



DAILY INFORMATION BULLETIN

Wednesday, June 6, 1973

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TEMPORARY RENT FREEZE ON UNPROTECTED DOMESTIC PREMISES

Longer-Term Measures Being Drafted

A temporary standstill is to be imposed, as from tomorrow (Thursday), on rents for all post-war domestic premises which are not covered under the existing rent control legislation.

The measure is contained in the Domestic Premises (Tenure and Rent) (Temporary Provisions) Bill 1973, which passed all three readings in the Legislative Council today.

In effect, the introduction of the new holding legislation -- coupled with the existing Rent Increases (Domestic Premises) Control Ordinance, which was introduced in 1970 -- means that all domestic tenants are now protected against exorbitant rent increases.

The new legislation is designed as a temporary measure pending the introduction of longer-term measures, probably next month.

The new law stipulates that a domestic tenant cannot, in normal circumstances, be evicted nor can his rent be increased, notwithstanding any agreement to the contrary.

It also introduces new penal provisions to deal with landlords who demand or receive rent in excess of that which is legally payable at the commencement of the Ordinance. A landlord on conviction may be liable to a fine of \$4,000.

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The new law applies only to existing tenancies and does not affect lettings of vacant premises or new premises. These will be subject only to the Tenancy (Notice of Termination) Ordinance, under which a landlord must give six months' notice when seeking possession.

Tenancies coming within the existing rent control ordinance will continue under such controls until the introduction of the proposed longer-term measures.

This means that tenants will still have the security of tenure provided by the Rent Increases (Domestic Premises) Control Ordinance, but landlords will be able to obtain the increases in rent provided for in this Ordinance, (i.e. a "fair increase" having regard to the "norm" of 15 per cent, or the five per cent increase provided for in the 1972 amendment).

These increases provide security of tenure and protection against further increases for a period of either two years or one year respectively, from the date the increase takes effect. The new legislation takes this into account.

Longer-Term Measures

Meanwhile, comprehensive longer-term measures are now being drafted and it is hoped to introduce a Bill into the Legislative Council next month. The Bill will not, however, be implemented until later this year.

It is intended that the proposed measures will apply to all post-war domestic premises which are in existence when the Bill comes into force.

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However, premises newly completed when the Bill takes effect will be excluded from controls for a period of three years. This is to encourage new developers to obtain a reasonable return on their investment.

The rent control formula will be so designed as to enable it to be extended beyond the three year period, if necessary.

A three-man independent rent tribunal will be set up to review upon application by either a tenant or landlord any increase determined by the Commissioner of Rating and Valuation.

It is envisaged that the first rent, following the legislation, of premises not previously let (such as recently completed vacant premises and owner-occupied premises) would not be restrained in any way, but increases thereafter would be controlled.

In the case of a fresh letting of existing premises previously let, the rent would not be allowed to exceed the fair market rent as assessed by the Commissioner of Rating and Valuation.

No increases in rent, except by agreement, would exceed 10 per cent per annum, and this would be subject to an assessment by the Commissioner.

Under the proposed measures, a landlord seeking an increase in rent would have to apply to the Commissioner, who would make an assessment of the fair market rent which would be on the lines of an up-to-date rateable value.

The increase permitted would then be calculated by dividing the difference between the existing rent, exclusive of rates, by a factor of "5", subject to a maximum increase of 10 per cent per annum (or 21 per cent over two years).

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The following tables illustrate how the calculations would be made.

Tenement floor controlled under existing legislation:

Assessed fair market rent:	\$575
Existing controlled rent :	<u>\$290</u>
Divide by factor	: $5/285 = \$55$ (rounded off)

Similar tenement floor let at the end of 1972

Assessment fair market rent:	\$575
Existing rent:	<u>\$500</u>
Divide by factor:	$5/75 = \$15$
Increase per month:	\$15

Each such increase allowed would subsist for two years. If no increase is allowed, the landlord would be allowed to apply again in one year.

Increases in rent of sub-tenancies would generally follow increases in the rent of the head-tenancy.

Both the landlords and the tenants would have a right, subject to payment of a small fee, to ask the independent tribunal to review the increase allowed.

It is also proposed to tighten legislation generally, including introducing provisions to oblige a landlord to issue a receipt for rent.

It is also envisaged that conditions under which landlords can obtain possession for their own or family use, will be made more stringent.

