



DAILY INFORMATION BULLETIN

Wednesday, August 1, 1973

CONTENTS

	<u>Page No.</u>
Single contract approach for first four stages of mass transit railway.....	1
Reports published soon on Lamma oil refinery.....	4
Sweeping changes recommended in second report of Companies Law Revision Committee.....	6
Insider dealings incorporated in Securities Bill.....	11
Prevention of Bribery Bill passed.....	12
Stringent safety controls to protect construction workers.....	15
Five-year programme to promote awareness of industrial safety.	17
Luxury bus service proposed for Mid-Levels and Pokfulam.....	19
Preliminary proposals soon for commodity exchange.....	22
Trust fund to be set up for orphans of rainstorm disaster.....	24
Retail prices for rice considered reasonable.....	26
Import, sale and use of methadone strictly controlled.....	27
Current results of anti-crime campaign encouraging.....	28
Review of application system for kindergartens in housing estates under consideration.....	30
Supplementary provision for last quarter approved.....	31
Grants from Lotteries Fund towards community projects.....	32
Unofficial members of Legco pay tribute to Governor.....	33
Tributes paid to Sir Hugh Norman-Walker and Mr. Paul Tsui.....	34
Bills passed in Legco.....	36
Director of Audit retiring.....	37

Wednesday, August 1, 1973

- 1 -

SINGLE CONTRACT APPROACH FOR MASS TRANSIT

The government has decided in principle to adopt a single-contract approach in carrying out the Mass Transit Railway project.

This was announced by the Financial Secretary, the Hon. C.P. Haddon-Cave, in the Legislative Council today.

In making the announcement, the Financial Secretary said:

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

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

/"Now that

Wednesday, August 1, 1973

- 2 -

"Now that the process of negotiating a contract is about to begin, honourable Members will appreciate that I cannot explain in detail the reasons underlying the government's preference for the single-contract approach, because to do so might prejudice the Steering Group's negotiating position. But I can say that government has concluded that the single-contract approach would be the most appropriate method of safe-guarding Hong Kong's best interests in all respects.

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

"Although the Government intends to conclude the contract as soon as possible, it will inevitably take some time. Meanwhile, various items of preparatory work will continue to be undertaken to ensure that no time will be lost while the negotiation of the contract is under way. The Consulting Engineers will build up their organisation further and their brief will be modified to suit the particular requirements of the single-contract approach. Soil investigations and other engineering research work will continue, as will arrangements for the acquisition or clearance of land required for the purposes of constructing the Mass Transit Railway. Planning is in hand for the establishment of a

/Mass

Wednesday, August 1, 1973

- 3 -

Mass Transit Railway Corporation, as well as for the diversion of utility services and traffic routings which will need to be undertaken during the construction phase. Finally, in advance of the negotiated main contract, arrangements are being made for a contract to be let by tender for site formation and associated civil engineering works at Kowloon Bay so as to ensure that the workshops and administration building, which are critical items in the project programme, will be completed in good time."

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Note to Editors: We have been asked by the Financial Secretary to say that his statement in the Legislative Council this afternoon concerning the Mass Transit Railway should be read in conjunction with his reply made to a question in the Council on July 4, 1973. For ease of reference, copies of the reply are being re-distributed in the press boxes this evening.

- - - - 0 - - - -

/4

Wednesday, August 1, 1973

- 4 -

REPORTS ON OIL REFINERY PUBLISHED SOON

The Government will shortly publish its views and reports on the environmental and pollution aspects of a proposal to set up an oil refinery on Lamma Island.

Announcing this in the Legislative Council today, the Acting Secretary for the Environment, the Hon. D. Akers-Jones, said these publications would include a summary of the findings by two consultant groups and by a government party.

The publication of these reports on the economic and environmental significance of a major development of this sort on Lamma would provide an opportunity for informed public discussion before the matter was finally decided.

He assured the Council that all relevant important issues related to the subject would be debated before a decision was taken, and after the facts had been made public.

In reply to a question by the Hon. R.H. Lobo on the pros and cons of the proposed scheme, the Acting Secretary said some people had pointed out that the establishment of a refinery raised the possibility of a related petrochemical complex.

Indeed, tentative enquiries which included such a complex had very recently been received, he said.

"It is patently desirable to reach a view from the outset on what additional environmental problems would be raised by such a petrochemical installation."

/As a result,

Wednesday, August 1, 1973

- 5 -

As a result, he said one of the two consultant groups, Gremer and Warner, would submit an additional report covering this further aspect in about four months.

Mr. Akers-Jones went on to say that interest had been expressed in establishing a plant to manufacture polystyrene from imported raw materials on Tsing Yi Island.

