landlord

There is always the extreme view in some countries that the landlord is a parasite of society. This might be true in the days when a landlord might hold large pieces of land and either left them unproductive or exploited their tenant farmers to the detriment of society.

Let us take a look at the landlords (or landladies as they may be the majority due to longevity) (*laughter*) in Hong Kong.

For *pre-war premises,* both corporations and individual landlords usually own the whole building instead of individual flats. Because of unrealistic controlled rents, most of these buildings were demolished and redeveloped into uncontrolled premises at that time and tenants were given adequate compensation. For those landlords owning controlled pre-war premises which constitute a 2% minority of the total private domestic stock, over 30 years of rent control has made some died with regret.

For *post-war premises,* corporations usually own buildings and flats in the upper rental bracket and their tenants are generally employees of multi-national firms or governments. In the late 1950s, Chinese tenement flats of about 500 sq. ft. and under $8,000 which could be paid by instalments with quite low interest rates appeared on the market. This opened up an opportunity for man of small means to own property. In fact, this new group of landlords mainly consisted of employees like their tenants such as technicians, clerks, blue collar workers and domestic servants. Of course, there were also hawkers and the self-employed. Those who jumped on this bandwagon were workers who followed faithfully the old Chinese virtues of diligence and thrift and had some savings for the downpayment. Then followed several years of compulsory savings to achieve their goal. As not many workers in Hong Kong are fortunate enough to have a pension or gratuity when they retire, buying a small flat or two with savings from a whole life time of work would ensure shelter and living expenses when old age compel them to retire.

In 1980, there were 460,500 units of domestic premises in the private sector and 258,000 owners, averaging 1.8 units per owner. This is a good even spread

of private property ownership and the allegation that most private property is in the hands of a small number of rich people is a myth.

Landlord is therefore too glorified a name for these owners of one or two flats who are entitled to only 1/x hundredths of the land on which the building stands. Furthermore, due to the fragmentation of ownership of the building and land, it is very difficult for a developer to get consent from several hundred flat owners of a building to sell it for demolition and redevelopment unless it became a dangerous building. Rent control may be unlimited but these owners' lives and leases are limited.

A piece of legislation is only good when it is fair to all parties as far as possible.

The Tenants

The tenants of the upper rental bracket are usually subsidized by multi-national firms or governments. There is no sound economic reason why Hong Kong's corporations or individuals should subsidize them. There are many management techniques in budgetary control which can be used to cut down expenses, e.g. employ more local staff, rent a slightly smaller flat or build their own estates. Even as late as 1974, they could almost buy a flat with a year's rent which they are now asked to pay in the free market. This opting out is either due to a policy of not planting their roots in Hong Kong or a lack of understanding of the strength of the property market in Hong Kong.

There are pros and cons in setting up one's business in Hong Kong but on weighing all the factors, one would find Hong Kong a better place, especially if one trades with China. There is no other place in the world geographically located to give the best of two worlds. The rent factor is seldom a decisive factor by itself and the 'invisible' queue of corporations from other countries to set up business here is long and I regret that only the fittest survives. Conversely, if business opportunities here are not good, would businessmen come here even if we reduce our existing run by half? In fact, decontrol of luxury and new premises may help to increase the supply and stabilize the rental levels so that time may again be right for purchases.

According to the Report of the Review Committee, private rented accommodation provides 311,000 households with home and shelter, affecting about 1.2 million people, most of whom are in the lower rental bracket. For this group of tenants, security of tenure is more important for the time being.

As earnings of employee-tenants have made actual gains above inflation, I believe that employee-landlords should be given a fair deal having regard to rampant inflation caused by the oil crisis. Otherwise, their loaf of bread would be reduced into slices and then to crumbs on retirement.

It is of interest to note that in most workplaces, one can find examples of early flat owners who are colleagues with medium or lower pay. Those on higher pay but still without their flats should ask themselves the soul searching question of where their income had gone. The presumption that tenants are of lower income than flat-owners is not necessarily true.

