

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 15th September 1965****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR DAVID CLIVE CROSBIE TRENCH, KCMG, MC
BRIGADIER THE HONOURABLE PETER CHAMBRE HINDE, DSO
SENIOR MILITARY OFFICER
THE HONOURABLE MICHAEL DAVID IRVING GASS, CMG
COLONIAL SECRETARY
THE HONOURABLE MAURICE HEENAN, QC
ATTORNEY GENERAL
THE HONOURABLE JOHN CRICHTON McDOUALL
SECRETARY FOR CHINESE AFFAIRS
THE HONOURABLE JOHN JAMES COWPERTHWAITTE, CMG, OBE
FINANCIAL SECRETARY
THE HONOURABLE KENNETH STRATHMORE KINGHORN
DIRECTOR OF URBAN SERVICES
THE HONOURABLE ALEC MICHAEL JOHN WRIGHT
DIRECTOR OP PUBLIC WORKS
DR THE HONOURABLE TENG PIN-HUI, OBE
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE WILLIAM DAVID GREGG
DIRECTOR Op EDUCATION
THE HONOURABLE DAVID RONALD HOLMES, CBE, MC, ED
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE JOHN PHILIP ASERAPPA
DISTRICT COMMISSIONER, NEW TERRITORIES
THE HONOURABLE ROBERT MARSHALL HETHERINGTON, DFC
DEPUTY ECONOMIC SECRETARY
THE HONOURABLE DHUN JEHANGIR RUTTONJEE, CBE
THE HONOURABLE KWAN CHO-YIU, CBE
THE HONOURABLE KAN YUET-KEUNG, OBE
THE HONOURABLE SIDNEY SAMUEL GORDON, OBE
THE HONOURABLE LI FOOK-SHU, OBE
THE HONOURABLE TSE YU-CHUEN, OBE
THE HONOURABLE KENNETH ALBERT WATSON, OBE
THE HONOURABLE WOO PAK-CHUEN. OBE
THE HONOURABLE GEORGE RONALD ROSS
THE HONOURABLE SZETO WAI
THE HONOURABLE WILFRED WONG SIEN-BING
THE HONOURABLE CHUNG SZE-YUEN
THE HONOURABLE MRS ELLEN LI SHU-PUI, OBE
MR ANDREW McDONALD CHAPMAN (*Deputy Clerk of Councils*)

MINUTES

The Minutes of the meeting of the Council held on 25th August 1965, were confirmed.

HIS EXCELLENCY THE GOVERNOR: —May I on your behalf welcome Mr GASS to this Council and also welcome Mr WATSON back.

PAPERS

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

<i>Subject</i>	<i>LN No</i>
Sessional Paper, 1965:—	
No 24—Annual Report by the Manager and Chief Engineer, Railway for the year 1964-65.	
No 25—Annual Report by the Commissioner for Resettlement for the year 1964-65.	
No 26—Annual Report by the Commissioner of Labour for the year 1964-65. No 27—Annual Report by the Controller of Stores and Sand Monopoly for the year 1964-65.	
No 28—Annual Report by the Director of Information Services for the year 1964-65.	
No 29—Annual Report by the Controller, Public Enquiry Service for the year 1964-65.	
No 30—Annual Report by the Director, Royal Observatory for the year 1964-65.	
No 31—Annual Report by the Director of Medical and Health Services for the year 1964-65.	
No 32—Annual Report by the Community Relief Trust Fund Trustee for the year ending on 31st March 1965.	
No 33—Report of the Working Party on the Urban Council Franchise and Electoral Registration Procedure.	
Police Force Ordinance. Police Regulations (Discipline) (Amendment) Regulations 1965.....	115
Public Health and Urban Services Ordinance 1960. Public Health and Urban Services Ordinance 1960 (Amendment of First Schedule) Order 19651.....	118

<i>Subject</i>	<i>LN No</i>
Supreme Court Ordinance.	
Registrar (Exercise and Performance of Powers) Rules 1965	119
Exportation (Cotton Manufactures) Regulations 1962.	
Exportation (Cotton Manufactures) (Amendment of Schedule) Order 1965	120
Public Health and Urban Services Ordinance 1960.	
Food Business (New Territories) (Amendment) Regulations 1965	121

He said:—Your Excellency, included amongst these papers is the Report of the Working Party on the Urban Council Franchise and Electoral Registration. The recommendations contained in this Report will now be studied in detail by the Government. No decisions have yet been taken.