The plant would, if established, secure supplies of this vital material for local industry.

In view of the present position of the plastics industry, he said, the environmental aspects of establishing such a factory on Tsing Yi were also being examined as a matter of urgency.

"These applications raise questions much larger than whether environmental considerations render acceptable or unacceptable the establishment on Lamma Island of an oil refinery with or without a petrochemical annex.

"They raise the question of the use to which Lamma Island should be put. Should it be industrial, residential or recreational?

"If it should be partly industrial, or residential, or partly a bit of both, what form would be in the public interest and how can that form be reconciled with, and bring benefit to, those who live on the island of Lamma as well as to the public of Hong Kong as a whole?

"If the eventual decision significantly altered the scope of Lamma for recreation, what steps should be taken to develop and preserve alternative areas to meet the rising demand for recreation?" Mr. Akers-Jones asked.

He stressed that all these wider questions were under just as active consideration as the one Mr. Lobo had asked.

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/6

Wednesday, August 1, 1973

- 6 -

COMPANIES LAW REVISION COMMITTEE'S SECOND REPORT

Sweeping changes are being proposed in Hong Kong's company laws to adapt them to modern conditions and provide greater protection to investors and the business community.

The proposals are contained in the second report of the Companies Law Revision Committee which was tabled in the Legislative Council today.

In general, the Committee, under the chairmanship of Mr. W.K. Thomson, recommends that the existing Companies Ordinance should be brought into line with the United Kingdom Companies Act of 1948, and certain sections of the 1967 Act. Various modifications are however, proposed to meet local conditions and to give effect to recommendations made by the Jenkins Committee in Britain.

It emphasizes that high priority should be accorded to the preparation of the necessary legislation along the lines of the recommendations in the 357-page report.

These include

- * Making "insider dealings" and the passing on of inside information in transactions relating to shares of a company, a criminal offence with provisions for civil liability.
- * Requiring persons to disclose information in respect to any suspected dealing.
- * Preventing company directors from issuing shares without the prior approval of the company.
- * Allowing the issue of shares of no par value.

/* Requiring

Wednesday, August 1, 1973

- 7 -

- * Requiring all companies to provide full details of their assets and liabilities, and revenue and expenditure, largely along the lines of British law.
- * Continuing the present exemption of private companies from filing annual accounts.

On "insider dealings", the Committee states that strong legislation is **required** to curb this practice whereby, in order to make quick profits, unfair advantage is taken by persons with inside information, which has not been disclosed to shareholders or the public in general.

Insider dealings, and also the passing on of inside information, should therefore be made a criminal offence, it says.

The Committee further recommends that any insider who has entered into a share transaction, using inside "price-sensitive" information, should be liable to compensate a person who suffers from his action unless the information was also known to that person. The same civil liability should apply where a person makes use of inside information passed on to him by an insider.

Courts should be empowered, it says, to order persons having information with respect to suspected dealings to disclose such information.

However, the Committee is divided on the question of compelling directors and major shareholders of quoted companies to disclose their holdings and dealings.

/The majority

Wednesday, August 1, 1973

- 8 -

The majority of the nine-man Committee are not convinced that the advantages of compulsory disclosure are sufficiently great to justify elaborate legislation imposing obligations which would be profoundly distasteful to most law-abiding people and could easily be evaded.

They were influenced in their conclusion by the deep-seated aversion of Chinese people to letting others know what property they own and by the ease of evasion through nominee companies and the use of aliases.

As for disclosure of dealings, the majority view is that routine general disclosure is not required in addition to the strong action recommended against "insider dealings" coupled with the proposed special power of the courts to order disclosure, where needed.

On the other hand, the minority are of the opinion that if Hong Kong is to take its place with other major cities as a financial centre, rules must be instituted along British lines in respect to the disclosure of holdings of directors and major shareholders.

The minority believe that disclosure of relevant shareholdings and share dealings would be one way of giving small investors the greater protection they need.

They contend that in take-over situations, the "law of the jungle" should not prevail, and that disclosure is a necessity so that company directors, shareholders and employees could be made aware of a situation where it was reasonable to suppose that a person or company might be in the process of buying control.

/In addition,

Wednesday, August 1, 1973

- 9 -

In addition, they feel that a person acquiring control in a takeover without having made the appropriate disclosures, should not be allowed to retain control.

In such an event, the Registrar of Companies should be empowered to sell on the person's behalf the necessary amount of shares to prevent him from exercising control.

Dealing with company accounts, the Committee says private companies should continue to be exempted from filing their accounts annually. The Committee believes that withdrawal of the exemption would discourage the formation of new companies and also result in a large number of companies winding up rather than disclose their accounts.

