

OFFICIAL REPORT OF PROCEEDINGS.**Meeting of 22nd October, 1958.**

PRESENT:HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR ROBERT BROWN BLACK, K.C.M.G., O.B.E.

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT-GENERAL SIR EDRIC MONTAGUE BASTYAN, K.B.E., C.B.

THE HONOURABLE THE COLONIAL SECRETARY

MR. CLAUDE BRAMALL BURGESS, C.M.G., O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL

MR. ARTHUR RIDEHALGH, Q.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. JOHN CRICHTON McDOUALL.

THE HONOURABLE THE FINANCIAL SECRETARY

MR. ARTHUR GRENFELL CLARKE, C.M.G.

THE HONOURABLE PATRICK CARDINALL MASON SEDGWICK

(Commissioner of Labour).

DR. THE HONOURABLE DAVID JAMES MASTERTON MACKENZIE, C.M.G., O.B.E.

(Director of Medical and Health Services).

THE HONOURABLE COLIN GEORGE MERVYN MORRISON

(Director of Urban Services).

DR. THE HONOURABLE CHAU SIK NIN, C.B.E.

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY, O.B.E.

THE HONOURABLE LO MAN WAI, C.B.E.

THE HONOURABLE NGAN SHING-KWAN, O.B.E.

THE HONOURABLE KWOK CHAN, O.B.E.

DR. THE HONOURABLE ALBERTO MARIA RODRIGUES, M.B.E., E.D.

THE HONOURABLE JOHN DOUGLAS CLAGUE, C.B.E., M.C., T.D.

THE HONOURABLE DHUN JEHangIR RUTTONJEE, O.B.E.

MR. MAURICE DEREK SARGANT (*Deputy Clerk of Councils*).**ABSENT:**

THE HONOURABLE ALLAN INGLIS

(Director of Public Works).

MINUTES.

The Minutes of the meeting of the Council held on 1st October, 1958 were confirmed.

PAPERS.

THE COLONIAL SECRETARY, by Command of His Excellency the Governor, laid upon the table the following papers: —

Subject. *G.N. No.*

Sessional Papers, 1958: —

No. 22—Annual Report by the Registrar, Supreme Court
for the year 1957/58.

No. 23—Annual Report by the District Commissioner, New
Territories for the year 1957/58.

No. 24—Annual Report by the Chief Officer, Fire Brigade
for the year 1957/58.

Training Centres Ordinance, 1953.

Tung Tau Wan Training Centre (Cancellation) Declaration, 1958 A. 61.

**ADMINISTRATION OF JUSTICE (SUMMARY OFFENCES)
ORDINANCE, 1955.**

THE ATTORNEY GENERAL moved the following resolution: —

Resolved, pursuant to section 11 of the Administration of Justice
(Summary Offences) Ordinance, 1955, that the duration of the
said Ordinance be extended for the term of one year with effect
from the 28th October, 1958.

He said: Sir, I rise to move the resolution standing in my name, which is designed to extend the life of the Administration of Justice (Summary Offences) Ordinance, 1955, for a further year. This Ordinance provides that in the case of certain minor offences a person upon whom a summons in a specified form has been served may plead guilty and pay the fine stipulated by the

Ordinance, without appearing before a magistrate. The public continue to avail themselves of the facilities afforded by this Ordinance and it is considered desirable to keep it in force.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**RESOLUTION REGARDING THE DEVELOPMENT
LOAN FUND.**

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved—

1. that with effect from the 1st November, 1958, there shall be established a fund styled the Development Loan Fund;
2. that the Fund or any part of it may be held in Hong Kong dollars or in sterling and shall be administered by the Financial Secretary and may be invested in such securities as may be approved by the Governor;
3. that there shall be credited to the Fund—
 - (a) the assets of the Development Fund and of the Local Loans Fund, as on the 1st November, 1958, whether in the form of cash, investments, loans, advances or otherwise;
 - (b) such appropriations from the revenues or other funds of the Colony as may be approved by this Council;
 - (c) all sums received by way of repayment of loans or advances granted from the Fund;
 - (d) all sums received by way of interest or dividends on investments, deposits, loans or advances of the Fund;
4. that the Fund shall assume all the liabilities of the Development Fund and of the Local Loans Fund as from the 1st November, 1958;
5. that the Financial Secretary may from time to time appropriate from the Fund monies for the purpose of financing by loans or advances such schemes of development within the Colony as may be approved

by the Governor, provided that the amount of appropriation, and the terms and conditions of the loan or advance, shall in every case be subject to the prior approval of the Finance Committee of this Council;

6. that the Development Fund and the Local Loans Fund shall be closed with effect from the 1st November, 1958.