QUESTIONS

MR Woo PAK-CHUEN, pursuant to notice, asked the following question:

Your Excellency, as there appears to be a high percentage of failures in the Hong Kong English School Certificate Examination this year, will Government explain whether this is due to the raising of the standard of the said Examination or to some other causes, and if due to some other causes, will Government investigate into the matter?

MR W. D. GREGG replied as follows:

Your Excellency, this question is concerned with the Hong Kong English School Certificate Examination which is used for a very wide variety of purposes in Hong Kong. For example, a certificate awarded on the results of this examination is the minimum educational qualification for appointment to a large number of posts in government service. It is rightly a matter of public concern that the standard of the examination shall not vary from year to year.

The question, however, implies that there has been an unusually high percentage of failures in the examination this year. This is not in fact so: the total percentage of passes this year (54.4%) was only 1.1% lower than last year. At the same time the number of successful candidates rose from about 4,520 to 5,260.

A comparison of the examination results of two successive years can, however, be misleading. A survey of the results over the last five years indicates more truly the correct position, which is that increases in the percentage rate of failures have been accompanied by absolute increases both in the numbers of pupils sitting the examination and the numbers of successful candidates. I shall quote figures rounded off to the nearest 50 to illustrate this trend. In 1961, the examination catered for 4,650 candidates of whom 2,950 were successful. By this year the number of candidates had more than doubled to 9,700 and 5,250 were successful.

If, however, we concern ourselves solely with the results of the 64 schools which put forward candidates both in 1961 and 1965, we find that the percentage of successful candidates dropped only from 64.8% to 63.9%, less than 1%, despite the fact that the number of candidates entered by these schools had increased by more than one half, from 4,500 to 6,800.

The explanation, therefore, of the increasing percentage of failures in the examination between 1961 and 1965 is to be found, not in the increasing difficulty of the examination, but in the more liberal policy adopted by the Syndicate in admitting new schools to the examination, a policy which is clearly reflected in the examination results since 1963. If in fact no new schools or private candidates had been admitted to the examination after 1963 the percentage of passes would have been 61% in 1965 compared with 60% in 1963.

We must recognize the fact that schools with an unselective entry of pupils are unlikely to achieve the same standard of success in public examinations as schools with a selective entry of pupils. We must also recognize the fact that the staff and pupils of all schools newly admitted to a public examination tend to take two or three years to adjust themselves to the practical conditions of that examination. This experience is common to many countries and is borne out by the examination results in Hong Kong during the last three years. I do not wish to overload this reply with statistical information but will illustrate my statement by observing that only some 300 (22%) of 1,350 candidates from newly admitted schools were successful this year. These figures, however, are themselves the justification of the Syndicate's policy since,

although the percentage rate of success would have been higher had these candidates been refused admission, 1,350 pupils would have been debarred from the opportunity to sit the examination including the 300 who gained certificates. This would clearly have been unjust to the individual pupils concerned, particularly those who were successful.

I should like to conclude my reply to the question by one or two general comments. In the first place, I am assured by the Examination Syndicate that the standard of the examination has not been raised this year. Secondly, in recent years strenuous efforts have been made to secure full recognition of this examination, not only locally but in countries overseas. It is obvious that any public examination aiming at wide recognition must ensure by all possible means that its standards remain constant, and indeed this is one of the main duties of the Examination Syndicate. I would like to confirm the statement recently made by the Chairman of the Syndicate that there is no fixed percentage or restriction on the number of candidates who are allowed to pass. If a candidate reaches the required standard in any subject he will pass and every modern examination technique is used to try to ensure that the standard does not vary from year to year. Finally, I understand from the Chairman of the Syndicate that the recent comments and suggestions about the conduct of the examination are being fully considered.

