



DAILY INFORMATION BULLETIN

Wednesday, November 1, 1972

MORE LEGISLATION TO PROTECT INVESTORS

The Financial Secretary, the Hon. C.P. Haddon-Cave, today described the Companies (Amendment) Bill 1972 as "probably one of the most up-to-date pieces of legislation on prospectuses in the world".

He said other bills to follow in due course for the protection of investors will deal with securities which, among other things, will include the regulation of the operations of stock exchanges; unit trusts and mutual funds; and take-over bids, and they are now in an advanced stage of preparation.

He was speaking in this afternoon's Legislative Council meeting while moving the second reading of the Bill.

The Bill, he said, aims at requiring more and better information to be given in prospectuses and laying down penalties for giving false or misleading information and for other offences by promoters.

To that extent, it will provide greater protection for the investing public, he added.

However, the Financial Secretary pointed out it will be up to the public themselves to take advantage of the provisions in this Bill by reading prospectuses carefully and, where they feel this is necessary, by taking professional advice.

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"It is not the purpose of the Bill to establish any form of government vetting machinery over new issues, but only to make sure that adequate and accurate information is given in prospectuses.

"If companies whose prospects are not particularly sound come to the market, this should be revealed in the prospectuses and it will be up to the public and the Press to form their own judgements as to their worth," he said.

Earlier in his speech before dealing with the Bill itself, Mr. Haddon-Cave made three preliminary points.

First, he said, he makes no apology for the fact that the Bill is being introduced into the Council more than a year after the finalisation of the Report of the Companies Law Revision Committee to which, in part, it seeks to give effect.

He explained: "The Hong Kong economy is one which thrives on free enterprise and when the Government makes proposals which interfere with the operations of the market mechanism, it behoves us to ensure that what we are proposing is in the broader public interest; and that the rules laid down will improve, and not simply impede, the way in which the market mechanism operates."

Secondly, he said, contrary to what some less responsible critics have tried to claim, it is not a simple task to consider all the recommendations in the Report, and, where they are acceptable, to translate them into the precise language of legislation.

"It is, in fact, a difficult and time consuming task and it is important to avoid making mistakes," he added.

Finally, the Financial Secretary stressed that the Bill and the others to follow are not being introduced in any sense of panic, but are being brought forward after careful and dispassionate consideration.

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He continued: "Hong Kong's financial sector is essentially healthy, buoyed up as it is by the strength of our economy as a whole and the confidence it engenders in local and overseas investors.

"But the process of growth, particularly rapid growth, brings in its train its own problems and we are starting this afternoon on a programme designed to bring more order and efficiency into the conduct of trading in securities of all kinds, thereby providing greater protection for the interests of the investing public."

Mr. Haddon-Cave said the present Companies Ordinance is based largely on the United Kingdom Companies Act of 1929.

The amending Bill, he said, includes most of the provisions or recommendations on prospectuses contained in the 1948 Companies Act and the Jenkins Committee Report, "together with a number of points which we have added ourselves as a result of our own experience."

The main features of the Bill include the following provisions:-

- * The existing definition of "prospectus" will be extended to include documents which do not actually offer shares or debentures but are calculated to invite offers from the public.
- * Every prospectus is to be in English, and is to contain a Chinese translation, and it should include the information specified in the Third Schedule.
- * Prospectuses will have to contain a notice advising potential investors, if they are in any doubt, to consult a professional adviser.
- * The publication of an abridged prospectus will be prohibited, but this provision is not intended to place restrictions on Press comments on a prospectus and the use of extracts provided these are not in the nature of advertisements.

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- * It will be prohibited to include in a prospectus an expert's statement - that is the statement of an accountant, valuer, engineer and so on - unless he has consented in writing.
- * A prospectus must be registered with the Registrar of Companies and he can refuse such registration, in which case, the prospectus cannot be published as it would not comply in all respects with the statutory requirements. If a prospectus is accepted for registration, this will merely mean that it has met all the statutory requirements for publication.
- * In order to give potential investors an opportunity to digest the information in a prospectus and seek professional advice if they wish, at least two days must elapse between the issue of a prospectus and the opening of the subscription lists.
- * Criminal sanctions and civil liability will attach to anyone including experts, responsible for mis-statements in prospectuses.