Rent Control

A total vacancy of 17,000 flats at the end of 1980 and the demolition of a new and unoccupied building just for the sake of changing from domestic use to commercial use show that rent control is against human nature and investment principles resulting in a dwindling supply of rental accommodation.

Rent control only benefits the sitting tenants in providing them with security of tenure and a rent lower than the fair market rent. To those who doubt the fairness of the 'Fair Market Rent', they are advised to enquire on the asking rent of a similar flat which is in the same building or estate.

The piecemeal and incoherent nature of the present rent control legislation leads to the illusion that if one holds on to something which one does not rightfully own, in this case, tenants of protected premises, one could manage to get some advantage or compensation out of it. Hence unnecessary confrontations are created between landlords, principal tenants and tenants and these add unnecessary load to the work of all parties concerned.

My view is that rent control is justifiable for small flats in the short term to stop step increases in rent owing to sudden increase in demand. In the longer term, it is justifiable after the war as a means to ask landlords to help the public in rehabilitation. But this should be phased out when people are employed and the economy started to take off.

In conclusion, I believe that the final solution to our housing problem is the building of more public housing and home ownership flats rather than rent control which should be phased out as soon as possible taking the socioeconomic factors into consideration. Luxurious flats as well as new domestic premise should be decontrolled. Otherwise the phasing out of rent control in ten years would be a runaway target.

Sir, with these remarks, I support the motion.

SECRETARY FOR HOUSING:—I should like to thank those Members who have spoken on this Bill and for Mr. CHAN's kind words for the Committee of Review. Their speeches summarize the wide divergence of views held on the subject of rent control, and demonstrate once again how difficult it is to strike an acceptable balance between conflicting interests. But all, I am happy to note, support the main provision in the Bill, which is the extension of the basic rent control mechanism for most post-war premises for a further two years, until December 1983.

In imposing rent controls the Government has always considered them essentially a temporary measure, and that as soon as circumstances permit they should be phased out. It is important, as Mr. BROWN has pointed out, that periodically, during the life of our rent control legislation, amendments be made to ensure that eventual phasing out remains a realistic long-term objective. If rents for premises under control are allowed to fall too far below market rents for too long, the social consequences of closing the gap at a later date will render difficult, or even impossible, any move in that direction. The results of too rigid a system of control are to be seen in the state of many pre-war buildings in Hong Kong, and in the urban decay that is so characteristic of some cities where insufficient regard has been paid to the long-term consequences of rent control.

Maximum Permitted Increase

Father MCGOVERN and Mr. LEE disagree with the raising of the biennial ceiling on rent increases from 21 per cent to 30 per cent. I have already pointed out the disadvantages of allowing controlled rents to fall too far behind market rents, and when I last addressed this Council I pointed out that if no adjustment is made, the level of controlled rents relative to market rents would continue to decline. Mr. WONG Lam queried the choice of 30 per cent as the new maximum permitted increase. The raising of the percentage ceiling to 30 per cent is not expected to narrow this gap within the foreseeable future—unless there is a significant falling off in the rate of increase in market rents—but it is hoped that it will cause the relationship between the two levels of rent to stabilize somewhat.

Here, perhaps, it will be useful to look briefly at the maximum increases permitted under previous post-war rent control legislation. In 1963 the maximum permitted increase was set at 10% biennially, and remained at this level until 1966 when the controls were allowed to lapse. In 1970, when rent control was reintroduced the limit was set at 15%, subsequently raised to 21% in 1973, and this has remained unchanged to date.

I believe it is also important to appreciate how this proposal relates to current market rent. For example, as the rent for a typical controlled premises now stands at about 35% of market rent, the raising of the maximum increase from 21% to 30% will mean that, *at the next increase*, the rent may be raised to 45.5% of the market rent instead of 42.3%. In dollar terms, if a controlled rent is $1,000 where the market rent is about $2,800, the new rent, with the maximum increase, will be $1,300, rather than $1,210.