MR Woo PAK-CHUBN:—Thank you.

RESETTLEMENT (AMENDMENT) BILL 1965

THE COLONIAL SECRETARY moved the First reading of a Bill intituled “An Ordinance further to amend the Resettlement Ordinance 1958.”

He said:—Your Excellency, this Bill seeks to make necessary statutory provision to implement the recommendations contained in the White Paper entitled “Review of Policies for Squatter Control, Resettlement and Government Low-Cost Housing 1964”, which was adopted by the Council as a guide to future policy on the 30th September last year. At the same time the opportunity has been taken to put beyond doubt the fact that resettlement factory areas are intended to come specifically within the ambit of the Ordinance, and also to make a number of further amendments which experience has shown to be desirable.

The White Paper recognized that under previous squatter control policy no proper provision had been made for the family which had lost its previous accommodation and, having no priority for resettlement, had no alternative but to become new squatters. Arrangements for placing such squatters in "resite areas" were recognized to be only makeshift. No legal status was conferred on the inhabitants and there was no satisfactory basis for the control and administration of the areas. It was proposed to overcome this by establishing Licensed Areas in which genuinely homeless people could be allowed to erect temporary huts, with restrictions as to the types of building and the materials used. It was also recognized in the White Paper that temporary provision should be made for a certain number of people having a high priority for resettlement, but for whom accommodation in the Estates was not immediately available. It was proposed that such people should be accommodated in Transit Centres in which facilities and services would be on the lines of those provided in the best of the existing resite areas.

The new Part VA to be inserted in the Resettlement Ordinance by Clause 23 of the Bill before Council makes provision for the establishment of Licensed Areas and Transit Centres. For convenience, however, Licensed Areas have been referred to in this Bill as Class II Areas, and Transit Centres as Class I Areas. The Commissioner for Resettlement is to be the Competent Authority with a power to grant licences to occupy land in these areas and to prescribe the persons to whom such licences may be granted. In co-operation with the Public Works Department, the Commissioner has already selected a number of sites for Licensed Areas and Transit Centres on both sides of the harbour; work is in hand for the provision of the necessary minimum public services. In the main, licences for both types of areas will be granted only to eligible persons who will reside on these sites, but licences may also be granted to persons who intend to carry out a retail trade which will supply the needs of the people residing in a particular area.

Paragraphs 17-22 of the White Paper dealt with the Rent Advance Scheme under which former tenants of pre-war Demolished Buildings for whom accommodation was not immediately available in Resettlement Estates might deposit an advance of rent with the Commissioner for Resettlement which would be repaid over the first ten years of their tenancy by means of a reduction of the rent. Clause 20 of this Bill implements this proposal but honourable Members will note that, whereas the intention was to repay advances over the first ten years, the proposed new section 35A(5) provides for repayment over 125 months. This has been found desirable from a purely practical accounting point of view. It is felt that the difference of 5 months is not however significant and might even be welcomed by individual tenants as it will prolong the period over which they will be paying a reduced rent.

The Commissioner for Resettlement reports that the Rent Advance Scheme which came into operation on a purely administrative basis on the 1st May this year has been well received. By 31st August, of 6,254 families offered resettlement under the scheme, 3,540, that is, 56.6%, have accepted resettlement and of these 1,285, making a total of 6,645 people, have already been resettled. A total of \$2.6 million has already been paid by way of rent advances.

Experience has shown that the present powers of the Competent Authority to remit up to one month's rent after first occupation of accommodation are unnecessarily restrictive, and Clause 3 of the Bill confers a new power upon the Governor to remit or reduce rents payable under the Ordinance.

At present, under section 10 of the Ordinance, a Crown lessee or the holder of a permit to occupy Crown Land is required to report to the Competent Authority the erection of any unlawful structure on his land, or the existence of any such structure erected since the commencement of the Ordinance. The enforcement of this section as it stands is considered to be impractical insofar as it requires the existence of an unlawful structure erected since 1958 to be reported. Clause 5 now seeks to amend section 10, as foreshadowed in paragraph 13 of the White Paper, by setting a new date to coincide with the coming into operation of the Bill, after it has been passed, after which date a landlord will be liable to prosecution for failure to report the erection of unlawful structures on his property. For this purpose the Resettlement Department has made an extensive survey at the end of 1964 of structures both on Crown Land and private land throughout the built-up areas under its jurisdiction, so that reasonably accurate records are now available and can be kept up-to-date of structures already erected before the coming into operation of the Bill.