However, it suggests that all companies must in their accounts give full details of their assets, liabilities, revenue and expenditure, along the lines of the British law, with some modifications.

Companies with subsidiaries must file consolidated balance sheets and profit or loss accounts. Moreover, companies with associated companies must in their consolidated accounts include their share of the earnings or losses of the associated companies.

Particulars should be given of subsidiaries and also of companies where 20 per cent of the equity, or shares exceeding 10 per cent of the holding company's assets, are held.

On directors, the committee states that there should be no maximum age limit for directors.

/Particulars

Wednesday, August 1, 1973

- 10 -

Particulars of the emoluments of directors and highly paid employees should not have to be disclosed, but the aggregate amount of the directors' emoluments must be stated in the annual accounts.

By a majority, the Committee recommends that the amount of shares in which each director is interested at the beginning and end of the year need not be disclosed in the annual accounts.

The Committee further proposes that company directors should not be able to issue shares without the prior approval of the company. Such approval may, however, be given annually in the form of a general mandate.

It also recommends that the issue of shares of no par value should be allowed. Such shares would, it says, cause less confusion than shares of nominal amount.

It is also proposed that the Registrar of Companies should maintain a card index of all directors to facilitate shareholders in finding out what other directorships their company directors hold.

Hundreds of other recommendations are made covering the whole field of company law. Among them are recommendations dealing with control of company names, lost share certificates, directors' reports, powers of inspectors appointed to investigate a company's affairs, appointment of auditors, priority of Crown debts in liquidations, particulars to be filed by oversea companies, and numbers of partners in partnerships.

In conclusion, the report calls for the setting up of a standing committee to advise on amendments required to the Companies Ordinance as and when experience has shown them to be necessary.

The report is available for sale from the Government Publications Centre, Star Ferry concourse, Hong Kong, at \$28 per copy.

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/11

Wednesday, August 1, 1973

- 11 -

INSIDER DEALINGS INCORPORATED IN SECURITIES BILL

Provisions relating to "insider dealings" have already been incorporated in the Securities Bill which is expected to be introduced at the next session of the Legislative Council in October.

This was announced by the Financial Secretary, the Hon. C.P. Haddon-Cave, when commenting on the second report of the Companies Law Revision Committee, which was tabled in the Legislative Council today.

Mr. Haddon-Cave said the recommendations in the report would be studied carefully by the departments concerned, and he had no doubt that a further legislative programme would be put in hand.

He said he had noted the committee's view that the drafting of a completely new Companies Ordinance would be an extremely complex undertaking and that, possibly, a piecemeal approach should be adopted so that the more urgent reforms could be dealt with first.

Consideration was now being given, he revealed, to implementing at an early date the committee's recommendations on company accounts.

Action was also in hand, he said, on other measures stemming directly or indirectly from the recommendations in the committee's first report on the protection of investors which was submitted in June last year.

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/12

Wednesday, August 1, 1973

- 12 -

ANTI-BRIBERY BILL PASSED

The Prevention of Bribery (Amendment) Bill 1973 passed all three readings in the Legislative Council today -- closing certain loopholes in the existing ordinance as recommended by the Blair-Kerr Commission.

Under the bill, the Attorney General will no longer be required to notify a person that consideration is being given to his prosecution for an offence under section 10 (2), or to afford such a person an opportunity to make representations.

Explaining the circumstances in which the original clause was introduced, the acting Attorney General, the Hon. J. Hobley, told the council that the proposal to introduce the two "unique" offences under section 10(1) had provoked considerable opposition in many quarters, both in Hong Kong and elsewhere.

The suggestion that a suspect should be given an opportunity to make representations before a prosecution was instituted was therefore put forward "to reassure opponents of the proposal and others that innocent persons would not be charged unjustifiably."

This made the introduction of the section more generally acceptable, he said. "It was, in short, a compromise solution, undoubtedly engendered by an awareness of the originality and unusual nature of the offences."

Although suspects will no longer be given an opportunity to make representations before a prosecution is instituted, the Director of the Anti-Corruption Office or the Attorney General may afford the suspect with such an opportunity if it seems appropriate in any particular case.

/The consent

Wednesday, August 1, 1973

- 13 -

The consent of the Attorney General will also continue to be required for a prosecution under section 10, but the police will be able in the first instance to arrest and charge a person and take him before a court without the Attorney General's authority.

The existing ordinance already provides that in such a case the accused person may not be remanded on bail or in custody for more than three days, without the Attorney General's consent.

Provision is also made for a person under investigation to surrender his travel document on application to a magistrate's court by the Director of the Anti-Corruption Office.

