

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 1st February 1967****PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)
SIR DAVID CLIVE CROSBIE TRENCH, KCMG, MC
THE HONOURABLE THE COLONIAL SECRETARY
MR MICHAEL DAVID IRVING GASS, CMG
THE HONOURABLE THE ATTORNEY GENERAL
MR DENYS TUDOR EMIL ROBERTS, OBE, QC
THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS
MR DAVID RONALD HOLMES, CBE, MC, ED
THE HONOURABLE THE FINANCIAL SECRETARY
MR JOHN JAMES COWPER THWAITE, CMG, OBE
THE HONOURABLE ALEC MICHAEL JOHN WRIGHT, CMG
DIRECTOR OF PUBLIC WORKS
DR, THE HONOURABLE TENG PIN-HUI, CMG, OBE
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE WILLIAM DAVID GREGG
DIRECTOR OF EDUCATION
THE HONOURABLE ROBERT MARSHALL HETHERINGTON, DFC
COMMISSIONER OF LABOUR
THE HONOURABLE ALASTAIR TODD
DIRECTOR OF SOCIAL WELFARE
THE HONOURABLE TERENCE DARE SORBY
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE GEOFFREY MARSH TINGLE
DIRECTOR OF URBAN SERVICES
THE HONOURABLE KENNETH STRATHMORE KINGHORN
DISTRICT COMMISSIONER, NEW TERRITORIES
THE HONOURABLE DHUN JEHANGIR RUTRTONJEE, CBE
THE HONOURABLE KAN YUET-KEUNG, OBE
THE HONOURABLE LI FOOK-SHU, OBE
THE HONOURABLE FUNG HON-CHU, OBE
THE HONOURABLE TANG PING-YUAN
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, OBE
THE HONOURABLE ELLEN LI SHU-PUI, OBE
THE HONOURABLE JAMES DICKSON LEACH, OBE

IN ATTENDANCE

THE DEPUTY CLERK OF COUNCILS
MR DONALD BARTON

MINUTES

The minutes of the meeting of the Council held on 18th January 1967 were confirmed.

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:—	
Proclamation No 2 of 1967.	
Revised Edition of the Laws Ordinance 1965 to come into operation on the 1st day of February 1967	4
Prisons Ordinance 1954.	
Prison (Amendment) Rules 1967	5
Interpretation and General Clauses Ordinance 1966.	
Specification of Public Offices	6
Interpretation and General Clauses Ordinance 1966.	
Administrative Appeals Rules 1967	8
Revised Edition of the Laws Ordinance 1965.	
Annual Revision 1965	9
Sessional Papers 1967:—	
No 9—Annual Report by the Director of Medical and Health Services for the year 1965-66.	
No 10—Annual Report by the Registrar General for the year 1965-66.	

Other Papers:—

Report made in accordance with section 115(1) of the Merchant Shipping Ordinance No 14 of 1953.

MR T. D. SORBY, by Command of His Excellency the Governor, laid upon the table the following paper:—

Subject

Background information on the Hong Kong Rice Trade.

He said:—On 24th March last year, during the course of the Budget debate, my honourable Colleague, Mr HOLMES, presented a paper recording some basic facts about the rice trade in Hong Kong*

* 1966 Hansard, pages 203-6.

as a background to remarks he then had to make. I have had prepared a similar paper which reiterates in condensed form much of the earlier information, and at the same time brings the facts up to date. It also provides considerably more information on rice price movements during the years 1962 to 1966.

I do not wish to cover again the ground which my Colleague went over last year, that is to say the historical aspects of the rice control scheme, obligations of rice importers, and so on. This is all set down, Sir, in the new paper. Instead I propose to start where he left off. And I shall begin by referring to the principal object of the scheme, that is to say, maintenance of stocks to tide over temporary interruptions of supply.