He said: Sir, honourable Members will probably recollect that the Development Fund in its present form was established in 1951 by resolution of this Council. At that time we had sorted out the somewhat involved financial position resulting from our venture into trading and financing which was forced upon us by the war. The operations of the Department of Supplies, Trade and Industry, which subsequently became the Department of Supplies and Distribution, had resulted in a substantial profit, and it was felt that this money, rather than being credited to general revenue, might be specifically earmarked for development. The resolution passed by this Council accordingly provided that the accumulated profits should go into a new Fund and that all future profits should also go to that Fund. It also laid down that appropriations from this Fund should be devoted to schemes of development approved by the Secretary of State. Since that time, Sir, there have been some changes. Government has withdrawn from trading and from the financing of trade; and, at the commencement of this financial year, the Secretary of State relaxed his control over our finances. It was felt therefore that the time had come to bring up to date the terms of the resolution.

At the same time attention was directed to the Local Loans Fund, which was set up in 1956. It will be remembered that this Fund was established to overcome the somewhat awkward accounting position resulting from a large increase in the volume of interest-free loans to private bodies who wished to build schools. Under ordinary Government accounting rules such loans had to be charged off as expenditure, and repayments had to be credited to revenue, with the result that revenue and expenditure figures were being unnecessarily inflated. By resolution of this Council on the 20th June, 1956, the Local Loans Fund was established to take care of the accounting for these interest-free loans for building of schools.

Thus at present the Local Loans Fund finances the building of private schools, and the Development Fund finances all sorts of other activities such as housing and part of the Kwun Tong reclamation.

It is now proposed to take the opportunity afforded by the recasting of the Development Fund resolution to simplify our accounting by amalgamating these two funds into a combined fund, which will take care of all these loans, and which it is proposed to call the Development Loan Fund. The resolution, Sir, seeks to give effect to this proposal; its terms are, I trust, fairly clear, and, in omitting the existing references to the Secretary of State and to profits from trading and financing, leave present practice substantially unchanged. As heretofore any loan or advance will be subject to the prior approval of the Finance Committee of this Council; and, although the formal approval of the Secretary of State is not required, he will in fact be consulted on all proposals of any importance.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

ROAD TRAFFIC (AMENDMENT) BILL, 1958.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Road Traffic Ordinance, 1957".

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

Council then went into Committee to consider the Bill clause by clause.

Clause 1 was agreed to.

Clause 2.

THE ATTORNEY GENERAL: —Sir, there is a table of proposed amendments which is now in the hands of honourable Members. All these amendments are of a drafting nature and I beg to move the amendment standing in my name under clause 2(b) of the Bill.

Proposed Amendment.

2. (b) In the new paragraph (l), last line, after the word "equipment", insert the following—

"in accordance with the provisions of any regulations made under this Ordinance."

Clause 2, as amended, was agreed to.

Clause 3.

THE ATTORNEY GENERAL: —I beg to move the amendment standing in my name.

Proposed Amendment.

3. In the new section 5A, subsection (1)

- (a) paragraph (b), leave out the word "deemed" and substitute the following—

"presumed" ;

- (b) penultimate line, leave out the word "presumed" and substitute the following—

"deemed".

Clause 3, as amended, was agreed to.

Clauses 4 to 7 were agreed to.

Clause 8.

THE ATTORNEY GENERAL: —Sir, I beg to move the amendment standing in my name.

Proposed Amendment.

8. Leave out this clause and substitute the following—

"Amend-
ment of
section 29. 8. Subsection (1) of section 29 of the principal Ordinance is amended by the deletion of the words "Any person who" and the substitution therefor of the following—

"Any person who, with intent to defraud,—".

Clause 8, as amended, was agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Road Traffic (Amendment) Bill, 1958 had passed through Committee with amendments and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

ADJOURNMENT.

H. E. THE GOVERNOR: —Gentlemen, that concludes the business for today. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL: —May I suggest this day two weeks?

H. E. THE GOVERNOR: —Council stands adjourned until this day two weeks.