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LONG TERM MEASURES FOR LETTING PRIVATE DOMESTIC ACCOMMODATION

A new scheme will be introduced later this summer to provide for "moderate and acceptable" increases in rent in return for security of tenure.

This was announced today in the Legislative Council by the Acting Colonial Secretary, the Hon. M.D.A. Clinton, when moving the second reading of the Domestic Premises (Tenure and Rent) (Temporary Provisions) Bill 1973.

The bill is designed as an interim measure and imposes a temporary freeze on rent increases for all domestic premises, pending the introduction and implementation of substantive legislation later this year.

The provisions of the bill apply to all domestic tenancies and sub-tenancies no matter what their rateable value and irrespective of written agreements which purport to exclude the provisions of the bill.

Commenting on the longer-term measures to be introduced later this year, Mr. Clinton said they were designed to bring about "a more orderly and generally acceptable framework for the letting of private domestic accommodation."

In particular, rents which had been controlled at a low level would be able to move towards a "fair market rent" at a faster pace than those which were closer to market levels, he said.

He explained that, despite new construction, rents for property not subject to the restraints of the 1970 rent controls had moved upwards during the last two years and, in some cases, had "skyrocketed to absurd heights."

"On the other hand, rents of premises which are controlled by the 1970 Rent Increases Control legislation have been held down, in some cases, to unrealistically low levels."

Last year, he went on, there were indications that the supply of flats was catching up with demand, and it was hoped that by the time the existing rent control expired the situation would have stabilised.

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However, far from having stabilised, "an even larger gap exists between controlled and free rents," he said.

There were several factors for this -- money supply, wage levels, changing social patterns, the popularity of Hong Kong as a base for commercial operations in the Far East, and pressure on accommodation required for the professional and technical staff needed for Hong Kong's development schemes and the expanding economy.

Mr. Clinton said the gap between free and controlled rents now was about 80 per cent for tenements, 150 per cent for small flats and as much as 200 per cent or more for large and medium flats.

"In other words, the effect of controlling some premises only at a time when demand has outstripped supply has forced rents in the free sector to exorbitant levels."

To prevent this from happening again, he said, it was necessary to bring all existing post-war domestic premises within the ambit of the legislation.

Mr. Clinton outlined two points which he regarded as important and fundamental to the scheme of control which it was proposed to introduce later this year.

These were the supply of more land for private housing and the necessary encouragement to developers to continue building.

Even the government's massive programme to provide subsidised homes for more than one and a half million people in the next 10 years would not be enough, he said.

Outside the limits of this programme, he said, there was enormous scope left for private developers to contribute to housing development and to continue and speed up the redevelopment of pre-war slums.

/Mr. Clinton

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Mr. Clinton revealed that in addition, it was proposed to appoint consultants to examine various areas on the outskirts of Kowloon and to advise on their suitability for development as large residential estates.

"If suitable areas can be found it is the intention that they should be disposed of in large blocks for substantial development rather than in single building plots," he said.

Mr. Clinton made it clear that it was not the government's intention to control for a period of three years the rents at which new premises could be let. Neither was it proposed to control during this period the rent of premises which had not previously been let.

However, fresh lettings of existing property would be subject to scrutiny and restraint. In those cases where the owner had obtained possession, the rent for a fresh letting to a new tenant would be restricted to the assessed market rent to be determined by the Rating and Valuation Department.

A three-man independent tribunal would be set up to review the Commissioner's determination of assessed market rents.

The intention was, he said, that the maximum increase over a two-year period would not be more than 10 per cent a year.

Mr. Clinton pointed out that despite increased development, the proposed controls would be necessary for at least three years. Before the end of that period their continuing need would be reviewed.

He emphasised that it was the government's aim to do "its utmost to encourage, by every means, the building of sufficient homes to house people in reasonable comfort."

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UNOFFICIALS SUPPORT RENT FREEZE

Strong support was voiced today by Unofficial Members of the Legislative Council for the temporary rent freeze imposed on domestic premises not previously protected.

The Senior Unofficial Member, the Hon. P.C. Woo, said the move would prevent landlords from demanding excessive rents from their tenants.

The needs of the tenants, he said, had been the main consideration in the deliberations of the Unofficials when advising on the bill.

Mr. Woo rejected outright recent newspaper allegations that the legislation had been held up by the unofficials and said that this slur cast on them was "unjustified and far removed from the truth."