Mr HOLMES said last March that the position of supplies was then one of some uncertainty. By the middle of the summer that uncertainty had become a probability that there would be a regional shortage in East and South East Asia. Stocks were therefore built up, so that when the shortage became so much a reality that Thailand, the principal supplier to South East Asia, and our principal supplier over the last twenty years—that when Thailand banned the export of rice on 3rd November in order to try and bring down prices in its own domestic market, we had in Hong Kong sufficient stock to tide us over until supply was resumed. In other words, the primary objective of the rice control scheme was attained in circumstances when it was tested more severely than it had ever been hitherto.

Some other countries in the area viewed the situation last November with dismay, and not without reason. We, on the other hand, had built up our reputation over the years as a reliable cash customer of a reliable source of supply. I felt sure that when the Government of Thailand felt able to relax its ban. Hong Kong would be accorded a reasonable measure of priority for purchase of available stocks of suitable quality. This is in fact what has happened. A special preferential allocation was made to traditional customers in the second half of December, of which our registered importers secured a major share. And on 17th January, the Thai Government directed that exports of rice to Hong Kong, Malaysia and Singapore should henceforth be a minimum—and I stress the word minimum—of 45,000 tons of rice a month. This is enough to ensure that our stock of rice will not run down further, and could allow for a modest build-up during the seasonal reduction of demand which follows the New Year and which warmer weather normally brings.

I should add that at no time did the ban on exports from Thailand inhibit exports of rice already contracted for, so that during November and December steady but diminished shipments from Bangkok to Hong Kong continued. And at no time have imports from China, our second major supplier,—at no time have they faltered.

Resumption of large scale exports from Thailand has resulted in no less than 16,000 tons of rice being unloaded last week from ships in the port. This is about half the quantity usually consumed in a month. This most useful accretion to stocks will go quite a long way towards making good the ground lost over previous months. It should in due course have a significant effect on prices to the consumer.

I have so far emphasized the matter of supplies and stocks of rice, because the paramount objective of the rice control scheme is to have rice always available. To do this costs money, which the consumer must provide. And it costs *more* money, if the consumer wishes—as indeed he does, and has since 1953 been able to afford to do, —if he wishes to exercise his predilection for rice of a particular quality. The statistics in *the Rice information paper demonstrate how, during the last five years, the average consumer has registered his preference for rice of high quality and his ability to pay for it; the statistics also show his interest in more expensive substitute food's. What the statistics do not demonstrate, but what more detailed knowledge of the rice market does show, is the importance consumers attach to assurances that supplies are available. Allowing for known commercial factors, a comparison with consumption in previous years discloses an abnormal increase in demand during the last three months. I can only assume that this was because of some nervousness about continuing supply. I have not shared this nervousness.

My reason is that I have confidence in the rice control scheme, and the ability of our registered importers. And this leads me on to consider the principal criticisms of the scheme, which can be summarized as that it is wrong in principle for a selected group of merchants to have a monopoly of rice imports, and that the existence of such a “monopoly” has enabled registered importers to rig prices in such a way as to secure an unreasonable commercial advantage at the expense of the consumer.

Let me here and now state that I agree that it would be unusual for a Government to permit a monopoly of the right to import a basic foodstuff, just as I think it is dangerous in practice to become dependent on a single source of supply. But placing imports in the hands of 38 merchants who have traditional ties with different sources of supply; who have access in varying degrees to credit which would enable them to maintain stocks; and who, although sharing a particular expertise, deal in different ways commercially—such an arrangement is very far from being a monopoly. If there were no controls, I am convinced that we should have far fewer regular importers.

The existing diffusion of the right to import rice, with its consequent obligation to hold stocks, is designed to have its own internal checks and balances. They have worked. The rice control scheme has

by and large over the last twelve years operated effectively; rice has been bought from a variety of sources, and when one has dried up, another has been found; we have never been short of rice of a quality acceptable to the consumer. This could not have been accomplished were it not that import was in the hands of experienced merchants who were in a risky trade—of course for profit, but for long term rather than short term profit—and who were able to take the rough with the smooth. It would be quite improper for Government to hand over the import of so vital a basic commodity to inexperienced merchants who are ready to jump in when profits are high and equally ready to jump out when profits are low. This we have not done and we are not prepared now to do.