Failure to surrender the travel document, in accordance with a magistrate's notice, may result in the person's arrest and appearance in court. If the travel document is not surrendered when he appears before the magistrate he may be committed to imprisonment for a period not exceeding 28 days.

Speaking in support of the bill, the Senior Unofficial Member, the Hon. P.C. Woo, said he and his unofficial colleagues regretted the occurrence which made its enactment necessary, but "we are glad to see that such prompt action is being taken to prevent a recurrence."

He commended Sir Alastair Blair-Kerr's first report on the Godber case as a "competent and factual description of what had happened."

As far as the wider aspects of anti-corruption measures and the future of the Anti-Corruption Branch were concerned, he said, the Unofficial Members would withhold comment pending Sir Alastair's second report.

/Another

Wednesday, August 1, 1973

- 14 -

Another speaker, Dr. the Hon. S.Y. Chung, welcomed the bill but questioned the use of police surveillance.

He suggested that in future, the authorities should not reject surveillance on an expatriate whose prosecution was in an advanced stage.

- - - - 0 - - - -

/15

Wednesday, August 1, 1973

- 15 -

STRINGENT SAFETY CONTROLS TO PROTECT WORKERS

The government has approved stringent safety controls to protect workers in the construction industry.

Fines of up to \$10,000 can be imposed for contraventions of the regulations.

The regulations, which lay down statutory requirements in the industry to safeguard workers' health and welfare, were passed at today's meeting of the Legislative Council.

The Construction Sites (Safety) Regulations, 1973 - made under the Factories and Industrial Undertakings Ordinance - will apply to all construction work and all construction sites.

Details will be published in Friday's (August 3) Government Gazette.

The regulations will come into effect in nine months' time to allow time for managements to make the necessary preparations.

Introducing the regulations before the council today, the Commissioner of Labour, Mr. Paul Tsui, said in 1972 alone there were 4,500 accidents on construction sites. Most of these accidents were caused by workers falling from heights or tripping over objects; explosions and fires; lifting machinery; electrical faults; and slides.

Mr. Tsui said the regulations would help tackle most of the causes of accidents.

The regulations make provisions for the prevention of inhalation of dust and fumes; eye protection; fencing of machinery; safe use of electrical appliances; wearing of safety helmets; prevention of falling materials; and good housekeeping.

/Mr. Tsui

Wednesday, August 1, 1973

- 16 -

Mr. Tsui said every lifting appliance would have to be inspected regularly, and the contractor would have to ensure its stability when it was used on a site with a soft or uneven slope. Details of its safe working load would have to be clearly marked on it.

There were also provisions governing the use of cranes in bad weather, the operation of derricking jibs and general matters relating to the safe operation of cranes.

The regulations prohibit the use of chains, ropes or lifting gear unless the equipment has been examined and certified safe by a competent examiner.

All hoistways must be enclosed and access gates closed when not in use. Every hoist must be equipped with a device to prevent the platform or cage from falling in case the hoist ropes failed.

The regulations further specify special safety precautions for hoists carrying persons and lay down requirements to be observed in ensuring the secureness of loads being raised or lowered.

Mr. Tsui said the regulations also stipulated strict precautions and inspections for excavations.

Other sections of the regulations provided for special first-aid facilities such as trained first-aiders, first-aid boxes, stretchers and splints.

Certain welfare matters, including shelters and facilities for meals, were also provided for.

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/17

Wednesday, August 1, 1973

- 17 -

FIVE-YEAR EDUCATIONAL PLAN ON SAFETY IN INDUSTRY

A comprehensive five-year programme for an overall educational campaign to generate a greater awareness of safer working conditions among employers and workers in industry is now in an advanced stage of preparation.

This was revealed in the Legislative Council today by the Commissioner of Labour, the Hon. Paul Tsui.

The programme was aimed at reducing the figures of industrial accidents in Hong Kong.

Mr. Tsui said that industrial safety remained an important aspect of the work of the Labour Department, and for this reason it was planning a major safety exhibition later this year in conjunction with the annual exhibition of the Chinese Manufacturers' Association.

He also announced that additional staff had been approved by the government so that a second team could be formed to intensify the inspection of building and engineering construction sites and to give advice on the new safety regulations.

One team of experienced factory inspectors has been operating in this field since July last year and its main task has been to advise contractors and foremen on ways and means of improving safety standards and to assist in locating areas of potential hazard to workers.

Mr. Tsui also mentioned the work of the Industrial Safety Training Centre which had organised a number of special training courses and seminars during the past year.

/Earlier,

Wednesday, August 1, 1973

- 18 -

Earlier, the Hon. James Wu, speaking in support of the new Construction Sites (Safety) Regulations, said that an educational campaign on industrial safety in the nine months before their enforcement should "yield very good results".