The remaining provisions of the Bill are fully covered in the Objects and Reasons published with it. Points of perhaps special interest, to which I might draw the attention of honourable Members, include the arrangements for the cleaning by contract of Resettlement Estates and the collection of refuse (that is, the new section 35B in Clause 20) and the measures for dealing with property left behind or abandoned in Estates (Clause 26).

I might add, Sir, that it has been necessary to prepare amendments to the Resettlement Regulations to provide principally for the form and conditions of licences under the new Part VA, and for the form of resettlement factory tenancy cards. The amending Regulations will be submitted to Your Excellency in Council after the present Bill has passed through all its stages in this Council and are designed to come into effect on the same day as the amending Ordinance.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons

The "Objects and Reasons" for the Bill were stated as follows:

The main objects of this Bill are twofold.

Firstly, the Bill seeks to make such statutory provision as is necessary to implement the recommendations contained in the White Paper entitled "Review of Policies for Squatter Control, Resettlement and Government Low-Cost Housing 1964".

- (a) The new Part VA to be inserted in the Resettlement Ordinance 1958 (the principal Ordinance) by clause 23 will empower the Governor to set aside unleased Crown land for use as licensed areas or transit centres, the establishment of which was foreshadowed in paragraphs 6 and 24 of the White Paper. For ease of administration, the terms "licensed area" and "transit centre" have not been used in the legislation. Instead, the areas referred to in the White Paper as transit centres will be known as Class I areas and the areas referred to therein as licensed areas will be known as Class II areas. The new section 50C in Part VA confers upon the competent authority, who will be the Commissioner for Resettlement, power to grant licences to occupy land in these areas and prescribes the persons to whom he may grant licences.
- (b) Primarily, licences to occupy land in a Class I area may be granted to homeless persons participating in the rent advance scheme dealt with in paragraphs 17 to 22 of the White Paper and other persons commanding a high priority for resettlement. Licences to occupy land in a Class II area may be granted to other homeless persons not commanding the same high priority for resettlement. Outside these categories, it is intended that there shall be strict limits on the persons to whom licences may be granted. The new provisions accordingly provide that, apart from homeless persons, licences may be granted only in such cases as the Governor may allow.
- (c) There will be equally strict control of the purposes for which land occupied under such a licence may be used. In the main, licences will be granted only to persons who intend to reside on the land, but licences will also be granted to persons

who intend to carry on a retail trade which will supply the needs of the people residing in a particular area and may be granted for such other uses as the Governor may allow.

- (d) The remaining provisions in Part VA deal with the conditions to which licences will be subject, the revocation of licences, the clearance of the site after a licence has been revoked and the powers of the competent authority or authorized officers to inspect licences and structures erected on the land occupied thereunder.
- (e) The new section 35A to be inserted in Part IV of the principal Ordinance by clause 20 will establish the rent advance scheme.

2. Secondly, the Bill seeks to make such amendments to the principal Ordinance as are necessary to bring resettlement factory areas specifically within its ambit.

3. The opportunity has been taken to make a number of further amendments to the principal Ordinance, which experience has shown to be desirable.

- (a) Subsection (3) of section 7 of the principal Ordinance will be replaced (clause 3) by a new subsection empowering the Governor to remit or reduce fees, rents or other charges payable under the Ordinance. The existing provisions have been found to be too limited in scope to meet special cases of hardship which arise in the course of the day to day administration of resettlement estates and the other areas provided for by the principal Ordinance.
- (b) As part of the Government's policy, declared in the White Paper, of containing strictly any further squatting, section 10 of the principal Ordinance will be rigorously enforced. At present, this requires the lessee under a Crown lease or the holder of a permit to occupy Crown land to report to the competent authority the erection of any unlawful structure on his land or the existence of any such structure erected since the commencement of the principal Ordinance. It is considered that enforcement of the section as it stands, in so far as it requires the existence of an unlawful structure erected since the commencement of the principal Ordinance to be reported, is not practicable. Accordingly, clause 5 seeks to amend section 10 so as to require the existence of an unlawful structure erected after the commencement of this Bill to be reported. This will enable a fresh start to be made in the enforcement of section 10.