But honourable Members may well ask whether rice has been sold to the consumer at a reasonable price? And have registered importers made inordinate profits? My answer to the first question is: “For the most part, Yes”. My answer to the second is: “Taking one year with another, and bearing in mind the risks involved, No”. Why I feel confident in making these answers is to be found in (the information paper, coupled with what happened over the seven years prior to 1962, and more important, subsequently).

The existence of buffer stocks cannot of themselves insulate the consumer from external fluctuations in price, but they can have a stabilizing effect on retail prices, which would increase more if there were no such stocks. The facts of the matter are that in the last five years, despite wide fluctuations in import prices, the retail price of rice remained remarkably stable until the world rice shortage made itself felt in October 1966. A glance at the trend of retail prices in Appendix VIII to (the importation paper will confirm this. On the other hand, the mark-up between import price and retail selling price increased substantially in 1965, when import prices began to rise consistently and importers' costs were also increasing. Up till then, wholesalers and retailers had the balance of commercial advantage. But in 1965, it shifted back from the wholesaler and retail sector of the trade to the import sector as it always does when buying prices rise. There was reason therefore for wholesalers or retailers to seek to adjust the position, because their profits were affected. On the fact of it there was perhaps also reason to argue that registered importers conspired together to rig their auction prices. I have been unable to find any evidence of such auction rigging; indeed such independent evidence as I have been able to secure is 'the reverse; and representative registered importers have twice denied in writing that their auctions *are* rigged. There are indeed perfectly good ordinary commercial reasons why importers' selling prices were held down in 1962, 1963 and 1964, and why they rose in 1965 and 1966. Let me explain.

The mark-up between the c.i.f. price for rice and the price at which it was sold was very narrow or even negative in 1962-1964; that is to say import prices were stable with a tendency to fall, and large domestic stocks—some would say unnecessarily large stocks—had to be turned over. In late 1964, when Government deliberately initiated some reduction in stocks, import prices were tending to rise. But more importantly, money was tight, and interest rates and other expenses also were rising. For similar reasons, wholesalers were in a weaker position to provide credit to retailers, and retailers under greater pressure to sell and therefore less able to hold prices up. The position intensified in 1965, and persisted in 1966, aggravated by the uncertainty of supplies, but perhaps ameliorated by an improvement of credit for commercial business, although not for consumers.

These changes are demonstrated by adjustments in the relationships of the price trend curves in Appendix VIII to the paper. I might add that such differences as there are in trends of whole and broken rice prices reflect on the one hand direct competition between Thai and China whole rice for the consumer's dollar; and on the other hand, the merely indirect effect of competition on the price of broken rice of which Thailand is the principal, indeed now almost the only supplier to Hong Kong.

As from October 1966, what might be called psychological influences on price levels in Hong Kong became important. Bangkok selling prices had continued to rise, until in November with the ban on exports, quotations for export ceased and prices thereafter therefore became nominal. In the Hong Kong market, consumer demand was strong, indeed as I said earlier, abnormally strong. In the circumstances, wholesale and retail prices in a free market were bound to rise, which they did very steeply. It is notoriously difficult to pin down retail prices in the rice trade with any exactitude, so I hesitate to quantify this rise. But with the courage that characterizes critics of the rice control scheme, I will attempt to do so. My rice control staff estimate that between 1st October of last year and mid-January of this year the retail price of whole rice rose by between 15 and 20 cents a catty above the average of the previous four years, or approximately 25%. The equivalent figures for broken rice are between 5 and 10 cents a catty, or approximately 30%. All sectors of the trade—and there should be no misunderstanding about this—all sectors, in fact anybody who held unsold stocks, were beneficiaries of this price rise.