New Buildings

Father MCGOVERN, Dr. HO and Mr. SO have spoken against the exclusion from Part II controls of premises in buildings issued with an occupation permit after 19 June this year.

I believe it is generally accepted that the only long-term solution to the problem of high and increasing rents is the production of more housing for the rental market. The most recent relevant statistics on construction of private housing are far from encouraging. In the first six months of 1980 the number of units in new private residential building projects with consents to commence work was almost 18,000. The figure for the same period this year was just over 13,000 units—a drop of nearly 27%. Although the reasons for this drop cannot be pinpointed it is clear that every opportunity must be taken to remove possible constraints on the production of new flats. Similarly, every encouragement must be given to the owners of new flats to put them on the rental market, and the best incentive is surely their removal from the ambit of the rent control legislation.

Luxury Premises

Although no Member has spoken specifically against the two-stage exclusion from control of premises with very high rateable values, there has been a great deal of publicity surrounding this aspect of the proposals, and I think it right that I should speak briefly in this regard.

The most relevant statistics which I can quote are the actual supply of large units—that is those with a covered area of 160 square metres and more—over the past ten years, and the forecast for this year and next. The average annual production of such large flats from 1971 to 1980 was 608 units. This year the forecast is that 1,455 will be produced, next year a further 1,635, and present indications are that the higher output of large units will continue. Clearly, production of well over twice the number of large units as in previous years must have a retarding effect on the upward movement of rents for such premises; but it must also be pointed out that the trend is for more such flats or houses to be built in what used to be considered 'outlying areas', and that if prospective tenants are to benefit from more favourable rents then they must be prepared to live in the New Territories rather than in the traditional luxury housing enclaves of Hong Kong Island.

Security of Contractual Tenancies

Much of the public comment since this Bill was published demonstrates a widely held misconception that all tenancies of flats with a rateable value of $80,000 or more will cease to have any form of protection with effect from 19 December. This is certainly not the case. Clause 9 of the Bill specifically protects existing contractual tenancies, and clause 12 provides that the minimum of six months' notice to quit such premises cannot be served before 19 December 1981.

There has hitherto been some doubt as to whether the statutory grounds for possession apply during the term of a contractual tenancy. A further effect of clause 9 is to make it clear that they cannot, so that if a landlord wishes to recover possession on any of the grounds specified in section 53(2), he can only do so after the expiry of an existing lease.

The Lands Tribunal

In his speech Dr. HO expressed concern for the position of tenants of premises to be excluded from the legislation, and on this point too there has been widespread public comment.

This concern is shared by Government, and thus, in introducing this Bill I stated that priority will be given to the examination of the recommendation of the Committee of Review that the jurisdiction of the Lands Tribunal be expanded to provide for mediation between landlords and sitting tenants of such premises, and that it is the intention that proposals in this regard shall be presented to this Council by the end of this year.

Although this recommendation of the Committee of Review, and the exact nature of the powers to be conferred on the Lands Tribunal must clearly be carefully considered, in outline the proposed system will be designed to ensure that normally any sitting tenant of a premises excluded from the rent control legislation will be entitled to a further tenancy at the expiry of his contractual tenancy *provided* he is prepared to pay a fair market rent. It will be the task of the Lands Tribunal, within guidelines to be provided by the Legislature, to determine what that rent should be in cases where no agreement is reached between landlord and tenant.

The Rent Officer Scheme

In an area so complex as rent control legislation, it is incumbent on the Government to ensure that the fullest possible information is available to all those affected. To this end the Rent Officer Scheme was introduced in April 1978. The service has recently been expanded so that Rent Officers now attend all ten City District Offices for one half-day each week, and also attend to give advice at the Kwai Chung and Tsuen Wan Town Management Offices.