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THE ROLE OF THE UNOFFICIALS

Unofficial Members of the Legislative Council consider it their duty to help the Government in every possible way to devise the most suitable laws, policies and methods of administration for Hong Kong, the Hon. P.C. Woo said today.

Mr. Woo was speaking in the Legislative Council this afternoon on a motion of thanks for the Governor's address at the opening session on October 18.

This was the first occasion on which Mr. Woo spoke in an opening debate as the Senior Unofficial Member of the Council.

He said Unofficials did not regard themselves as being "an opposition to the Government."

The Unofficials, he said, did take note of public opinion on new legislation and matters of topical public concern and where appropriate, make representations in the Council.

"In doing so it is from time to time necessary for us to comment upon and where necessary to criticize both draft legislation and government policies and administration," Mr. Woo said.

It fell to the Unofficials to prod the Official Members by means of questions and through other forms of parliamentary procedure "to keep the Government on its toes".

Mr. Woo noted that this function of the Unofficials appeared largely to have lapsed during the 1950's when only 12 questions were asked during a 10-year period.

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Again in the period 1960 to 1967, a comparatively small number of 125 questions were asked -- an average of 16 a year.

Mr. Woo said that since then there had been a "gradual awakening."

The number of questions asked by Unofficials in 1968 was 64 and it rose to 165 in the 1971-72 session.

Mr. Woo said that there had been a similar increase in activity as regards speeches on bills and adjournment debates.

"This," he said, "is part of the Unofficials' contribution to closing what has been called the gap between the Government and the people. It is one of the steps which the Unofficials have taken to put themselves more closely in touch with the ordinary people of Hong Kong."

Unofficials were now aided in their task by the emergence of the UMELCO office, Mr. Woo said.

He described it as "the place where attention can be focused not only on individual complaints brought to the Office by ordinary citizens but also on more general complaints and topics of public concern raised in the press or by public bodies."

Mr. Woo said that although there had been a substantial increase in the utilisation of the UMELCO Office, many members of the public still did not use its facilities.

"We are always ready to see members of the public," he said.

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Referring to procedural matters, Mr. Woo said the Unofficials considered it preferable that consideration of bills be spread over three meetings.

When it is necessary that a bill be passed through all its stages in two meetings, the Unofficials consider that there should always be a period of at least a fortnight between the moving of the second reading and the vote on the second reading.

This should be the standard procedure and should apply even if the measure is not controversial.

"The point is," Mr. Woo said, "that such a practice would provide a further opportunity for the Unofficials to consider the mover's speech as well as representations which inevitably tend to reach us at the last moment."

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HARSH CRIMES MUST BE CURBED BY SEVERE PENALTIES

The Hon. Wilfred Wong said today the combatting of crimes of murder and robbery was still Hong Kong's top priority and he suggested the introduction of legislative deterrents more in line with the eastern concept rather than the western.

He said the eastern concept is simply that harsh crimes must be curbed by severe penalties.

A recent sample survey among 500 people showed that 75 per cent considered the streets in Hong Kong as unsafe to walk alone at night, he said.

Mr. Wong was speaking in the Legislative Council in support of motion to thank the Governor for his address given last month at the opening of the Council's new session.

He said most people would agree that the first requisite in a civilised society is law and order.

In Hong Kong, he said, crime in the form of robbery by knife is becoming a pattern for young thugs and he pointed out that crime, like a virus, is contagious and spreads quickly unless contained.

"While the long term measures are legislative deterrents, education and community involvement, immediate short-term measures to counter it are urgently required," he said.

Mr. Wong said he has been told that many robberies are not reported, and following his own investigations, he has concluded that only one out of five are reported to the police because of fears of intimidation.