He explained that the legislation had needed careful consideration and it had been necessary to ask for additional information regarding the government's intentions as to further long-term measures.

"Obviously, to enact this bill alone without at the same time announcing government's later intentions would have had a most serious effect upon development," he said.

While it had been imperative to prevent rents of existing tenancies from rising at an unreasonable rate, he said, it had been equally important to find a formula which would not inhibit further development.

Mr. Woo also defended the introduction of the bill into the Legislative Council without the customary prior notice being given in the Government Gazette.

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This had been necessary, he explained, because advance notice in this case "might have caused some of our more rapacious landlords to take steps to squeeze out their existing tenants or greatly increase their rents in advance of the standstill freeze."

As it was, the people who would lose out more than others because of the legislation would be landlords of controlled premises.

Mr. Woo blamed the shortage of land as the cause for all Hong Kong's misfortunes in the sphere of rental values and reiterated that it was essential for the government "to give the utmost priority to further land sales and to making available large tracts of land for private development."

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NO SOLUTION TO HOUSING SHORTAGE

Dr. the Hon. S.Y. Chung said today he supported rent control as an interim measure to curb rapid inflation "but not as a solution to housing shortage."

"Any control of this nature will not solve our housing problem and I submit that the only effective long-term remedy is to increase the supply for meeting the demand for housing," he stressed.

Dr. Chung was speaking in the Legislative Council on new holding legislation to freeze rents in unprotected domestic premises.

The acute housing shortage, he said, was due to a number of factors but the government was responsible for the two most major ones - namely, the insufficient supply of land for residential housing development, and the long delay caused by the Building Authority for approval of building plans.

Dr. Chung said he did not believe that Hong Kong could maintain the viability of its export-oriented economy "if we have to pay such high prices of land equivalent to \$300 per square foot of gross floor area."

He added that many people also thought that the present procedure for approving building plans had outlived its usefulness. The time was long overdue, he said, for a re-examination of the whole procedure with a view to streamlining the system of control.

"Unless the government is willing and able to eliminate, or at least improve on, these two main bottlenecks in the housing development, the appalling housing situation and the expensive domestic rental will continue to be one of our major social and economic problems," he warned.

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Citing government statistics, Dr. Chung said the average rent increases for uncontrolled domestic premises during the last three years were about 130 per cent for tenements, 200 per cent for small flats and almost 300 per cent for medium and large flats.

"These are average rises in rents and some rapacious landlords are getting even greater increases," he said.

He noted that in the absence of sufficient organised labour unions in Hong Kong, the government had a greater responsibility to ensure that the weaker sector of the community should not be exploited.

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IMPROVED WHITE PAPER ON SOCIAL WELFARE

An improved white paper on social welfare together with a five year plan setting out a programme for social welfare development over the next five years was tabled in the Legislative Council today.

The Director of Social Welfare, the Hon. F.K. Li, said the white paper described the general aims of social welfare policy and the five year plan expresses in practical terms the principles and priorities set out in the paper.

He recalled that the white paper was laid in draft last October and these two papers were the outcome of a consultative process both with those experienced in the field of social welfare and those with broader community interest.

"I cannot pretend that everyone would regard the proposals as ideal. But I can say that they do reflect the views of the great majority of those who commented on them.

"This is a social welfare programme of action to meet the needs of the community, drawn up in consultation with the community, which I believe represents the general wishes of the community," Mr. Li said.

The five year plan, he said, would be reviewed each year so it could be revised to take account of changing needs and circumstances, and to extend it forward a further year to provide a continuous five year projection.

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"By these means I hope that we shall have a programme of social welfare development which remains in tune with the changing needs of Hong Kong," he said.

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Note to Editors: The Director of Social Welfare, Mr. F.K. Li, will be giving a press conference on the five year plan and white paper at 2.15 p.m. tomorrow (Thursday, June 7) in the GIS 35 mm theatre. You are invited to send a reporter to cover the conference.

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NO POLICE PAY REVISION AT THIS STAGE

A system or formula for reviewing police pay is now being drawn up in consultation with the Commissioner of Police.

However, the Acting Colonial Secretary, the Hon. M.D.A. Clinton, indicated to the Legislative Council today that a further pay revision was not contemplated at this stage.

"The last revision was two years ago when the rank and file were granted increases ranging from about 27 per cent to 45 per cent."