Although during the period from April 1980 to March this year Rent Officers gave advice in response to over 26,000 enquiries, clearly there is scope for expansion of the service, particularly in its mediatory role, and this too was recommended by the Committee of Review. The Rating and Valuation Department is moving ahead with plans to increase the number of officers available to give advice, but any expansion will depend on the department's ability to recruit more staff of the right calibre for this important work.

Four Members have referred to the harmful effects of speculation on the domestic property market.

In early 1980, following the introduction of the present rent control legislation, it was noted that the excessive speculation that had characterized the market in the previous year had diminished. The Government will continue to keep the situation under constant review, and if at any time it is considered that there is a harmful resurgence of speculative activity appropriate measures will be taken to counteract this.

Mr. CHEN referred to one of the recommendations of the Committee of Review concerning additional ground for possession of rented accommodation. I can assure Mr. CHEN that this and a number of other recommendations will be examined further and his suggestion that the principle be extended to the public sector will be put to the Housing Authority.

Future Housing Supply

I should like to end this address by referring to the points made by Mr. BROWN, Mr. CHEN and Mr. SO, and also figuring largely in public debate on this issue, regarding the future supply of land and housing.

Production of public housing, both for rental and for home ownership, has reached a record level of 35,000 flats per annum and this will not only be maintained but will be increased when possible. It is also intended that additional flats will be produced by expanding the Private Sector Participation Scheme, and sites are now being identified to increase production through this arrangement.

The report of the Special Committee on Land Supply indicates that there will be a steady supply of sites for private high density housing over the next few years, and it goes without saying that a continued high level of production by the private sector is vital to meeting the housing needs of Hong Kong's people.

Mr. SO suggested that in general land accounts for 80 per cent of the cost of a flat. This certainly is not borne out by analysis of a number of recent flat sales, which shows that the cost of land accounts for well under half the cost of flat production. As Mr. BROWN pointed out, if land were in some way to be made available more cheaply, the end result would probably be additional profit in the pockets of developers.

Sir, in speaking at such length I hope I have been able to provide adequate answers to those Members who have expressed doubts on various aspects of the Bill, and that I have managed to correct some of the more widely held misconceptions regarding the Government's proposals. I should also like to thank those members of the public who have provided valuable information and views since the Government's proposals were first announced in May.

Sir, I beg to move.

(At this point, the Secretary for Social Services, Mr. F. W. LI, Dr. Harry FANG, Mr. Francis TIEN, Mr. S. L. CHEN, Miss Lydia DUNN, Mr. Peter C. WONG, Mr. Charles YEUNG and Mr. F. K. KU declared their interests.)

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).

(6.00 p.m.)

THE ATTORNEY GENERAL:—Sir, I see it is six o'clock; so that to-day's business may be concluded, subject to your consent, I move under Standing Order 68 that Standing Order 8(2) be suspended.

Question put and agreed to.

Committee stage of bills

DISTRICT BOARDS BILL 1981

Clauses 1 to 5 were agreed to.

Clause 6

SECRETARY FOR HOME AFFAIRS:—Sir, I move that clause 6 be amended as set out in the paper which has already been circulated to honourable Members.

Proposed Amendment

Clause 6

That clause 6(1)(e) be amended by deleting sub-paragraph (ii) and substituting the following—

'(ii) such number of appointed members of the Urban Council, nominated by the Council, not exceeding the maximum number of persons who could be elected in the District for which the Board is established as members of the Urban Council, while holding office as such appointed members.'.

The amendment was agreed to.

Clause 6, as amended, was agreed to.

Clauses 7 to 10 were agreed to.

Clause 11

SECRETARY FOR HOME AFFAIRS:—Sir, I move that clause 11 be amended as set out in the paper circulated to Members.

Proposed Amendment

Clause 11

That clause 11 be deleted and replaced by the following—

'Acceptance of office by certain members.

(of 1981.)

11. (1) An elected member or a member appointed under section 6(1)(c) shall not act as a member unless he has notified in writing to the Designated Officer his acceptance of office and the notice has been delivered to that Officer within 30 days after—

(a) in the case of an elected member, the publication of the declaration of his election in the *Gazette* under the Electoral Provisions Ordinance 1981; or

(b) in the case of such appointed member, the date of his appointment under section 6(1)(c).