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"I am absolutely convinced that even with additional recruitment which the police and auxiliaries are carrying out, a neighbourhood watch system as could be provided by residents' associations or street tenant patrols is the solution.

"This is the traditional Chinese po kak - a district watch force. It is not a private army", he said.

Crime of this nature and magnitude cannot be curbed without community involvement, of which Hong Kong has a fine heritage, he said. "Let us not lose it in the face of pressure."

Referring to the cost of living, Mr. Wong said it is second in importance to law and order for the common people, and rent is the most important component.

"With the creeping inflation that we are facing, rent and the imposition of new rates need special watching and a holding action as part of an overall economic policy," he said.

He said there were loopholes to be plugged in the existing rent control legislation although it was working out fairly well for premises with a rateable value of under \$1,500 per month.

The basis of reasonable rents, he said, is adequate housing, and housing is the most important government undertaking in Hong Kong.

He said 60 per cent of the population should be housed in government or government-aided housing if such an undertaking stabilised the cost of living and therefore the labour content of the cost of production of the local manufacturers.

At present, he said, 40 per cent is housed in this type of accommodation, the rest living in private housing.

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However, private housing is not producing as it should and statistics show that the proportion of new domestic accommodation units below \$30,000 had dropped. This made low-priced flats further beyond the reach of factory workers or office clerks, he said.

Mr. Wong pointed out that the basic reason for the pressure of housing is the low production of resettlement since 1968, when it was 24,100 units. The number of units had since dropped to less than 10,000 a year on average.

"And domestic units completed for government low-cost housing in the urban areas and New Territories failed to increase in the four years preceding 1972."

He continued: "Low-cost housing is for the quick relief of people's housing problems and we must appreciate their sufferings and anxiety. It must not be allowed to be bogged down in the mire of indecision and bureaucracy."

On income eligibility for government low-cost housing, Mr. Wong said the \$500 maximum income limit has been removed and replaced with a new scale commencing with \$500 per month for four people and below to \$1,000 per month for a household of 14 people.

"Although this scale removes somewhat the anomaly of discriminating against large families, it nevertheless fails to raise the lower limit from \$500 to \$600".

"It is unrealistic to assume that a family of 4 people can live on an income of \$500 per month nowadays, he said.

Mr. Wong welcomed the Governor's proposal for the unification and consolidation of housing policy and administration.

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Turning to the economic front, he said there must be stabilisation of the cost of living and in costs of production. He called for determined efforts to solve housing costs where "the core of the problem lies".

He said land prices in Hong Kong are too high. For example, the cost of land is 50 times that of Malaysia. This should lead to a review of land policy and point to a special policy in opening up the New Territories for industrial land.

Again, he said the cost of water and electricity in Hong Kong are higher than in Malaysia and warned that in the long run, inspite of Hong Kong's high productivity, these factors will affect the Colony's eventual position in world markets.

On share investment, Mr. Wong pointed to the wild and unrestrained behaviour on the local stock market and said that, apart from investment, "this gambling atmosphere is detrimental to the economy if not the culture of Hong Kong."

He called for imminent legislation to protect the investing public and added that there is evidence that certain shares are "being manipulated". Control of the stock exchanges now becomes a necessity, he said.

On future planning, Mr. Wong said we should plan our social, community and economic services on a population of six million by the end of the century.

On civil servants' retirement age, Mr. Wong said it should be raised from 55 years to 60 years to stop what he called a "terrible waste of manpower and experience."

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SUGGESTIONS FOR NEW HOUSING DEPARTMENT

People who have enjoyed the privilege of subsidised housing for more than 10 years and prospered as a result should move to private housing so as to leave more room for others who need housing desperately.

The Hon. Mrs. Ellen Li said this today when she spoke in the Legislative Council on a motion of thanks for the Governor's address two weeks ago.

She called for a fresh look at a proposal she made years ago that another means test should be taken at housing estates 10 years old or over.

