

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 31st May 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 (*Acting*)
MR GRAHAM RUPERT SNEATH
THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS (*Acting*)
MR PAUL TSUI KA-CHEUNG, MBE
THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR MICHAEL DENYS ARTHUR CLINTON, GM
THE HONOURABLE ALEC MICHAEL JOHN WRIGHT, CMG
DIRECTOR OF PUBLIC WORKS
DR THE HONOURABLE TENG PIN-HUI, CMG, QBE
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 RUTTONJEE, CBE
THE HONOURABLE LI FOOK-SHU, 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
DR THE HONOURABLE CHUNG SZE-YUEN
THE HONOURABLE DANIEL LAM SEE-HIN

IN ATTENDANCE

THE DEPUTY CLERK OF COUNCILS
MR DONALD BARTON

MINUTES

The Minutes of the meeting of the Council held on 17th May 1967 were confirmed.

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>
Subsidiary Legislation:—	
Land Registration Ordinance.	
Land Registration (New Territories) Fees Regulations 1967	76
Land Registration Ordinance.	
Land Registration Fees (Amendment) Regulations 1967	77
Stamp Ordinance.	
Stamp (New Territories) (Exemption and Modific- ation) Regulations 1967	78
Emergency Regulations Ordinance.	
Emergency (Courts) Regulations 1967	79
Emergency Regulations Ordinance.	
Emergency (Prevention of Inflammatory Speeches) Regulations 1967	80
Hong Kong Airport (Control of Obstructions) Ordinance.	
Hong Kong Airport (Control of Obstructions) (Amendment) Order 1967	81
Immigration (Control and Offences) Ordinance.	
Immigration (Control and Offences) (Amendment) Regulations 1967	82
Sessional Paper 1967:—	
No 15—Annual Report by the Director of Commerce and Industry for the year 1965-66.	
Report:—	
Annual Report of the Hong Kong War Memorial Fund Committee for the year 1966.	

AIRCRAFT SPIRIT (VALIDATION OF DUTIES) BILL 1967

THE FINANCIAL SECRETARY moved the First reading of:—“A Bill to validate the collection, at certain rates, of duty on aircraft spirit purporting to have been collected at those rates in accordance with resolutions under the Dutiable Commodities Ordinance in force from time to time since the 16th day of October 1963.”

He said:—Sir, before 1st March 1961, light oils, a term which included petrol, came under one rate of duty which was \$1.25 a gallon. On that date, however, separate rates for motor spirit at \$1.50 a gallon and for other light oils at 10 cents a gallon were introduced by resolution*. This differentiation was made as a concession to industry generally, but particularly the rubber and textile industries, which use large quantities of petrol, to enable them to switch to light oils other than motor spirit, and gain the advantage of the lower rate of duty.

In the resolution motor spirit was defined in a manner which also embraced aircraft spirit which had, therefore, to pay the new rate of \$1.50 a gallon. In October 1963, however, this Council passed a new Dutiable Commodities Ordinance† which included a new definition for motor spirit and a separate definition for aircraft spirit. This resolution on duties was made which had the effect of maintaining the level of duty on motor spirit at \$1.50, and had the intention of imposing the same rate on aircraft spirit by virtue of the fact that the previous definition for motor spirit had caught aircraft spirit. Because, however, aircraft spirit had been defined separately in the new Ordinance, the omission of a separate rate in that resolution for aircraft spirit meant that the duty on aircraft spirit incorrectly reverted to and was payable at the lower rate of 10 cents a gallon payable for other light oils.

Nevertheless, the oil companies concerned continued to pay duty on aircraft spirit at the motor spirit rate of \$1.50 per gallon thereby honouring the intention if not the letter of the resolution.

In February 1966, yet another resolution‡ was made increasing the duty rate for motor spirit to \$1.80 per gallon, which unfortunately perpetuated the error by making no separate provision for aircraft spirit. All the oil companies, however, paid duty at the new rate of \$1.80, except one which continued to pay at \$1.50.

The position is, therefore, that duty on aircraft spirit which when dutiable is mainly used by sports car owners and a local flying club, has been over-collected since the 16th October 1963, when the new Dutiable Commodities Ordinance came into operation. This over-collection

* 1961 Hansard, pages 106-7.