I do not think that these high prices can be maintained. There are indications that demand has slackened, and there has already been some decline in importers' selling prices at auction. New crop rice, especially whole rice, from Thailand is now coming forward quite strongly. Import price levels are not yet identifiable with certainty, but

new crop normally sells at some four or five dollars a picul less than old crop. And I have little doubt that the expertise of registered importers will ensure that it is bought for Hong Kong at a price at once consistent with market demand and the need to build up stocks. I can assure honourable Members that I shall be watching the trend of prices very closely, and will be ready to use the quite considerable powers that are conferred by the Reserved Commodities Regulations to ensure that prices do not rise unduly when supply and demand and stocks are reasonably balanced. But it is neither prudent nor reasonable deliberately to force selling prices down below replacement costs, even if it were practicable.

The regulations do not permit direct control of prices, and I should be reluctant to seek such powers. If I may quote the words used in this Council in March last year by my honourable Colleague, he said: "If on welfare grounds the Government is to control the price of rice to the consumer, the only way to do this is virtually to control the whole trade—importation, wholesale distribution and retail sale. I think"—he went on to say—"that it will be difficult to make out a valid case for making such a change." During 1966, my department addressed itself to this question of price control, and reached the conclusion that it would be ineffective unless it *did* cover the whole trade. It would place upon Government the almost impossible onus of determining a whole range of maximum prices for the wide variety of qualities imported to satisfy consumer demand, and would have the inevitable effect of inhibiting supply or keening prices up to the maximum unless buttressed by a measure of rationing. I feel confident that the relative shortage of rice in Hong Kong which has characterized the last few months will not be of indefinite duration. I do not believe that current price levels at present justify introduction of the complicated apparatus of price control, with its incalculable effects on the whole distribution and credit structure of the rice trade.

Advocates of price control have tended to couple their advocacy with strictures on what are alleged to be inordinate profits of registered importers, and some wild guesses have been made at the collective extent of such profits. I said earlier that, taking one year with another and bearing in mind the risks involved, registered importers have not made huge profits. I have drawn honourable Members' attention to adjustments in the balance of commercial advantage between wholesalers and retailers on the one hand and importers on the other hand. But there is other contributory evidence to substantiate my assessment.

In 1966, registered importers voluntarily made their books and records available to independent examination by the Government's Cost Control Officer. He was able to determine that, neither in terms of net profit on capital employed, after deduction of tax, nor in terms of net profit on turnover, did registered importers collectively in the years 1963,

1964 and 1965 taken as a whole, but they make a profit of an order higher than that customarily expected by In cash terms, the average profits of registered importers of Thai rice sold probably amounted in 1963 to less than one cent a catty. In 1964 the equivalent figure was a little over half a cent and in 1965 one and a quarter cents a catty. In 1966, up till October, the figures were certainly lower, as the mark-up between the import and selling price of both broken and whole rice had up till then narrowed. The hard commercial facts are that when external prices are steady, importers can share a steady profit with the rest of the trade; when they are falling, they risk relatively greater loss than the rest of the trade; when they are rising, they stand to make a relatively greater profit.

Events since October have underlined these observations. Importers have been the principal—but as I have said, not the only—beneficiaries of the temporary cessation of supplies from Thailand. They face an erosion of profits now that supplies have been resumed. And when the cycle of nature comes round, as it inevitably does, they will have to face not merely erosion of profits, but possible substantial loss, unless their experience and commercial acumen are equal to the occasion. Other sectors of the domestic rice trade do not share this risk in the same degree.

I should add here a note of warning. For so long as there exists a world shortage of rice, we must accept that prices will remain at a higher average level than they were before 1966. It would be rash to predict when this shortage will disappear. But we in Hong Kong are better placed than most to take advantage of regional availability. This is important because supplies from more distant sources are more expensive and in general less palatable.

I am aware, Sir, that honourable Members of this Council, and of your Executive Council, are all much concerned with the supply and price of rice, and I can assure them that I too, as must anybody who has the interests of Hong Kong at heart—I too share their concern. I am happy to co-operate with those of my honourable Friends who I am aware take a particular interest in these matters and who I understand have made themselves into an informal committee to consider the subject. I am ready to consult with them at any time and to share with them the information at my disposal about this really very complicated trade.