Mr. Clinton pointed out that with the police it was not possible to base salaries on the principle of fair comparison with the remuneration and conditions of service for work broadly comparable in the private sector, as was the policy with much of the civil service.

Because there was no equivalent private sector it had to be based on internal relativities and other factors.

He added that management consultants have been drawing up a personnel resource plan for the rank and file in conjunction with the Commissioner of Police and their investigations suggest that there are a number of factors, as well as pay, which may be contributing to the "serious recruitment and wastage problem in the police".

"Both the Commissioner and I are concerned to ensure that solutions are found as a matter of urgency", Mr. Clinton emphasised.

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MEMBERS SEEK FURTHER EXEMPTIONS FROM STAMP DUTY

The Hon. Q.W. Lee called on the government to abolish all stamp duty on the transfer of shares and properties to approved charitable institutions.

He was speaking in the resumed debate on the Stamp (Amendment) Bill 1973 in the Legislative Council today.

Mr. Lee said he did not see any reason why exemptions should not be granted "if they constitute gifts to exempted institutions."

Such exemptions, he said, will be "a gesture to further demonstrate Government's welcome to charitable gifts."

The bill seeks to give effect to the proposals made by the Financial Secretary in his Budget Speech on February 28 this year to increase, reduce or abolish stamp duties in respect of various documents.

Two proposals in the bill which increase the ad valorem stamp duty on contract notes and the transfer of shares and other marketable securities came into effect on March 1.

The Hon. R.H. Lobo, who supported Mr. Lee's views, pointed out that in the past, the government had been greatly relieved from social welfare expenditure through "our charity minded community."

"It is therefore my opinion that gifts to recognised charitable institutions or non-profit making bodies dealing with welfare should be exempted from duty on gifts," he said.

Mr. Lobo warned that "donors who give in memory of a beloved one or in the name of charity may not be prepared to pay stamp duty over and above their benevolence."

"The present law as it stands will serve as a deterrent and will discourage gifts of property and securities to charity," he said.

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MORE LICENSED AREAS FOR HOMELESS

Continuous efforts are being made to set up new licensed areas to meet the needs of homeless people, the Secretary for Housing, the Hon. I.M. Lightbody, said today.

He told the Legislative Council that some 28,000 new spaces were expected to be available by the end of the year, but even this, he added, would not be enough as there was a backlog of demand for space for some 8,000 people.

Many of these people, he said, were "potentially" rather than actually homeless as they were living in building scheduled for redevelopment.

Since June last year, he said, four new areas with a capacity for 6,400 people had been brought into use. Another three, with a capacity for 3,300 were expected to be ready in the next two months.

In addition, three more sites with a capacity for 6,500 had been provisionally allocated but must first be checked for safety by consulting engineers.

Mr. Lightbody said his department had applied for four more possible sites with a capacity for 12,000 people and it was hoped that these should be ready for use by the end of this year.

He explained that the requirement for more licensed space stemmed from the loss of a number of these areas which were declared unsafe after the rainstorms last year, and from a significant increase in the number of people seeking accommodation in licensed areas.

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The current level of demand, he said, was 50 per cent higher than last year.

These higher numbers resulted from various clean-up campaigns and from a high level of redevelopment activity in the private sector, he added.

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NEW VEHICULAR FERRY SERVICE

Approval is expected to be given soon to building plans associated with a new vehicular ferry service to link North Point with Kwun Tong.

The new service will replace the existing one between North Point and Kowloon City.

The Acting Financial Secretary, the Hon. D.J.C. Jones, recalled that approval in principle was given by the Legislative Council on August 30 last year for the Hongkong and Yaumati Ferry Company to alter some of its routes, mainly as a result of the opening of the cross harbour tunnel.

"The Company also undertook to construct at its own expense, the necessary ferry berth, ramps and double-deck structure at Kwun Tong to enable the service to operate," he said.

Mr. Jones said that another resolution will be sought from the council to fix a date for the commencement of the new service and to terminate the old one between North Point and Kowloon City when the construction of the new pier is completed, hopefully at the end of this year.

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REVIEW OF OFFENSIVE TRADES

A comprehensive review is to be made of the problems posed by offensive trades, the Director of Urban Services, the Hon. D.R.W. Alexander, told the Legislative Council today.

He said a programme was needed to provide for the removal of offensive trades into properly designated areas, and this would be studied by the various departments concerned in consultation with the Advisory Committee on Environmental Pollution on Land and Water.