Other proposals she made for the consideration of the new Housing Department include:

- * smaller sites for smaller communities should be favoured from the point of easier control and warmer community sense of belonging;
- * smaller units for smaller families should be provided to cater for the young generation;
- * facilities should be reserved for nurseries and hostels for young working single people and the elderly;
- * there should be some form of housing scheme for retired civil servants especially those in uniform who had been provided with quarters during their term of service.

On the last proposal, Mrs. Li said: "Housing is the most tangible form of security in the minds of all Chinese families. Pension is only half of the sad story."

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She added: "Unless we come up with a practical policy in housing for all civil servants, the problems of recruitment and corruption will be with us for a long time."

Speaking on gambling, Mrs. Li said that the proposal to legalise off-course betting by the Royal Hong Kong Jockey Club might find "some sympathetic ears among the Chinese community."

But, she added, there will be stiff opposition from the Chinese community to the legalisation of all forms of gambling.

The arguments for legalised gambling were "entirely against the Chinese philosophy and way of thinking and have never been accepted as valid by the Chinese community," she said.

It was true, she said, that many people were "born gamblers." But it was "undignified and objectionable" to suggest that the Government exploit the people's weakness as a source of revenue.

Our finance is so strong that there is no need for this, she added.

Referring to arguments that legalised gambling would remove or reduce corruption, Mrs. Li said this was "wishful thinking and being naive."

Illegal gambling would continue where more profit could be made through tax evasion, resulting in more corruption and more strongly organised crimes.

Moreover, there was the socio-economic effect on those members of society who could not afford to gamble away their entire housekeeping money and so would have to resort to stealing and robbery on the streets.

"To encourage the population to gamble openly is to invite trouble in more ways than one," she declared.

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She asked the Government "to think twice on this subject."

Commenting on the White Paper on Social Welfare, which had her full support, Mrs. Li said perhaps the most heartening feature was the fact that "Government accepts the ultimate responsibility to provide satisfactory social welfare services as fast as staff and other resources permit."

She welcomed the emphasis on helping those members of the community who were least able to help themselves, particularly the disabled and the elderly.

She also welcomed the proposed Institute for Social Work Training.

She believed that there was a need for more openings for school leavers who were not academically suited to university studies but who, following more practical training, could play an important part in providing services for the people of Hong Kong.

Mrs. Li expressed disappointment at the "small percentage of increase" in the total amount of subvention to voluntary agencies.

It was high time, she said, that they be encouraged to employ more qualified staff.

"Most agencies," she said, "spend from 50 per cent to 80 per cent of their total expenditure on salaries and if these could be adequately subsidised, it will go a long way in upkeeping the standard of service in this field."

Turning to education, Mrs. Li called for a "very clear cut and wholesome" policy for Hong Kong.

Education, she said, must be planned as a whole and not in a piecemeal and disjointed manner "the way we are doing up to now."

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For instance, she said, we need to aim at secondary education for all.

Once a policy was formulated, then a practical system could be devised to implement it step by step.

She said the present aim was to provide enough subsidised places for all primary graduates to enjoy three years post-primary education, "but beyond that there is no plan yet."

"So by the time we are ready to remove the secondary school entrance examinations at Primary 6 level, it will be time to introduce another such examination for entry into Form 4, because unless we plan for our second phase now, we are creating another bottleneck there."

The agenda and the procedure of the Board of Education were at fault.

She therefore welcomed the proposal to reconstitute the Board for more effective function.

On family planning, Mrs. Li welcomed plans for direct participation of the Medical Department in this field.

She urged the Government to "formulate a population policy and to review and amend all government regulations to conform with this policy."

She knew of many regulations working at cross purposes, such as paid maternity leave and the number of children required to qualify for married quarters, housing estates, decantation, personal tax exemption and so on.

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Referring to the problem of crime and punishment, Mrs. Li said that the "soft approach towards criminals" did not serve as an incentive to the prosecution and reporting of crimes.