† 1963 Hansard, pages 247-8.

‡ 1966 Hansard, pages 96-7.

amounts to about \$60,000, but since it was never the intention of the Legislature to impose a lower rate of duty for aircraft spirit than for motor spirit it is not proposed to refund it.

The Bill now before Council, therefore, merely validates the over-collection and regularizes the position.

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 set out in the Preamble thereto.

BANKING (AMENDMENT) (NO 2) BILL 1967

THE FINANCIAL SECRETARY moved the First reading of:—“A Bill to amend further the Banking Ordinance.”

He said: —Your Excellency, as stated in the Objects and Reasons, the purpose of the Bill now before Council is to remedy a defect in the principal Ordinance arising after the Banking (Amendment) Ordinance 1967 which came into force on the 28th April*. Previously the power to give direction under section 13(1)(iii) concerning control of a bank was vested in the Financial Secretary, whereas it is now vested in the Commissioner of Banking. The effect of the amendment now proposed is to make it clear the provisions of the principal Ordinance in which references occur to this section apply equally where the directions had been issued by the Financial Secretary.

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: —

This Bill seeks to correct a defect in the principal Ordinance which has arisen in consequence of the Banking (Amendment) Ordinance 1967.

* Pages 297-8.

There are in the principal Ordinance a number of references to a bank which is in the control of some other person pursuant to a direction of the Commissioner of Banking under section 13(1)(iii) of the principal Ordinance. Prior to the Banking (Amendment) Ordinance 1967, the power to give directions under section 13(1)(iii) of the principal Ordinance was vested in the Financial Secretary so that any person, other than the Commissioner of Banking, who was in control of a bank immediately prior to the commencement of the amending Ordinance was in control thereof pursuant to a direction of the Financial Secretary, and not a direction of the Commissioner of Banking. The effect of the amendments proposed by this Bill is to make it clear that the provisions of the principal Ordinance in which those references occur apply to a bank in the control of some person pursuant to a direction of the Financial Secretary.

DUTIABLE COMMODITIES (AMENDMENT) BILL 1967

MR T. D. SORBY moved the First reading of:—"A Bill to amend the Dutiable Commodities Ordinance."

He said: —Your Excellency, clause 2 of the Bill seeks to remove a defect in the Dutiable Commodities Ordinance whereby liquor licences, granted under certain provisions of the 1931 Dutiable Commodities Ordinance kept alive by section 76 of the 1963 Ordinance, are not included in the term "prescribed licence" in section 17 of the latter. The effect of the clause will be to include liquor licences issued by the board of licensing justices among the "prescribed licences" without which the sale of liquor on licensed premises is prohibited.

Clause 3 of the Bill springs from a change in the pattern of consumer preference. The definition of "hydrocarbon oils" in the 1963 Ordinance includes all liquid hydrocarbons. Although the definition embraces liquefied petroleum gas, it was not the intention at the time the Ordinance was enacted to impose a duty on "L.P.G." as it is commonly called. The intention was, however, to make it possible to do so if thought appropriate at a later time.

Consumption of L.P.G. as a cooking fuel has increased considerably in the last three years—about 10 million lbs. in the financial year ending 31st March 1965; 14.7 million lbs. in the following year; and 22½ million lbs. in the last financial year.

It has now replaced kerosene as the most popular domestic cooking fuel in many more affluent households and in some restaurants. There is no longer any reason why it should escape the duty of ten cents a gallon paid on kerosene. For technical reasons it is preferable, however,

that duty on L.P.G. be based on “weight” rather than liquid volume. A duty of two cents is in fact the equivalent to ten cents a gallon.

Clause 3 of the Bill therefore seeks to introduce into the Dutiable Commodities Ordinance a definition of L.P.G., since it is the intention to charge duty on it, and this Council will be invited, if the Ordinance is enacted, to make a Resolution imposing a duty of two cents a lb. It is not, however, the intention to collect duty on the hydrocarbon acetylene, use of which is primarily industrial. Acetylene is therefore excluded from the definition.

The effect of collecting duty on L.P.G. on the average domestic household will be quite minimal. Even if passed on by the trade in full, it is unlikely to represent as much as an additional one dollar a month in the average household expenditure pattern.