Sir, I have taken up some thirty minutes of the valuable time of honourable Members, but I am sure that they do not grudge it on so important a matter. I understand that the mimeographed paper placed on the table today will be printed and published, together with my accompanying remarks, as a sessional paper.

MATRIMONIAL CAUSES ORDINANCE 1967

THE ATTORNEY GENERAL moved the following resolution:—

Resolved, pursuant to section 54 of the Matrimonial Causes Ordinance 1967, that the Matrimonial Causes (Fees) Rules 1967, made by the Chief Justice on the 20th day of January 1967 under section 54 of that Ordinance, be approved.

He said:—Sir, it is provided by section 54 of the Matrimonial Causes Ordinance 1967, that the Chief Justice may, with the approval by resolution of the Legislative Council, make rules prescribing fees and costs to be charged under the Ordinance.

Accordingly, the Chief Justice has made the Matrimonial Causes (Fees) Rules 1967, which have been circulated to honourable Members. These rules provide for the Court fees and charges to be levied for the various matters set out therein which are connected with matrimonial proceedings. The fees follow closely the equivalent United Kingdom scales.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

GAMBLING (AMENDMENT) BILL 1967

THE ATTORNEY GENERAL moved the First reading of: “A Bill to amend further the Gambling Ordinance”.

He said:—Sir, one of the problems which faces the draftsman of any legislation on the subject of gambling is that of trying to devise a satisfactory definition of a lottery, so that the kind of activity which the Legislature wishes to suppress may be made illegal without at the same time prohibiting other types of conduct which are unobjectionable.

The definition of “a lottery” in the present Gambling Ordinance has been drawn very widely, so that, from time to time, in the light of experience, it has been found necessary to make special provision for various activities, such as the provision of amusements with prizes, lotteries which are incidental to entertainments and tombola, which are not open to the same kind of objection as gambling in the generally understood sense of the word.

The object of this Bill is to exempt from the definition of a lottery, by means of a permit system operated by the Commissioner of Police, a further kind of activity, namely, trade promotion competitions, which are organized by persons engaged in trade or business with the object of promoting the sale of some product.

There are many possible forms of trade promotion competition and it is felt that to define the term more closely than is done in subsection (5) might have the effect of making illegal again some of the competitions which this Bill is meant to legalize. Subsection (5) therefore, merely defines such a competition as one organized and conducted solely for the purpose of promoting the sale of a product.

Persons wishing to organize such competitions will have to apply to the Commissioner of Police for a permit to do so. The Commissioner, before issuing a permit, will satisfy himself that the competition concerned is one which is genuinely for the promotion of trade and not merely a device for the carrying on of ordinary gambling activities. The Commissioner is empowered by subsection (3) to attach to the permit such conditions as he thinks fit, which power is intended to ensure that the provision for this kind of competition is not abused.

Permits granted under the section may be valid for up to 12 months, since many of these competitions run for a considerable period. It is to be noted that none of the prizes in such a competition may be cash prizes.

In order to discourage persons from trying to use these competitions for ordinary gambling, the substantial fee of \$300 will be payable on the issue of a permit,

Similar powers of search to those conferred in relation to other provisions in the Gambling Ordinance, are given to police officers by subsection (7). If there is a breach of any of the conditions attached to a permit under this section, every person concerned in the organization or conduct of the competition will be guilty of an offence under subsection (8). Furthermore, the Commissioner, by subsection (3), may revoke a permit if in his opinion the competition has ceased to be a trade promotion competition. When the permit is revoked, the competition would then become a lottery and illegal under the Ordinance.

This amendment to the Ordinance was recommended by the Advisory Committee on Gambling Policy which reported to the Governor in 1965.*

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

* 1965 Hansard, pages 440-2.

Objects and Reasons

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

The Report of the Advisory Committee on Gambling Policy recommended that the present law be amended to legalize trade promotion competitions.

2. It is considered desirable that provision should be made forthwith for this purpose without waiting until full consideration has been given to the remainder of the recommendations of the Committee.

3. The power to issue permits for trade promotion competitions is vested in the Commissioner of Police, who may attach conditions to the permit. Cash prizes are prohibited.