- (c) Clause 6 will delete subsection (2) of section 15 and general provision in relation to the obstruction of a competent authority in the exercise of any power conferred upon him by the principal Ordinance will be made by the amendment to section 53 proposed in clause 25.
- (d) The limitation of liability imposed by section 16 of the principal Ordinance is whom action is taken under Part II of the principal Ordinance as well as goods belonging to him.
- (e) Section 25 of the principal Ordinance is repealed by clause 11 because buildings in resettlement estates are erected by the Public Works Department and not by the competent authority. It is no longer considered necessary to make any statutory provision with respect to the erection of such buildings. Clause 12 will make amendments to section 26 consequent upon the repeal of section 25.
- (f) It is envisaged that the competent authority may make arrangements by contract with suitable persons for the cleaning of resettlement estates and the collection of refuse arising therein. If this course proves practicable, it will be necessary to require any other persons engaged in such work, in some instances by arrangement with some or all of the residents in a resettlement estate, to refrain therefrom. In addition, there may be cases where it would be desirable for other reasons that a person engaged in such work should cease to do so, and it is accordingly considered that the competent authority should have power to require him to do so. Clause 20 seeks to add to the principal Ordinance a new section 35B making the necessary provisions. In some cases, the competent authority may be willing to permit the carrying on of cleaning services in addition to those provided pursuant to a contract and the new section 35B allows for this.
- (g) Clause 24 will amend section 51 of the principal Ordinance so as to empower the Governor in Council to make regulations in relation to resettlement factory areas, for the recovery of the cost of replacing fittings in a resettlement estate which have been damaged or lost and prescribing the conditions of, and the fees payable in respect of, licences granted under the new section 50C.
- (h) Considerable difficulty is experienced by the Resettlement Department in dealing with property found in rooms in resettlement estates after the tenants have left following the termination of their tenancies; difficulty is also experienced in dealing

with property abandoned in the public parts of resettlement estates or which obstructs the proper management and maintenance of such estates. To meet these difficulties, it is proposed that the competent authority should have power to take possession of any such property. Any property of which the competent authority takes possession under that power will be returned to its owner if he claims its return within seven days of the giving of notice of its seizure, but the competent authority will be entitled to recover the costs incurred by him in removing and storing the property. Unclaimed property and property which the competent authority refuses to return because he is not satisfied that the claimant is the owner thereof will vest in the Crown free from the rights of any person, but the former owner of any such property which is sold by the competent authority will be entitled to recover the balance of the proceeds of the sale, after the deduction of any expenses incurred by the competent authority in the removal, storage or sale of the property, if he makes a claim therefor within six months after the posting of the notice of seizure. These provisions are contained in the new section 54 to be inserted in the principal Ordinance by clause 26.

- (i) By virtue of the new section 55 to be inserted in the principal Ordinance by clause 26 it will be an offence knowingly to make a false statement to a competent authority or an authorized officer or in any document required by, under or for the purposes of the principal Ordinance. These provisions are an extension of those contained in section 21 of the principal Ordinance, which will be repealed by clause 8.

4. Certain other amendments to the principal Ordinance will be made by clauses 2, 4, 10(b) and (c), 15(b), 21 and 22. These are either of a minor nature or are consequent upon amendments which have already been referred to.

CHINESE UNIVERSITY OF HONG KONG (AMENDMENT) BILL 1965

THE COLONIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to amend the Chinese University of Hong Kong Ordinance 1963."

He said:—Your Excellency, this Bill includes a number of unrelated amendments to the principal Ordinance. None is thought to raise any controversial matter of principle, but all are regarded as desirable amendments of a "tidying-up" nature.