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: —

Section 17 of the principal Ordinance prohibits certain dealings in dutiable commodities but is defective in its application to liquor because the term “prescribed licence” does not include liquor licences which are granted under certain provisions of the former Dutiable Commodities Ordinance still in force. These provisions are set out in the Second Schedule to the principal Ordinance. Clause 2 of the Bill seeks to remove this defect.

Clause 3 deals with a different matter and seeks to insert a definition of “liquefied petroleum gas” in the section of the principal Ordinance which defines hydrocarbon oils.

COMMISSIONER FOR TRANSPORT (TRANSFER OF POWERS) BILL 1967

THE COLONIAL SECRETARY moved the Second reading of: —“A Bill to amend certain Ordinances so as to transfer to and confer upon the Commissioner for Transport certain statutory powers, functions and duties for the regulation of public transport and motor vehicles, to be exercised or performed in certain cases subject to directions given by the Governor, and for matters incidental thereto.”

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 4 and the Schedule were agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the Commissioner for Transport (Transfer of Powers) 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.

ROAD TRAFFIC (AMENDMENT) BILL 1967

THE COLONIAL SECRETARY moved the Second reading of:—"A Bill to amend further the Road Traffic 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:—Sir, I beg to move that clause 2 be amended as set out in the paper before honourable Members.

Proposed Amendment.

Clause

2 In subsection (1) of the new section 36, insert the following after "any other public officer"—

“,other than a judge, a District Judge or a magistrate,”.

Clause 2, as amended, was agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the Road Traffic (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.

UNCLAIMED BALANCES (AMENDMENT) BILL 1967

THE FINANCIAL SECRETARY moved the Second reading of: —"A Bill to amend the Unclaimed Balances Ordinance."

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.

THE FINANCIAL SECRETARY reported that the Unclaimed Balances (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.

GOVERNMENT LOTTERIES (AMENDMENT) BILL 1967

THE FINANCIAL SECRETARY moved the Second reading of: —"A Bill to amend the Government Lotteries Ordinance."

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.

THE FINANCIAL SECRETARY reported that the Government Lotteries (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.

GIRL GUIDES ASSOCIATION (HONG KONG BRANCH) (AMENDMENT) BILL 1967

MRS ELLEN LI SHU-PUI moved the Second reading of:—"A Bill to amend the Girl Guides Association (Hong Kong Branch) Ordinance."

MR K. A. WATSON 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.

MRS ELLEN LI SHU-PUI reported that the Girl Guides Association (Hong Kong Branch) (Amendment) Bill 1967 had passed through Committee without amendment and moved the Third reading.

MR K. A. WATSON seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

ADJOURNMENT

THE COLONIAL SECRETARY moved the adjournment.

THE ATTORNEY GENERAL seconded.

MR DHUN J. RUTTONJEB addressed the Council.

He said:—Your Excellency, there is in every person's life one moment which stands out above all others: for me this *is* that moment. For upon me as the senior Unofficial Member of this Council has fallen the privilege of expressing on the behalf of the people of Hong Kong our heartfelt gratitude to you. Sir, for the outstanding leadership you have given, and are giving, to this Colony during its recent difficult times.

In the history of Hong Kong and in past times of crisis, events during the past two weeks must rank second only to the Pacific War. Upon you, Sir, has fallen the burden of responsibility, and—notwithstanding your recent illness—you have taken full control of the situation with a cool resolve which has been an inspiration to us all. Your courage and determination to maintain law and order, tempered always with restraint, has been an example to all of us in these worrying and difficult days. Few people in recent times have come under more concerted pressure than we have recently; yet never once was there panic, never once did resolution waver. At the moment of crisis the people of Hong Kong stood foursquare behind you and it was *then* that the true spirit of Hong Kong emerged. By their words and by their deeds, the public has given you, Sir, and will continue to give you, a vote of confidence of a kind and an unanimity which is the stronger for not being counted in upraised hands and nodding heads. In fact one may say that the situation we faced wrought a miracle—an unanimity of spirit and purpose which never before existed.