**LAND OFFICE (NEW TERRITORIES) FEES RULES
(VALIDATION) BILL 1967**

THE FINANCIAL SECRETARY moved the First reading of: “A Bill to validate certain rules purporting to have been made in exercise of powers conferred by the New Territories Ordinance and the collection of fees under the purported authority of the said rules.”

He said:—Sir, in the Budget debate in 1965, my honourable Friend Mr C. Y. KWAN drew attention to the fact that the * present system of exempting from stamp duty most types of instruments affecting land in the New Territories and charging them instead with an *ad valorem* registration fee gave rise to a measure of double charging where instruments related both to land in the New Territories and to land in the urban area. When this problem was examined, other anomalies came to light and it was therefore decided that the whole system should be rationalized by abolishing the *ad valorem* registration fee in the New Territories and levying stamp duty instead. To this end both the Land Office (New Territories) Fees Rules, and the Stamp (New Territories) (Exemption and Modification) Regulations 1952 require amendment and the *Government Gazette* of 20th January 1967, carried, for general information, two sets of draft subsidiary legislation—that is, the Land Registration (New Territories) Fees Regulations 1967 and the Stamp (New Territories) (Exemption and Modification) Regulations 1967. This subsidiary legislation, when made, will provide for these changes.

Before these steps can be taken, however, a technical legal point requires to be dealt with. The present Land Office (New Territories)

* 1965 Hansard, pages 114-116.

Fees Rule, which were made in 1911, rely on powers contained in section 46 of the New Territories Ordinance, Chapter 97, to make regulations for the purpose of Part II of the Ordinance and particularly for fixing the fees to be paid under Part II. But registration is not effected under Part II of the New Territories Ordinance, but under the Land Registration Ordinance, Chapter 128. It is, therefore, now thought that the New Territories Ordinance does not confer power to make regulations or rules prescribing fees in relation to the registration of documents affecting land; and that the rules should have been made more properly under powers contained in the Land Registration Ordinance. Accordingly, this Bill aims at the removal of any doubt regarding the validity of the present Fees Rules by making it clear that they shall be deemed to have been made under the Land Registration Ordinance instead of the New Territories 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 validate the Land Office (New Territories) Fees Rules and the collection of fees thereunder.

PUBLIC SERVICES COMMISSION (AMENDMENT)

BILL 1967

THE COLONIAL SECRETARY moved the Second reading of: “A Bill to amend further the Public Services Commission Ordinance”.

THE ATTORNEY GENERAL 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 and 2 were agreed to.

Clause 3.

THE COLONIAL SECRETARY:—I beg to move that Clause 3 be left out. The amendment that it was intended to make has already been made in the Revised Edition of the Laws.

This was agreed to.

Clause 3 left out accordingly.

Council then resumed.

THE COLONIAL SECRETARY reported that the Public Services Commission (Amendment) Bill 1967 had passed through Committee with one amendment and moved the Third reading.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

**PUBLIC HEALTH (ANIMALS AND BIRDS) (AMENDMENT)
BILL 1967**

THE COLONIAL SECRETARY moved the Second reading of: “A Bill to amend further the Public Health (Animals and Birds) Ordinance.”

THE ATTORNEY GENERAL 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.

Clause 4.

THE COLONIAL SECRETARY:—I beg to move that clause 4 be amended as set forth in the paper before honourable Members. This and all the other subsequent amendments which I propose to move follow from the Revised Edition of the Laws.

Proposed Amendment.

Clause 4. Leave out the words “section 5” and substitute therefore the following—

“section 4”.

Clause 4, as amended, was agreed to.

Clause 5.

THE COLONIAL SECRETARY:—I beg to move that clause 5 be amended as set forth in the paper.

Proposed Amendment.

Clause 5 Leave out the words “section 6” and substitute therefor the following—

“section 5”.

Clause 5, as amended, was agreed to.

Clause 6.

THE COLONIAL SECRETARY:—I beg to move that clause 6 be amended as set forth in the paper.