Meanwhile, the District Commissioner, New Territories, the Hon. I.F. Macpherson, reported that about 75,000 square feet of land had been reserved for tannery operators in the Kwai Chung offensive trades zone.

The balance of 244,000 square feet is reserved for other offensive trades.

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SURVEY ON TRAVELLERS USING MACAU FERRY TERMINAL

Consideration will be given to conducting a survey to find out how many people using the Hong Kong-Macau ferry wharf are from Kowloon peninsula and from Hong Kong Island.

Revealing this in the Legislative Council today, the Acting Financial Secretary, the Hon. D.J.C. Jones suggested that the survey could be conducted by university students during their summer vacation.

The last such survey was held in 1966, when it appeared that at that time about 56 percent of those travelling to and from Macau started or ended their trips in Kowloon or the New Territories and about 44 per cent on Hong Kong Island.

Mr. Jones said no up-to-date information on the movements of Macau travellers was available as the large majority of all people using the Macau ferry terminal travelled on re-entry permits and were not required to fill in embarkation or disembarkation cards.

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12 GRANTS FROM LOTTERIES FUND

The Legislative Council today approved the allocation of more than \$2.6 million from the Lotteries Fund to finance 12 social welfare projects.

The biggest single grant of \$698,000 is for a youth centre for the Hong Kong Federation of Youth Groups and the Boys' and Girls' Clubs Association.

Another \$500,000 has been set aside for the building of a training centre for the Ebenezer School and Home for the Blind.

Other items receiving assistance from the Lotteries Fund include the redevelopment of a youth camp at Cheung Chau for Caritas and the expansion of the Arran Street Eye Clinic for the Medical and Health Department.

The Lotteries Fund, which obtains its proceeds from the sale of Government lotteries and 'lucky' car numbers, is set up to help the development of social welfare services in Hong Kong.

The balance remaining in the fund after the latest allocations is approximately \$3.8 million.

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ACCOMMODATION FOR ALL DOMESTIC RESIDENTS

All the domestic residents in the area in Ngau Tau Kok due to move out before June 12 to make way for the construction of the main Mass Transit Depot will be accommodated, a government spokesman said today.

One hundred and nineteen families comprising 538 people have been living in the area. Of this total, 73 families comprising 370 people have been given accommodation at the Lam Tin Estate. The rest, 46 families comprising 168 people, have been offered accommodation in licensed areas.

Seventy-seven of the 148 industrial undertakings are eligible for resettlement and they have been allocated government factory units, mostly at Kwai Chung. A special co-ordinating group, comprising representatives from various government departments concerned has been set up by the Housing Department to assist factory operators affected by the clearance to find suitable alternative sites.

In accordance with government policy, those undertakings which were established on the site before 1966 and which were then under 5,000 square feet of working area are eligible for the allocation of government factory units.

Eleven of the 29 shop-keepers in the area have been found to be eligible for assistance and ex-gratia sums amounting to about \$116,563 will be paid to them.

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Officers from the Housing Department and the staff of the City District Office (Kwun Tong) have been visiting the area and have been available for several weeks to give advice to factory-owners and shop-keepers on their removal problems, the spokesman said. Officers of the Labour Department have also been available to help workers find other employment.

In a letter to the "Industrial and Commercial Group of Ngau Tau Kok, Western Area" on May 28 in reply to their two petitions to the Governor, dated May 15 and 22, Mr. T.J. Bedford, Assistant Colonial Secretary said that all the government departments concerned were doing all they could to minimise any hardship arising from the need to develop the land for a major project on behalf of the whole community.

He said it is earnestly hoped that all will co-operate by moving their structures and equipment before June 12.

He reminded them that all Crown Land Permits had been cancelled over a period in 1972, the last taking effect from April 1 of that same year.

"It is therefore true to say that you have been aware for a period of at least a year that you would be required to remove your undertakings from the area, which have always been sited there on a temporary basis," Mr. Bedford said.

The final and formal notice of the clearance given in March this year, three months before the actual date of clearance, merely confirmed a state of affairs of which all were well aware, he stressed.

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In reply to another point raised in the petition that factory-owners had paid rates for the land at Ngau Tau Kok, Mr. Bedford explained that the payment of rates was in respect of services to the property on the land but in no way effected the legal status of the land itself or the occupancy of it.

"Furthermore, I understand that since the permits for the land were cancelled, rates have not been charged," he pointed out.