The distribution of illustrated pamphlets, posters and permanent signs on the sites would also serve both as instruction and timely warning.

In view of the search by local contractors and builders for more sophisticated labour-saving methods and machines to combat rising wages, Mr. Wu said that the implementation of the regulations was "very timely."

- - - - - 0 - - - - -

/19

Wednesday, August 1, 1973

- 19 -

LUXURY BUS SERVICE FOR MID-LEVELS

A better class of scheduled public transport comparable to luxury tourist or airline coaches to ease traffic congestion in the Pokfulam and Mid-Levels areas was suggested today by the Hon. James Wu.

He strongly believed that people would pay the higher fare for a better service.

"At the present cost and parking inconvenience by going in one's own car, a fare of \$1.50 to \$2 in an acceptable coach would appear to be an attractive alternative that would help discourage individual transport.

Mr. Wu was speaking in the Legislative Council during the resumed debate on the second reading of the Temporary Restriction of Buildings Development (Pokfulam and Mid-Levels) Bill 1973.

The bill seeks to temporarily restrict the approval of building plans in the two areas, pending the outcome of a detailed traffic study.

Mr. Wu said he supported the bill, with **reluctance**, because Pokfulam, which was far less steep than other areas on Hong Kong Island, was about the only area capable of extensive development to ease the acute shortage of domestic flats.

The Hon. Wilfred Wong also **reluctantly** supported the bill.

As an immediate solution to the traffic problem in the two areas, he proposed the construction of steel road works -- temporary flyovers -- similar to the one in Kowloon which could be put up in a matter of months.

/"A crash

Wednesday, August 1, 1973

- 20 -

"A crash programme in this respect should and must be instituted."

The traditional concrete roundabouts and elevated structures, he said, often took many years to complete.

Another Councillor, the Hon. Wilson Wang said he supported the bill but not because of the traffic problems in the areas.

He noted that the bill would allow a "breathing" time for the Public Works Department to formulate some effective ways of control on any future construction work involving excavation of hill-sides so as to avoid any recurrence of landslide disasters in the area.

He felt that the present traffic conditions alone could not justify a temporary halt to further development in this area in view of the urgent demand for housing.

There were many measures by which traffic could be improved, and the construction of more roads and flyovers and the improvement of public transport service were most obvious.

In reply, the acting Director of Public Works, the Hon. A.S. Robertson, said the problem now is to "build more houses as well as better homes." For this reason his department was giving close attention to the possibilities of making additional land available for private housing in the Kowloon foothills and in Sha Tin.

This was in addition to building up its effort for the more rapid completion of public housing and provision of land for private development in the new towns.

/"The new towns

Wednesday, August 1, 1973

- 21 -

"The new towns offer the best opportunity to provide new homes for the people of Hong Kong and every effort is being made to accelerate the rate of progress in the new towns," he said.

Mr. Robertson added that the government had accepted in its public housing projects the need to balance quantity against quality. Similarly, for private housing, "government has an obligation to ensure that the demand for new houses does not outweigh the consideration that should be given to providing a reasonable environment for existing and future residents."

- - - - 0 - - - -

/22

Wednesday, August 1, 1973

- 22 -

PRELIMINARY PROPOSALS FOR COMMODITY EXCHANGE

MAY BE SUBMITTED SOON

The establishment of a commodity exchange in Hong Kong will not be delayed by the drafting of suitable legislation providing for proper control of such exchanges, the Financial Secretary, the Hon. C.P. Haddon-Cave, told the Legislative Council today.

He gave the assurance when replying to points raised by the Hon. P.C. Woo during the resumed debate on the second reading of the Commodity Exchanges (Prohibition) Bill 1973.

"The government is not opposed in principle to the establishment and operation of a properly conducted exchange once the case for, and viability of, an exchange has been made out," Mr. Haddon-Cave said.

Discussions were currently taking place between groups interested in establishing an exchange, he said, and one comprehensive and representative group might be in a position to submit preliminary proposals for consideration as to how an exchange might be organised.

The Financial Secretary also assured council that no additional products would be added to the 20 already in the schedule of the bill in a manner that would frustrate trade contracts already entered into.

The present list includes the major commodities that might possibly have been traded in by an exchange established in Hong Kong.

In future, he said, a licensed exchange would be authorised to deal in specified commodities only and it was unlikely that a new exchange would be licensed to trade initially at least, in more than two or three commodities.

/Earlier,

Wednesday, August 1, 1973

- 2 -

Earlier, Mr. Woo said that there were doubts standing in the way of an organiser who wished to deal ad interim in commodities other than those listed in the schedule of the bill.