Clauses 2, 3, 4 and 5 effect a change in the University's name to make it "The Chinese University of Hong Kong", and not just "Chinese University of Hong Kong."

Clause 6 repairs a technical error in the principal Ordinance. The function of the Senate is not to regulate the "conferring" of degrees, which is a power belonging to the Chancellor and the Vice-Chancellor on behalf of the University itself, but it is to regulate their "award", except in the case of honorary degrees.

Clause 7 provides that when the time comes for the election by Convocation of Members to the University Council, the number so elected should not necessarily be fixed at three, as the Ordinance now says, but should not exceed three. This allows for some flexibility which is felt to be desirable. I have, however, an apology to make, Sir, to honourable Members. The clause as now drafted in the Bill does not achieve our intention that it should be the Council rather than the Convocation that should decide from time to time what the number of members elected by Convocation should be. Accordingly I wish to give notice that at the Committee Stage I propose to move a revised clause which will effect more exactly what is required.

Clause 8 makes statutory provision for the appointment by the Council of an Administrative and Academic Planning Committee in addition to the Finance Committee. It is believed that this additional committee will particularly assist the administrative and academic planning functions of a federal-type university such as this one, and that it has sufficient importance to make its establishment a statutory obligation on the University.

Finally, Clause 9 provides for a Faculty of Commerce and Social Science to be established. This provision corrects an unintentional omission when the principal Ordinance was passed. It has in fact always been the intention to have this faculty and the Statutes of the University already provide for the conferment of degrees in these subjects.

The amendments in this Bill are proposed with the advice and recommendation of the Council of the Chinese University of Hong Kong and I commend them to honourable Members.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons

The “Objects and Reasons” for the Bill were stated as follows:

The objects of this Bill which seeks to amend the Chinese University Ordinance 1963 (hereinafter called the Ordinance) are—

- (a) to provide that the name of the University established by the Ordinance shall be “The Chinese University” instead of “the Chinese University” and consequently to substitute in the Ordinance the former expression for the latter (clauses 1—5);
- (b) to make a minor textual amendment in section 9 of the Ordinance so as to provide that the Senate shall have the control and regulation of “the award” of degrees instead of “the conferring” of the same;
- (c) to amend section 11(*m*) of the Ordinance which provides that three members of the Convocation shall be members of the Council so as to provide that not more than three members of the Convocation shall be members of the Council;
- (d) to provide that the Council shall establish an Administrative and Academic Planning Committee as well as a Finance Committee;
- (e) to provide that, in addition to the Faculties of Arts and Science, there shall be a Faculty of Commerce and Social Science.

AIRPORT FEES (VALIDATION) BILL 1965

THE ATTORNEY GENERAL moved the First reading of a Bill intituled “An Ordinance to provide that certain directions purporting to have been given in exercise of powers conferred by the Air Navigation (Colonies, Protectorates and Mandated Territories) Order 1927, and certain regulations purporting to have been made in exercise of powers conferred by the Colonial Air Navigation Order for the time being in force in the Colony, but not validly given or made by reason of the fact that the Order under which the said directions or regulations purported to have been given or made did not confer power in that behalf in respect of Government aerodromes, shall be deemed to have had the full force and effect of law.”

He said:—Sir, for some fifteen years, it was believed that certain Orders in Council, making provision in respect of Hong Kong for various matters affecting air navigation, empowered Your Excellency to make statutory provision for the fees to be paid for the use of the Hong Kong Airport. This belief was not well-founded because it is quite clear that Your Excellency's power to prescribe fees is limited to licensed aerodromes not owned by the Government.

Accordingly, since 10th April 1964, fees for the use of the Hong Kong Airport have been recovered on a contractual basis.