Mr. Bedford advised those undertakings not qualifying for government resettlement factory accommodation to consider renting space in private factory blocks and those factories unable to operate in flattened factories to obtain the authority of the New Territories Administration to re-establish themselves in certain selected areas of the New Territories.

He assured the factory-owners that steps have already been taken to ensure that the people working in the factories in the area are given every assistance to find alternative employment.

Officers of the Labour Department are available both at the Kwun Tong Government Offices and at the site to advise on employment opportunities and to assist workers find new employment.

"I am confident that the majority will have no difficulty in finding other jobs in the Kwun Tong area where there are currently ample job opportunities," Mr. Bedford said.

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SECURITIES COUNCIL CONSIDERS DELAYS IN SHARE TRANSFERS

The Acting Financial Secretary, Mr. D.J.C. Jones, assured Legislative Councillors today that the problem of delays in the transfer of shares has been under active consideration by the Securities Advisory Council since it was first set up in January this year.

He pointed out, however, that it would be difficult to deal with this matter separately from other related aspects of the Second Report of the Companies Law Revision Committee, which will be laid before the council later this year.

The plea to amend section 70 of the ordinance, which deals with the length of time allowed for the transfer of shares, will be "fully borne in mind" in considering any future legislation arising from the recommendations of the Committee, he said.

Mr. Jones explained that the delay now being experienced in the issue of share certificates was the result of a spate of bonus issues and the concentration of dividend payments within the last few months.

Company registrars were sometimes required to issue new certificates within 10 days, he added.

"With the dividend season coming to an end and given the recent reduced level of activity in the stock market, it is hoped that the situation will improve and that the transfer of shares will be registered more quickly," Mr. Jones said.

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REPORTS BY THE MANAGEMENT CONSULTANTS

The Acting Colonial Secretary, the Hon. M.D.A. Clinton, today gave an outline of the work which has involved McKinsey and Company, the management consultants, who were engaged to streamline government processes and procedures.

Apart from the main report tabled in the Legislative Council two weeks ago, the consultants have produced a 10 year programme plan for the Medical and Health Department, a long term personnel strategy for the rank and file of the Royal Hong Kong Police and a long term programme plan for the development of secondary education.

They have also studied specific areas and problems in the Public Works Department, the Urban Services Department and in the Colonial Secretariat.

"I would not like to deluge members with these various reports, plans, studies and assessments but the volume of paper produced is substantial, the Medical programme plan, for example, is over 100 pages," he added.

As to being satisfied that the public funds voted for their services had been well spent, Mr. Clinton said that the consultants had indicated how, in one particular activity, performance could be improved so as to produce cost benefits of about double their fees incurred so far.

He had no doubt that application of their concepts in other fields would produce similar improvements in cost-effectiveness.

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EXPANSION OF TELEPHONE SERVICES

A new telephone exchange will be opened next month at Yau Tong and the one at Kwai Chung will be extended at the end of this year to relieve the critical shortage of telephone lines in these two areas.

The Acting Financial Secretary, the Hon. D.J.C. Jones, pointed out to Legislative Council members that almost 90,000 new telephone lines were installed in 1972 and the waiting list stood at about 38,000 at the end of the year.

"The average waiting period works out at about five months," he said.

"But neither the government nor the company are complacent about the present size of the waiting list," he added.

He explained that under section 24 of the Telephone Ordinance, the Telephone Company is required to provide service to an applicant within a reasonable time after his initial application.

To enable the Postmaster General to keep fully abreast of his responsibilities in the expansion of telephone and telecommunication services generally, additional professional engineering staff have recently been recruited to the Post Office, Mr. Jones said.

Putting the problem of delay in telephone installation in proper perspective, Mr. Jones said that the number of working lines had increased from 107,000 at the end of 1962 to 651,000 at the end of last year, -- a more than six-fold increase in 10 years.

In addition, the waiting list as a percentage of working lines in operation had fallen from 34 percent to less than 6 percent within the last 10 years, he said.

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MANAGEMENT OF MULTI-STOREY BUILDINGS BEING REVIEWED

The Secretary for Home Affairs, the Hon. Jack Cater, told the Legislative Council today that the government has recently set up a working group to re-examine the whole question of the management of multi-storey buildings, including the desirability of amending the Multi-Storey Buildings (Owners Incorporation) Ordinance.