Any initiative to provide such a market, he said, was likely to be considerably inhibited by one of the clauses in the bill which enables the Governor to add to the list of prohibited items by a notice in the gazette.

He pointed out that undue hardship for both the market and the traders could be caused if the government could, without advance notice, suddenly decide that trading in the futures of any unspecified commodity was no longer to be allowed.

- - - - 0 - - - -

/24

Wednesday, August 1, 1973

- 24 -

FUND FOR ORPHANS OF LAST YEAR'S RAINSTORM DISASTER

The Director of Social Welfare, the Hon. F.K. Li, told the Legislative Council today that a fund is to be set up for orphans of last year's rainstorm disaster from money remaining out of public donations made to the victims.

He said that the fund will be allocated to 49 orphans or semi orphans on a variable scale, depending on age and which parent was killed in the disaster.

The money will be held in trust to be used for their maintenance, education or welfare with the balance being handed to them when they reach an appropriate age.

Mr. Li, who was tabling a statement of accounts, said that just over \$17.3 million had been received by his department as donations in response to appeals for aid to the victims.

To date, about \$11.8 million had already been distributed among some 24,355 families.

A sum of \$5.5 million plus two properties worth about \$220,000 remains.

"These sums of money were given for the victims of this particular disaster and although consideration was given to the possibility of transferring the sum by legislation to the Community Relief Trust Fund to help victims of future disasters, I have been advised that the sum should be expended for the purposes for which the donations were made.

/"After

Wednesday, August 1, 1973

- 25 -

"After considering the position carefully, the conclusion of the members of the Community Relief Trust Fund Committee, who have been acting as trustees for the donations, and of the government, is that it is right that the balance of donations should also go to victims of the June rainstorm disaster."

After studying different alternatives, the committee decided to put \$1.5 million into a rehabilitation fund and use the balance for an orphans fund, he said.

The rehabilitation fund will be used to provide additional help for families who have already received assistance but may still need it. Social Welfare Department officers will follow up their cases.

Any money left over will be transferred to the orphans fund.

Mr. Li added that before the balance of donations is transferred to the two funds, an advertisement will be placed in the newspapers

informing those victims who have not yet made any claims for payments that new claims will not be entertained after the end of August this year.

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/26

RETAIL RICE PRICES "REASONABLE"

The retail prices of rice are "reasonable in the light of current import and normal trade costs", the Director of Commerce and Industry, the Hon. E.P. Ho said in Legislative Council today.

He said that on a Hong Kong-wide basis prices ranged from \$1.10 to \$1.80 a catty, depending on the quality of rice offered.

Mr. Ho, who was replying to a question about rice prices from the Hon. Hilton Cheong-leen, said that his department was continuing to make random checks every day on retail rice shops in all the main population centres.

This was to ensure that price tags were displayed on the rice being offered for sale and that prices were reasonable in terms of the quality of the product.

"Only two complaints, both by telephone, were received by the Commerce and Industry Department during June and July regarding retail rice prices," Mr. Ho said.

In both cases, the callers alleged that specified retailers, one on each side of the harbour, were demanding over \$2 a catty for rice.

Investigations by inspectors subsequently found that the retailers were not displaying price tags, but the retailers denied that they demanded the prices alleged.

Mr. Ho said they were asked to display price tags which they did promptly. Unannounced visits have been made since and each time tags in the \$1.10 and \$1.80 range have been displayed.

- - - - 0 - - - -

/27

METHADONE STRICTLY CONTROLLED

The import, sale and use of methadone is stringently controlled under the Dangerous Drugs Ordinance, the Director of Medical and Health Services, Dr. the Hon. G.H. Choa said today.

Replying in the Legislative Council to a question by the Hon. F.W. Li about regulating methadone, Dr. Choa said he was quite satisfied that the controls provided by the legislation were quite adequate. However, if Mr. Li had any improvements to suggest he would certainly give them careful consideration.

Dr. Choa said that the ordinance required, inter alia, that the import, sale and supply of methadone may normally only be undertaken by people licensed by him to do so.

Registered doctors and dentists, and certain other professional people were, however, authorised to possess and supply methadone (and other dangerous drugs) in strictly defined circumstances. There was also limited exceptions in favour of authorised sellers of poisons, he said.

Dr. Choa added: "The supply of methadone and other drugs on prescription is carefully controlled."

Wednesday, August 1, 1973

- 28 -

RESULTS OF ANTI CRIME CAMPAIGN "ENCOURAGING"

The Colonial Secretary, the Hon. Sir Hugh Norman-Walker, today described the immediate results of the Fight Violent Crime Campaign as "encouraging".

He said the upward trend of robberies has been arrested. From a daily average of 25 a few months ago, the number has dropped to 15 at the present time.