She said "the policeman who risks his life to apprehend a criminal and the victim or the passerby who takes the trouble to appear in court as witness would not be too happy to see the criminal get away with just a warning, or suspended sentence, a bond for good behaviour, or put on probation."

Dealing with the problem of police recruitment, Mrs. Li said that the provision of adequate housing not only during service but more permanently on retirement would "go a long way as an extra and perhaps the most important inducement for recruitment purposes."

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WIDER USE OF AREA COMMITTEES TO TACKLE LOCAL PROBLEMS

The Hon. Wilson T.S. Wang today called for the "mobilisation of responsible citizens" in each neighbourhood to tackle the wide range of local problems.

Speaking in the Legislative Council this afternoon, Mr. Wang said a good example of this approach was the 74 area committees embracing some 40,000 voluntary workers in the "Clean Hong Kong" campaign.

"There should be a similar approach to the question of local community involvement in many other matters such as crime, traffic, fire-fighting, environmental hygiene and even the problem of schooling and other social services," he said.

For each of these activities, it would be helpful to have a committee for each area, consisting mainly of local people.

The area committee system would have to be matched by a delegation of officers from their respective departments who would be able to sit around the same table to discuss ways and means of improving their service in each field and neighbourhood.

"What is needed," Mr. Wang said, "is some arrangement whereby the views and needs of the people in the neighbourhood can be translated into action through their own involvement."

By these means people would acquire a sense of participation and a greater sense of belonging.

"Involvement must replace apathy and action against irregularities must replace the passive acceptance of things which are wrong," he added.

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Speaking on primary education, Mr. Wang said the present bisessional system was here to stay.

He suggested that it might be wiser to "concentrate all our efforts on exploring ways of improving and supplementing the functions of existing schools," such as more practical training and extra-curricular activities.

"Greater effort and encouragement by way of financial assistance plus the provision of staff would go a long way to help each school to attain its goal," he said.

Referring to the secondary school entrance examination Mr. Wang said: "The sooner we can do away with it, the sooner we shall be able to improve primary education to a really significant extent and make life easier for all -- the parents, the pupils and the teachers.

"This alone underlines the need to provide sufficient places in post-primary schools for all our primary school leavers."

Mr. Wang said that 184,000 places in Forms 1 to 3 are needed, in addition to those now available, and more places in the upper forms and other education institutions are also urgently needed.

There was no alternative but to extend the bisessional system to secondary schools and to technical and pre-vocational training.

"It would not be in line with social justice," he said, "for half of these children to be kept out of school merely for the reason that it would be better for the other half to have full day sessions."

/Mr. Wang

Mr. Wang believed priority should be given to the building of schools for technical and pre-vocational training to meet the demand for these places.

On medical services, Mr. Wang called for the development of an extensive network of clinics for the convenience of residents and workers in each district, as one way of improving and consolidating the quality of services provided.

He also hoped that the government would become more involved in the field of training dentists -- if not by providing courses in the universities then by greatly increasing the number of scholarships or bursaries available for study abroad.

Mr. Wang supported the proposals contained in the White Paper on social welfare, particularly with regard to expanding the present community and youth officer scheme, and the network of community centres. He described them as practical and useful ways of helping to improve the quality of life in our communities.

He said it was right that the proposed disability and infirmity allowance scheme should operate without a means test. Besides being inflexible and tedious, and time and money consuming, the test could have a damaging and depressing effect on the people it aimed to cheer up.

Mr. Wang also believed that a disabled or elderly person still capable of working should not be discouraged from so doing and whatever money he earned should become a bonus over and above the public assistance he received.

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NEED FOR ECONOMY IN GOVERNMENT SPENDING

The Hon. H.J.C. Browne today suggested the setting up of a properly staffed Organisation and Methods Department to examine the work done by government departments and to review their existing establishments.

This would be in addition to the studies that are carried out by the present O and M section when a department asks for additional staff.

He said that with the high capital and recurrent expenditure facing Hong Kong in the future, "there is even more need for economy in government spending".

He hoped that by decentralising and streamlining, the load at the top could be better spread and that a determined and sustained effort will be made in all government departments to increase productivity.