He revealed that some 400 such organisations had been formed since the ordinance was enacted about three years ago.

"The City District Officers are continuing to encourage the formation of more owners' corporations under the existing legislation," he said.

In connection with the Clean Hong Kong 1973 Campaign and the Fight Violent Crime Campaign, Mr. Cater said additional staff have been deployed by the Secretariat for Home Affairs and the New Territories Administration to encourage the establishment of mutual-aid committees in as many multi-storey buildings as possible.

Mr. Cater said that the formation of such committees will be subjected to minimal formalitiy and they will not be required to be registered as societies under the Societies Ordinance.

He expressed the hope that some of these mutual-aid committees would eventually end up as owners' incorporations.

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OSWALD CHEUNG CRITICAL OF CERTAIN PROVISIONS IN RENT LEGISLATION

The Hon. Oswald Cheung today expressed serious reservations about proposed long term measures to control the rent situation in Hong Kong and took the government to task for not making available more land for development.

Speaking in the Legislative Council, Mr. Cheung said two features of the proposed measures struck him as being "particularly objectionable".

The first was that the proposals aimed at protecting "even the rich in their indulgence of luxury."

His other objection was that no landlord, he felt, would be permitted even to charge his tenant what the Commissioner of Rating and Valuation determined as the fair market rent of the premises.

"The truth is," he said, "that, unintentionally, we have created a privileged class of tenants, who naturally clamour for extended and further controls of rent when they sense danger of losing their privileges."

These tenants, he added, had been enjoying a standard of accommodation at what have been rents far below free market values, and substantially below fair market rentals.

In his opinion, there was a danger of creating a larger class of privileged tenants, and a danger of driving private enterprise away from providing domestic accommodation.

"We may well be right in giving temporary relief to those sections of our community that are least able to bear extra burdens," Mr. Cheung said, "but I entirely disown that we have an obligation to protect the rich."

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Mr. Cheung noted that previous controls had been imposed so that supply might catch up to demand, and he questioned the government's efforts over the past three-and-a-half years to obtain this objective.

"I regret to find that, apart from providing housing in the public sector, some measures taken by the government have not encouraged supply, and indeed have been counter-productive," he said.

The supply of land to the private sector had been extremely limited and the prices extremely high, he noted, while the government's reasons for "denying" the supply did not satisfy anyone.

He also asked what had happened to negotiations with the military authorities over the release of land at Lyemun Barracks and other places which could be turned to more beneficial social use.

Referring to other aspects of government activity which he found counter-productive, Mr. Cheung said it was "distressing" that over the past three years the Buildings Ordinance Office had "resorted to every stratagem imaginable to stop private enterprise from developing housing sites to the full potential permitted by the law."

He said the basic reason given by that office was that the development legally permissible would lead to a deterioration of the environment.

"But what are our priorities -- more and cheaper housing first, or a better life first?" he asked.

Mr. Cheung also criticised the law relating to town planning which, he said, was in need of a "drastic overhaul."

Mr. Cheung supported the Domestic Premises (Tenure and Rent) (Temporary Provisions) Bill 1973 with "the greatest reluctance," and urged the council to carefully consider whether the proposed longer-term measures were in the public interest.

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REPORT ON BRIDGE TO LANTAU

Planning consultants appointed to advise on the development of Lantau Island and the Sai Kung and Plover Cove peninsulas will be asked to submit a report on the benefits and disadvantages of building a bridge to north east Lantau.

If they recommend that the project should be proceeded with, they would also be asked to advise on the preferable alignment, the form it should take, what would suffice immediately, what is likely to be required in the longer term and what road pattern is needed to serve it.

Speaking in reply to a question in the Legislative Council today, the Director of Public Works, the Hon. J.J. Robson added that the construction of a bridge would be the best method of making available substantial additional areas of land for industrial and residential development.

This proposition is attractive because it could be linked with a new motor road to Castle Peak and with water and electricity services in the Tsuen Wan area, he said.

"But it must of course be looked at realistically, as there are many factors to be considered.

"We're doing it as quickly as we can because the impact of provision of road access would not be restricted to Lantau itself, but would have a tremendous effect on the pattern of development of Hong Kong as a whole," he said.

Mr. Robson stressed that Lantau being two and a half times the size of Hong Kong, its development, including industrial development of the northeastern sector, is not incompatible with the government's policy of preserving the rest of the island for recreational facilities.

/Mr. Robson

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