"We seem to be back at least to the situation at the beginning of 1972 and public confidence in our ability to deal with crime has grown significantly," Sir Hugh added.

He said he believed there was every reason to congratulate the police on the way in which they were meeting the challenge and the Fight Violent Crime Committee.

"But," he stressed, "what we have witnessed so far is merely the opening skirmish in a prolonged battle. I know the police recognise this; and I can assure you that having grasped the initiative, they will not let it go."

Sir Hugh was replying to a question in the Legislative Council by the Hon. P.C. Woo on the current results and future plans of the campaign.

The campaign committee had achieved community involvement by the formation of district committees, area committees and mutual aid committees.

/The committee

Wednesday, August 1, 1973

- 29 -

The committee also examined the aspects of improved street lighting, expansion of the caretaker service in public housing, simplification of reporting procedures and establishment of more police reporting centres.

A sub-committee had been formed at an early stage of the campaign to study the social causes of crime and to recommend remedies.

Sir Hugh said that a massive recruitment drive has been launched in an attempt to attract 3,000 recruits into the police force.

Increased police presence on the street has been ensured with the help of the expanded auxiliary police force. By the end of September there should be over 7,000 fully trained auxiliaries assisting the regular force.

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/30

Wednesday, August 1, 1973

- 30 -

KINDERGARTENS IN HOUSING ESTATES

The Housing Authority is to give consideration to adopting a uniform system for application procedures in respect of the operation of kindergartens in public housing estates.

The Acting Secretary for Housing, the Hon. Donald Liao, disclosed this in the Legislative Council today in reply to questions by the Hon. Wilfred Wong.

At present, Mr. Liao said the procedure for the opening of kindergartens differed according to the type of public housing estate.

Kindergartens in former resettlement estates are at present let at nominal rents to non-profit making bodies nominated by the Education Department.

But those in estates managed by the former Housing Authority are advertised at fixed commercial rents on three year tenancies, and tenders are invited for the payment of a premium to secure the tenancy.

Mr. Wong also asked, in particular, about the situation in the Kwai Shing Estate.

In reply, Mr. Liao said three kindergartens had been provided in the first stage of the estate, two of which had already been let and the third would be advertised shortly.

"The rents of the first two are \$1,600 and \$2,900 per month, and of the third, \$2,000 per month, inclusive of rates in each case."

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/31

Wednesday, August 1, 1973

- 31 -

SUPPLEMENTARY PROVISION APPROVED

Supplementary provision amounting to just over \$114 million for the final quarter of 1972-73 was approved today by the Legislative Council.

Of this sum, Public Works Non-Recurrent accounted for \$64.7 million. Over \$26 million of this was required as a result of more rapid progress on a number of existing projects and a further \$12.4 million to meet the increases in provision under revised estimates.

The major projects included the urban renewal scheme, the new Lai Chi Kok hospital, Kai Tak airport runway extension and the Castle Peak Road dual carriageway.

Other items included \$6.9 million for employing additional auxiliary police officers, and \$6.5 million for meeting the increased costs of capital works and purchases for the armed services under the Defence Costs Agreement.

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/32

Wednesday, August 1, 1973

- 32 -

GRANTS FROM THE LOTTERIES FUND

A sum of over \$766,000 has been granted from the Lotteries Fund towards social welfare services and projects.

In moving the resolution in the Legislative Council today, the Financial Secretary, the Hon. C.P. Haddon-Cave, said that the grants resulted from recommendations by the Social Welfare Advisory Committee.

The grants will go to several welfare organisations for capital works, the purchase of equipment, redecoration and the replacement of a bus.

It also allows for a block allocation of \$300,000 to the Director of Social Welfare enabling him to approve minor capital grants not exceeding \$25,000 in any one instance.

The grants have brought the uncommitted balance in the Lotteries Fund to approximately \$4.6 million.

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/33

Wednesday, August 1, 1973

- 33 -

UNOFFICIALS PAY TRIBUTE TO GOVERNOR

The 1972-73 Legislative Council session which ended today was a very busy and fruitful one which saw the enactment of much important legislation, the Senior Unofficial Member, the Hon. P.C. Woo, said at this afternoon's meeting.

"Perhaps more important, plans have been announced for future developments on a mammoth scale undreamt of before, which bear the stamp of Your Excellency's own inspired vision of the future and leadership towards our future goals," he said.

He was paying a special tribute, on behalf of his Unofficial colleagues, to the Governor, Sir Murray MacLehose, who will be leaving later this week with Lady MacLehose on a six-week vacation in Britain.