However, he made it clear that Hong Kong was very well served by the public service, "but the total cost is such a large slice of our annual expenditure that we must introduce modern techniques to try to keep its size and its cost down".

Mr. Browne said he was in favour of going ahead with all the major proposals put forward by the Governor two weeks ago and no doubt the Financial Secretary would be looking for ways to increase revenue.

"But in my view we cannot afford to introduce fiscal measures that will disturb the climate that has enabled our economy to develop and thrive, and made Hong Kong into an important international industrial and commercial centre," he said.

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On the question of housing, he said that it was wrong for the Government to be housing, for a rent of just a few dollars a month, people who now owned their own flat somewhere else, while genuinely deserving cases were still on the waiting list.

Turning to pollution, Mr. Browne said some extremists would like to stop the smoke rising from every factory chimney. "Pollution may be a dirty word; but so is poverty," he added.

Mr. Browne supported the "commonsense approach to this problem that the Government is adopting, and let none of the enthusiasts forget that we are a big industrial complex operating in a competitive world."

Because of this he was in favour of the setting up of an oil refinery subject to the necessary arrangements to control pollution.

On social welfare, he hoped that the Government would "nurture" the voluntary organisations which "sometimes feel frustrated due to red tape, occasional lack of Government response and a very real worry about their financial position."

He described these organisations as a unique and priceless asset and said the enthusiasm and dedication of so many individuals who give up their time without charge cannot be assessed in financial terms.

Mr. Browne called on the Government to formulate a comprehensive "population policy" to make widely available family planning services; to amend restrictive legislation; to allow family life education, including sex education, and general preparation for marital and parental responsibilities to be included in the appropriate school curricula; and to make family planning and population education part of the training courses for nurses, teachers, social workers and others.

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On the question of the "interface" between the Government and the people, Mr. Browne said that he hoped under Mr. Cater's direction things will further improve and that departments will try to do more to project themselves, and their work, to the community.

"There is room, too, for improvement on the part of the press, for some of us have met reporters who are ignorant of government policy and who, on occasions, have not bothered to do their homework."

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CONCERN FOR REDUNDANT WORKERS

Dr. the Hon. S.Y. Chung today rated "high on the list" of social security the issue of redundancy pay for workers, and he urged the Government to give higher priority to legislation on redundancy compensation.

This is one aspect of labour rights which Hong Kong has so far not attempted seriously to legislate, he said.

Dr. Chung was speaking in the Legislative Council in support of a motion thanking the Governor's address given at the recent opening of the Council's new session. He also spoke on housing, the economy and technical education.

He said it is only fair to compensate a worker who has worked for an employer for several years and who is fired through no fault of his own.

At present, he said, there is no legislation specifying the amount of redundancy pay which is fair to both employers and employees. The present liability of the employer is to give only one month's notice or one month's pay in lieu of notice. This often leads to confrontation.

"Since there is in Hong Kong no effective union organisation genuinely working for the general good of labour, it is a prime responsibility of Government and this Council to see that labour rights and entitlement would not be infringed and that labour's weakness would not be exploited by some unscrupulous employers," Dr. Chung said.

Turning to housing, he described it as "one of the most pressing problems in Hong Kong" and hailed the 10-year housing plan announced by the Governor.

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He made three points for consideration by the Government. The first concerns the standard of accommodation of 35 square feet per person being used in low-cost and the latest resettlement housing.

In a city of rising standards and expectations, he said it is important to improve this standard of accommodation from time to time in order to avoid what some experts have called the mass production of future slums.

Secondly, Dr. Chung said the present method of allocation of housing on a "first come first served" basis has a "great inherent drawback" of not relating location of work with that of residence.

"A major improvement would be achieved if allocation of housing could be made by matching location of work with location of housing for the applicants.

"This approach will not only minimise the reluctance of potential inhabitants and potential factories to move out to new townships in the New Territories but will also reduce demand for the already over-taxed public transport particularly during rush hours," he said.