Sir, this Bill seeks to validate the directions and regulation under the purported authority of which fees were recovered prior to April 1964 and thus to protect the public revenue by ensuring that such fees do not have to be refunded solely by reason of the invalidity of the directions and regulations under which they were recovered.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons

The “Objects and Reasons” for the Bill were stated as follows:

Until 10th April 1964, fees for the use of Hong Kong Airport were charged under directions or regulations purporting to be made under the Air Navigation (Colonies, Protectorates and Mandated Territories) Order 1927, the Colonial Air Navigation Order 1949 or the Colonial Air Navigation Order 1955. None of those Orders conferred power to give or make directions or regulations as to fees for the use of a government aerodrome, and accordingly the directions and regulations purporting to be made thereunder in 1948, 1953, 1955 and 1960 were invalid. Since 10th April 1964, fees for the use of Hong Kong Airport have been recovered on a contractual basis, as are fees for the use of government aerodromes in the United Kingdom.

2. Had it been appreciated that those Orders did not confer power to prescribe fees for the use of government aerodromes, fees at the rates which have prevailed from time to time would have been charged and recovered on a contractual basis. However, since the fees were in fact recovered under the purported authority of the invalid directions or regulations, it is necessary to safeguard the public revenue by validating the directions and regulations under which they were recovered so as to ensure that no fees have to be refunded solely by reason of the invalidity of the directions or regulations.

SUPPLEMENTARY APPROPRIATION (1964-65) BILL 1965

THE FINANCIAL SECRETARY moved the First reading of a Bill intituled “An Ordinance to authorize a supplementary appropriation to defray the charges of the financial year ended the 31st day of March 1965.”

He said: —Sir, this Bill seeks to give final legislative authority, so far as that is necessary, for the supplementary expenditure already authorized by Resolution of this Council, and is the final stage in disposing of expenditure incurred during the last financial year.

The gross total of supplementary provisions approved during the year was \$195.7 million but, because of underspending on a number of votes, total expenditure was in fact some \$55.5 million below the original estimate of \$1,496 million.

The original estimate was given legislative form in the Appropriation (1964-65) Ordinance 1964, which authorized specific sums under separate Heads of Expenditure. It is necessary to legislate further now in respect of those individual Heads of Expenditure where the net effect of supplementary provisions, and of underspending if any, have resulted in an excess over the original sum authorized against these particular Heads in the Appropriation Ordinance. The total supplementary expenditure requiring this further legislative authority is some \$30 million under 29 Heads.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

WATERWORKS (AMENDMENT) BILL 1965

MR A. M. J. WRIGHT moved the First reading of a Bill intituled "An Ordinance further to amend the Waterworks Ordinance."

He said:—Your Excellency, in my speech at the Budget Debate earlier this year I spoke of the progress being made in the re-organization of the Public Works Department with a view to giving greater autonomy to the sub-departments. As part of this re-organization the title of Deputy Director of Public Works (Waterworks) has been changed to Director of Water Supplies.

The Director of Public Works will continue to be the Water Authority and the purpose of this Bill is to enable the Director of Public Works to authorize the Director of Water Supplies to exercise and perform on his behalf the powers conferred and the duties imposed upon the Water Authority by the Waterworks Ordinance.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons

The "Objects and Reasons" for the Bill were stated as follows:

The purpose of this Bill is to enable the water authority, who is the Director of Public Works, to authorize the Director of Water Supplies to exercise and perform on his behalf the powers conferred and the duties imposed upon the water authority by the Waterworks Ordinance, Chapter 102.

LIBRARY BILL 1965

MR K. S. KINGHORN moved the Second reading of a Bill intituled "An Ordinance to make provision for the management of public libraries maintained by the Government in the urban area."

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.

Clauses 1 to 4 were agreed to.

Council then resumed.

MR K. S. KINGHORN reported that the Library Bill 1965 had passed through Committee without amendment 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 into law.

**SCHOOL MEDICAL SERVICE BOARD INCORPORATION
(AMENDMENT) BILL 1965**

MR W. D. GREGG moved the Second reading of a Bill intituled "An Ordinance to amend the School Medical Service Board Incorporation Ordinance 1964."

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.

Clauses 1 to 3 were agreed to.

Council then resumed.

MR W. D. GREGG reported that the School Medical Service Board Incorporation (Amendment) Bill 1965, had passed through Committee without amendment 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 into law.

NEXT MEETING

HIS EXCELLENCY THE GOVERNOR: —That concludes the business for today. The next meeting of Council will be held on the 29th September.