Proposed Amendment.

Clause 6. (1) Leave out the words “section 10” and substitute therefor the following—

“section 9”.

(2) In subsection (3) of the new section 10B, leave out the words “section 10A” and substitute therefor the following—

“section 9A”.

(3) Renumber the new sections 10A and 10B as sections 9A and 9B respectively.

Clause 6, as amended, was agreed to.

Clause 7.

THE COLONIAL SECRETARY:—I beg to move that clause 7 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 7. Leave out the words “section 11” and substitute therefor the following—

“section 10”.

Clause 7, as amended, was agreed to.

Clause 8.

THE COLONIAL SECRETARY:—I beg to move that clause 8 be also amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 8. (1) Leave out the words “section 18” and substitute therefor the following—

“section 17”.

(2) Renumber the new section 19 as section 18.

Clause 8, as amended, was agreed to.

Clause 9.

THE COLONIAL SECRETARY:—I beg to move finally that clause 9 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 9. In the new Schedule—

(a) leave out the reference “[s.10B(3).]” and substitute therefor the following—

“[s. 9B(3).]”; and

(b) in paragraph 1, leave out the words “section 10B” and substitute therefor the following—

“section 9B”.

Clause 9, as amended, was agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the Public Health (Animals and Birds) (Amendment) Bill 1967 had passed through Committee with certain amendments and moved the Third reading.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

PENSIONS (AMENDMENT) BILL 1967

THE COLONIAL SECRETARY moved the Second reading of: “A Bill to amend further the Pensions Ordinance.”

THE ATTORNEY GENERAL 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 COLONIAL SECRETARY:—I beg to move that clause 2 be amended as set forth in the paper before honourable Members and for the reasons shown in the remarks column.

Proposed Amendment.

Clause 2. In paragraph (b) after “in respect of service in this Colony” insert the following—

“after the 31st day of March 1965”.

Clause 2, as amended, was agreed to.

Clause 3.

THE COLONIAL SECRETARY:—I beg to move that clause 3 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 3. Leave out the words “section 16” and substitute therefor the following—

“section 17”.

Clause 3, as amended, was agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the Pensions (Amendment) Bill 1967 had passed through Committee with certain amendments and moved the Third reading.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

WIDOWS AND ORPHANS PENSION (AMENDMENT)

BILL 1967

THE COLONIAL SECRETARY moved the Second reading of: “A Bill to amend further the Widows and Orphans Pension Ordinance.”

The ATTORNEY GENERAL 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.

THE COLONIAL SECRETARY reported that the Widows and Orphans Pension (Amendment) Bill 1967 had passed through Committee without amendment and moved the Third reading.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

MERCANTILE BANK NOTE ISSUE (AMENDMENT) BILL 1967

THE FINANCIAL SECRETARY moved the Second reading of: "A Bill to amend further the Mercantile Bank Note Issue Ordinance."

THE COLONIAL SECRETARY seconded.

MR J. DICKSON LEACH declared an interest and abstained from voting.

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 5 were agreed to.

Council then resumed.

THE FINANCIAL SECRETARY reported that the Mercantile Bank Note Issue (Amendment) Bill 1967 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.

**HONG KONG ANTI-TUBERCULOSIS AND THORACIC
DISEASES ASSOCIATION INCORPORATION BILL 1967**

MR DHUN J. RUTTONJEE moved the Second reading of: “A Bill to incorporate the Hong Kong Anti-Tuberculosis and Thoracic Diseases Association.”

MR Y. K. KAN 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.

Clause 5.

MR DHUN J. RUTTONJEE:—I move that clause 5 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

- Clause 5. (1) In paragraph (a), leave out the figures “1958”.
- (2) In paragraph (e), leave out the words “subsection (18) of section 3” and substitute therefor the following—
- “subsection (17) of section 4”,

Clause 5, as amended, was agreed to.

Clauses 6 to 8 were agreed to. Clause 9.

MR DHUN J. RUTTONJEE:—I move that clause 9 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

- Clause 9. In subclause (4), leave out the words “section 290” and substitute therefor the following—
- “section 305”.