The last point concerns productivity in Hong Kong's building construction industry. Dr. Chung said during the past five years, building construction costs had nearly doubled whilst there had been little or no progress in labour productivity in the building industry.

Compared to the export manufacturing industries, mechanisation in the building industry has been minimal during the past decade, he said.

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"This unsatisfactory situation should not be allowed to continue. The Government must be able to find means to check such inefficient utilisation of public money."

As regards economic development, Dr. Chung shared the Governor's view that "our prospects for social progress depend on our ability to maintain a high rate of economic expansion."

He described foreign trade as Hong Kong's "life-blood" and stressed that ways and means must be found to keep the world markets open to local goods.

He said "we must impress upon the British Ministers who handle our foreign affairs that as far as trade relations are concerned, first, they should use their good offices to ensure that Hong Kong be treated fairly and justly by our trading partners, and, secondly, the U.K. Government should not set any bad examples of its own for other governments to follow to the detriment of Hong Kong's economic progress."

Dr. Chung said we are facing a rapid wage spiral and accelerating cost inflation in industry. For export-oriented factories, there are only three alternatives.

"One is to bow out of competition. The second is to offset the rise of labour costs through improvement of labour. The third is to avoid direct competition with low cost products by trading up the quality and technology ladder".

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Both the last two approaches require technical manpower, he pointed out. Therefore the need for technical education and industrial training was evident.

He welcomed the Government's plan for the expansion of technical education at various levels, but he envisaged that at this stage, the major hurdle in the development of the Polytechnic and technical institutes would be the recruitment of technical teachers.

He said it would be necessary to recruit around 1,400 qualified teachers specialised in various branches of technology, business study and management science. Industrial training and technical education were complementary to each other, but were two separate things.

"Many people in commerce and industry were rather surprised not to hear anything about industrial training," he said, referring to the Governor's speech.

"I therefore urge the Government to seriously consider the various industrial training proposals made in the final report of the Industrial Training Advisory Committee," he concluded.

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STIFFER PENALTIES UNDER AMENDED BUILDINGS LEGISLATION

The Building Authority can, under an amending bill, order remedial works to be carried out to remove dangerous or potentially dangerous conditions in building works.

In moving the second reading of the Buildings (Amendment)(No. 2) Bill, the Director of Public Works, the Hon. J.J. Robson, said that failure to comply with such an order would give the Authority power to do the work and to recover the costs from the person on whom the order had been served.

Mr. Robson said, the maximum penalty imposed so far had been of little "deterrent value in disciplining errant contractors".

The bill will substitute for the present fine of \$2,000 and imprisonment for six months a "realistic" fine of \$50,000 and imprisonment for two years, upon conviction of those offences which are considered grave.

These offences include the incorporation of defective materials in building works, the divergence from approved plans, and failure to notify contravention of regulations.

In addition, Mr. Robson said, any person who failed to comply with an order for remedial works might face "a continuing penalty of \$10,000 per day."

A provision of the bill will restore the position whereby the Building Authority has to deal with applications for occupation or temporary occupation permits within 14 days of receipt.

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The 14-day time limit was removed as an emergency measure by the Buildings (Amendment) Ordinance 1972.

Another provision substitutes 60 days for the period of 28 days after which approval of plans submitted to the Building Authority may be considered to have been granted by default.

Mr. Robson pointed out that the period during which the Building Authority had to either consent to or refuse the commencement of building works remained unaltered at 28 days.

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12 GRANTS FROM LOTTERIES FUND APPROVED

A motion to approve the allocation of 12 grants from the Lotteries Fund for social welfare services and projects was carried at this afternoon's Legislative Council meeting.

Moving the motion, the Financial Secretary, the Hon. C.P. Haddon-Cave, said these grants had been recommended by the Social Welfare Advisory Committee and the total sum of money involved was \$4,112,838.

The grants are for the purchase and replacement of equipment, capital works and an experimental project of a limited duration.