(2) If such notice is not delivered to the Designated Officer in accordance with subsection (1)—

(*a*) in the case of the elected member concerned, his election shall thereupon be void and the Designated Officer shall by notification published in the *Gazette* declare his office to be vacant; or

(*b*) in the case of the appointed member concerned, his appointment shall thereupon be void.'.

The amendment was agreed to.

Clause 11, as amended, was agreed to.

Clauses 12 to 26 were agreed to.

Clauses 27

SECRETARY FOR HOME AFFAIRS:—Sir, I move that clause 27 be deleted.

Proposed Amendment

Clause 27

That clause 27 be deleted.

The deletion was agreed to.

Clause 28 was agreed to.

ELECTORAL PROVISIONS BILL 1981

Clauses 1 to 44 were agreed to.

URBAN COUNCIL (AMENDMENT) (NO.2) BILL 1981

Clauses 1 to 16 were agreed to.

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) BILL 1981

Clauses 1 to 5 were agreed to.

SHIPPING AND PORT CONTROL (AMENDMENT) BILL 1981

Clauses 1 to 15 were agreed to.

SECURITIES (AMENDMENT) BILL 1981

Clauses 1 to 2 were agreed to.

ROAD TUNNELS (GOVERNMENT) BILL 1981

Clauses 1 to 21 were agreed to.

Schedule was agreed to.

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS)(AMENDMENT) BILL 1981

Clauses 1 to 2 were agreed to.

CRIMINAL PROCEDURE (AMENDMENT) BILL 1981

Clauses 1 to 4 were agreed to.

MAGISTRATES (AMENDMENT) (NO. 3) BILL 1981

Clauses 1 to 10 were agreed to.

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1981

Clauses 1 to 4 were agreed to.

Clause 5

SECRETARY FOR HOUSING:—Sir, I move that clause 5 be amended as set out in the paper circulated to Members.

Clause 5(i) provides that, where a person acquires tenanted premises, the court shall not make an order for possession to take effect earlier than 12 months from the date of acquisition. The amendment now proposed seeks to ensure that this provision shall not apply to persons who have entered into an enforceable contract to acquire tenanted premises before 19 June 1981. In such a case, the six-month stay of execution will however apply.

Proposed Amendment

Clause 5

That clause 5 be amended in the proposed new subsection (4)—

(*a*) by adding immediately after paragraph (*a*) the following—
'(*b*) Sub-paragraph (i) of paragraph (*a*) shall not have effect in relation to a case where a person entered into an enforceable contract to acquire the right mentioned in that paragraph before 19 June 1981; and in that case sub-paragraph (ii) of paragraph (*a*) shall apply.'; and

(*b*) by relettering paragraph (*b*) to be paragraph (*c*).

The amendment was agreed to.

Clause 5, as amended, was agreed to.

Clauses 6 to 14 were agreed to.

Third reading of bills

THE ATTORNEY GENERAL reported that the

ELECTORAL PROVISIONS BILL

URBAN COUNCIL (AMENDMENT) (NO. 2) BILL

PUBLIC HEALTH AND URBAN SERVICES (AMENDMENT) BILL

SHIPPING AND PORT CONTROL (AMENDMENT) BILL

SECURITIES (AMENDMENT) BILL

ROAD TUNNELS (GOVERNMENT) BILL

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL

CRIMINAL PROCEDURE (AMENDMENT) BILL and the

MAGISTRATES (AMENDMENT) (NO. 3) BILL

had passed through Committee without amendment and that the

DISTRICT BOARDS BILL and the

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL

had passed through Committee with amendment and moved the third reading of each of the Bills.

Question put on each Bill and agreed to.

Bill 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, 22 July 1981.

Adjourned accordingly at nine minutes past six o'clock.