The great plans for housing and social welfare, the decision to go ahead with an underground railway, the mobilisation of the whole community in the Fight Violent Crime Campaign, and the McKinsey reforms of the administrative machine, all marked a session "of unparalleled importance and progressiveness," Mr. Woo said.

He hoped that the Unofficial Members had helped "in a small way" to further these policies and plans.

"There are problems and uncertainties too," he added, "but we are confident that under your guidance the problems will be met and the difficulties overcome."

Mr. Woo wished the Governor and Lady MacLehose a pleasant and restful holiday and said the Council members looked forward to their return.

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/34

Wednesday, August 1, 1973

- 34 -

TRIBUTES TO SIR HUGH AND PAUL TSUI

Warm tribute was paid today to the retiring Colonial Secretary, Sir Hugh Norman-Walker, who will be leaving Hong Kong next month to assume his new post of Lieutenant Governor of the Isle of Man.

The Governor, Sir Murray MacLehose, said the contribution Sir Hugh had made to the work of the Legislative Council and to the government had been so great that a short speech could not comprise a tribute that is adequate.

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

Sir Hugh has been a "tower of strength, a fund of experience and wisdom and a person of massive and imperturbable reliability", the Governor said. "My personal debt to him is enormous."

"Hong Kong and the government of Hong Kong has good reason to be grateful for the good work that he has done here and if I might say so without presumption I think he has very good reason to be proud of it."

The Senior Unofficial Member, the Hon. P.C. Woo, described Sir Hugh as "a distinguished leader and wise statesman" who would be remembered with gratitude by the many members of the community who had come to realise the extent of his contribution to public affairs.

Mr. Woo said it had been clear Hong Kong had gained an administrator of outstanding ability when Sir Hugh first assumed his post in March 1969.

/The fact

Wednesday, August 1, 1973

- 35 -

The fact that he had stepped down as Governor to become Hong Kong's Colonial Secretary "is a mark of his decision and his high ideal of service which has always been plain to see," he added.

Tribute was also paid to the Commissioner of Labour, Mr. Paul Tsui, who is retiring after 28 years of public service and after three years as a member of the Legislative Council.

The Governor said that Mr. Tsui was distinguished for many things, "in particular for his high principles, his personal courage, his real knowledge, but above all for his devotion to the interests of the people of Hong Kong."

"The public service will find great difficulty in filling the gap left by the departure of such a distinguished public servant," Sir Murray added.

On behalf of the Unofficial, Mr. Woo said that Mr. Tsui was the first local officer to become a staff grade administration officer "a rare distinction reflecting the energy and enthusiasm with which he has tackled his important assignments in the public service."

Referring to Mr. Tsui's "unblemished personal life and high degree of integrity," Mr. Woo said, he had demonstrated independence of mind and the ability to adhere to his own conviction of what is right.

"He has shown a disregard for his personal safety and has been fearless in the face of threats."

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/36

Wednesday, August 1, 1973

- 36 -

BILLS PASS FINAL READINGS

Eight bills passed their third and final readings in the Legislative Council today.

They were: The Prevention of Bribery (Amendment) Bill 1973, the Commodity Exchanges (Prohibition) Bill 1973, the Telecommunication (Amendment) Bill 1973, the Public Health and Urban Services (Amendment) (No. 3) Bill 1973, the Buildings (Amendment) Bill 1973, the Temporary Restriction of Building Development (Pok Fu Lam and Mid-Levels) Bill 1973, the Gambling (Amendment) Bill 1973; and the Stamp (Amendment) (No. 2) Bill 1973.

Two reports were tabled at the meeting. These were the Second Report of the Companies Law Revision Committee and the First Report of the Commission of Inquiry under Sir Alastair Blair-Kerr.

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/37

Wednesday, August 1, 1973

- 37 -

DIRECTOR OF AUDIT RETIRING

Mr. P.T. Warr, the Director of Audit, is retiring after nearly 15 years of government service.

To mark his retirement, the staff of the Audit Department will be presenting him with a memento in a ceremony to be held on Friday (August 3) at 4.15 p.m.

Mr. Warr, 55, had served in several auditing posts in London, the Gold Coast (now Ghana), Mauritius and Nigeria before coming to Hong Kong in 1958.

His first appointment was Principal Auditor, a post subsequently regraded to Assistant Director of Audit.

In September, 1965, he was promoted to Deputy Director after acting in the post on several occasions. He was promoted to Director in August, 1970.

Mr. Warr is married with one son.

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Note to Editors: You are invited to send a reporter and/or photographer to cover the presentation ceremony. It will be held in the Audit Department headquarters, Central Government Offices, 13th floor, West Wing. Mr. G.E. Lyth, Deputy Director of Audit, will present the retirement gift to Mr. Warr.

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Release Time: 8.30 p.m.