These have been approved by the Governor as being worthy of assistance from the Lotteries Fund, Mr. Haddon-Cave said.

The 12 organisations receiving the grants include the Hong Kong Council of Social Service, the Hong Kong Red Cross Society, Tz'u Te Home for the Aged, the Hong Kong Society for the Blind and the Salvation Army.

The Financial Secretary told the Council: "If this resolution is passed, the balance remaining in the Lotteries Fund will be approximately \$6.6 million, compared with the present balance of \$10.7 million."

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DEATH SENTENCE COMMUTED

The death sentence on a 19-year old youth, Chan Yun-ki, has been commuted to a term of 25 years imprisonment.

This decision was made by the Governor after taking into consideration the advice of the Executive Council.

Chan Yun-ki and another 17-year old youth, Tsui Wing-kwong were found guilty of the murder of Wong Yuk-kay.

The incident took place in the Shatin Pass Road Low Cost Housing Estate on December 26, 1971.

Chan Yun-ki was sentenced to death on May 18, 1972, and Tsui Wing-kwong was detained in a training centre.

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HONG KONG REPRESENTED AT ASIAN POPULATION CONFERENCE

A delegation of five experts in various fields is representing Hong Kong at the Second Asian Population Conference which begins in Tokyo today.

The delegation, headed by Mr. K.W.J. Topley, Commissioner for Census and Statistics, comprises Professor Gordon King and Mr. K.C. Chan of the Hong Kong Family Planning Association; Dr. C.Y. Choi of the Chinese University of Hong Kong; and Mr. Benjamin Mok Ni-hung, Senior Statistician of the Census and Statistics Department.

Among the topics to be discussed at the conference will be the role of population in development; means of influencing population trends and patterns; labour and employment; and human resources.

The conference, which has been organised by ECAFE, will continue until November 13.

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DANGEROUS BUILDING IN RECLAMATION STREET

The Building Authority today declared No. 247 Reclamation Street, Kowloon to be in a dangerous condition and ordered demolition.

The Principal Government Building Surveyor said that this four storey pre-war building was inspected following a complaint from one of the tenants that pieces of concrete had fallen from the second floor balcony exposing the steel reinforcing.

Sections of the structure were subsequently opened up for inspection and it was revealed that the projecting balconies over both Reclamation Street and Hamilton Street were in such a defective condition that there is danger of collapse.

Due to fractures in the rear and flank walls of the building it is not considered possible to remove them without endangering the rest of the building.

As there is a risk of collapse a notice of intention to apply for a closure order in Kowloon District Court at 9.30 a.m. on December 7 was posted today.

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BILLS PASSED

Four Bills received their third reading and were passed by the Legislative Council this afternoon.

They were the Urban Council (Amendment) (No. 2) Bill 1972, the Television (Amendment) Bill 1972, the Peak Tramway (Amendment) Bill 1972 and the Bills of Exchange (Amendment) Bill 1972.

Four Bills were read for the first and second time.

They were the Magistrates (Amendment) (No. 2) Bill 1972, the Probate and Administration (Amendment) Bill 1972, the Companies (Amendment) Bill 1972, and the Buildings (Amendment) (No. 2) Bill 1972.

Debate on the Companies (Amendment) Bill 1972 and the Buildings (Amendment) (No. 2) Bill 1972 was adjourned.

Two sessional papers were tabled in the Council. They were the Housing Board Report 1971 and the Annual Report by the Director of Civil Aviation for the year 1971 - 72.

The Legislative Council will meet again tomorrow (Thursday) when two more Unofficial members will speak in Chinese.

The first speaker will be Mr. Q.W. Lee. Joining him in Chinese will be Mr. James Wu, who will wind up for the Unofficials. Incidentally, Mr. Wu will be making his maiden speech.

Speeches in English will be made by Mr. Oswald Cheung, Mr. T.K. Ann, Mr. R.H. Lobo, Mrs. Joyce Symons and Mr. P.G. Williams.

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Release time: 9.00 p.m.