Clause 9, as amended, was agreed to.

Clauses 10 to 12 and the Preamble were agreed to.

Council then resumed.

MR DHUN J. RUTTONJEE reported that the Hong Kong Anti-Tuberculosis and Thoracic Diseases Association Incorporation Bill 1967 had passed through Committee with certain amendments and moved the Third reading.

MR Y. K. KAN seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

ENGLISH SCHOOLS FOUNDATION BILL 1967

MR DHUN J. RUTTONJEE moved the Second reading of: “A Bill to establish the English Schools Foundation, to provide for its incorporation, constitution, functions and matters connected therewith.”

MR DICKSON LEACH 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 2 were agreed to.

Clause 3.

MR DHUN J. RUTTONJEE:—I move that clause 3 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 3. After the first sentence, insert the following—

“Subject to section 11, the Foundation shall consist of such members as may be provided by regulations made under section 10”.

Clause 3, as amended, was agreed to.

Clause 4.

MR DHUN J. RUTTONJEE;—I move that clause 4 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 4. (1) In subclause (1), leave out the figures “1958”.

(2) In subclause (2), leave out the figures “1952”.

Clause 4, as amended, was agreed to.

Clause 5 was agreed to.

Clause 6.

MR DHUN J. RUTTONJEE:—I move that clause 6 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 6. In subclause (1), leave out the figures “1952”.

Clause 6, as amended, was agreed to.

Clause 7.

MR DHUN J. RUTTONJEE:—I move that clause 7 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 7. In subclause (3), leave out the figures “1952”.

Clause 7, as amended, was agreed to.

Clauses 8 to 10 were agreed to.

Clause 11.

MR DHUN J. RUTTONJEE:—I move that clause 11 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

Clause 11. Leave out the clause, and substitute therefor the following—

“11. (1)The first members of the Foundation shall be—

- (a) (i) two persons nominated by the Unofficial Members of the Legislative Council from among their own number;
- (ii) the Director of Education or his appointed representative;
- (iii) the Vice-Chancellor of the University of Hong Kong or his appointed representative;
- (iv) the Vice-chancellor of the Chinese University of Hong Kong or his appointed representative;

- (v) the Bishop of Victoria, Hong Kong, or his appointed representative;
 - (ii) the Roman Catholic Bishop of Hong Kong or his appointed representative;
 - (iii) one person appointed by the Ministers of the Union Church, Hong Kong, the Kowloon Union Church, and the English Methodist Church jointly;
- (b) (i) three persons appointed by the members specified in paragraph (a) of this subsection to represent the interests of other professional groups;
- (ii) such other persons or representatives of organizations, not exceeding three in number, as may be appointed by the members specified in paragraph (a) of this subsection to represent commercial interests.
- (2) The first members of the Foundation shall hold office until regulations are made under section 10 for the composition of the Foundation and shall then cease to hold office pursuant to this section”.

Clause 11, as amended, was agreed to.

Clause 12 was agreed to.

Clause 13.

MR DHUN J. RUTTONJEE:—I move that clause 13 be amended as set forth in the paper before honourable Members.

Proposed Amendment.

- Clause 13. (1) In subclause (3), leave out the words “section 289” and substitute therefor the following—
“section 304”.
- (2) In subclause (5), leave out the words “section 290” and substitute therefor the following—
“section 305”.

Clause 13, as amended, was agreed to.

Clause 14 was agreed to.

Council then resumed.

MR DHUN J. RUTTONJEE reported that the Bill before Council had passed through Committee with certain amendments.

HIS EXCELLENCY THE GOVERNOR:—In view of the material changes which have been made the procedure in Standing Order 28 will be followed and the Third reading will be postponed to a subsequent meeting of this Council.

ADJOURNMENT

THE COLONIAL SECRETARY moved that the Council be now adjourned.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

NEXT MEETING

HIS EXCELLENCY THE GOVERNOR:—That concludes the business for today, gentlemen. The next meeting of Council will be held on 15th February.