Our society may not be perfect. What society is? The fact remains that Hong Kong is a community and a home of 4 million people who were born here or who have voted with their feet to show their preference for our way of life. You have a right, Sir, to feel proud and happy that one aspect of this consensus of opinion is the esteem in which you are held, an esteem well-earned and well-deserved.

The gratitude of all law-abiding and well-disposed members of our community and, as recent events have shown, this includes *all save* a small and contemptible band must go out to all those Government servants who rose so magnificently to the demands made of them. The Police have quite rightly been praised for the self-control and restraint they showed on the streets. Both regulars and auxiliaries have done magnificently. They have rightly won the gratitude of the people and the admiration of the world. But let us not forget the unsung heroes, the ordinary men and women of Hong Kong—and particularly the “back-room boys” who worked unstintingly at your side as aides and advisers in the handling of this most delicate and complex situation. Men and women in high places took great decisions; others carried them out with tact, resourcefulness and good humour.

From this crisis, Hong Kong is emerging as a stronger and more cohesive entity. Let us not delude ourselves into thinking that the sun in all our hearts will hereafter rise on a series of cloudless days. We *shall* have our difficulties in the future it is certain, but the vast majority of the people of Hong Kong will meet them with the same resolve and determination that they have shown of late, secure in the knowledge that they will have the inspiration and example of your leadership, Sir.

MR F. S. LI addressed the Council.

He said: —Your Excellency, I associate myself with all the remarks made by my honourable Friend Mr RUTTONJEE, and in addition I should like to make a few observations on the subject of the recent disturbances which posed a serious threat to the normal peaceful life of the people of Hong Kong. I wish to congratulate the Commissioner of Police and all ranks of our Police Force for the efficient way in which these disturbances were handled. The ability of the Police to combine firmness with patience in the face of deliberate provocation, and their judicious restraint in the use of force have won the admiration of all right-thinking people in Hong Kong and indeed in all other countries where the press has been able to report freely and impartially. I strongly support the Police Children's Education Fund and I ask all the people of Hong Kong to show their appreciation of the great work done by the Police by subscribing to this Fund as generously as their circumstances allow.

I should like to express my appreciation of the way in which Heads of all Government Departments and their staffs carried on the necessary work of Government in a very trying period. In this connexion, Sir, I hope you will permit me to say that in showing their loyalty to the public interest, the members of the Civil Service were conforming to the inspiring example set by yourself in your devotion to public duty.

I appeal to all the people of Hong Kong to keep calm and go about their daily pursuits so that our normal way of life may continue as usual. I particularly ask them not to believe rumours which may be deliberately circulated for the purpose of dislocating the smooth flow of our community life. I ask all parents to keep their children away from all political activities and demonstrations so as to leave them free to concentrate on their studies and equip themselves to take their places in our community.

Finally, I ask all our people in Hong Kong to remember that our livelihood can only come from our growing commerce and industry. This depends not only on our own efforts and hard work but also on the stability of our social and economic life. This is essential to our

prosperity if we are to retain the confidence of those who want to trade with us or wish to expand their factories and business establishments here, or set up new ones.

Sir, I think the restoration of stability in our economic life is the most imperative need for Hong Kong at the present juncture and it is in the power of every right-minded citizen to contribute to it by going about his ordinary business to the best of his ability.

Sir, with these few words, I support the motion for the adjournment.

THE COLONIAL SECRETARY replied as follows:—

He said:—Sir, I warmly welcome the speeches of my honourable Friends Mr RUTTONJEE and Mr F. S. LI.

I heartily endorse the expressions of appreciation for the conduct and restraint of the Hong Kong Police Force in this trying period. Their words reflect what all of us who have watched the actions of the Police must feel. The discipline and control of both regulars and auxiliaries in the face of extreme provocation have been of the highest order—as high indeed as any Police Force in the world could have achieved in like circumstances. Without it a much more serious situation could have arisen. Despite the unfounded rumours to the contrary, one death only has occurred in connexion with these disturbances and that was not in any way due to police action. Furthermore, those admitted to hospital with injuries (and they totalled three police and fourteen others altogether) have all now been discharged.

I would like, on behalf of the Civil Service, to thank honourable Members for their support and appreciation for the devotion to duty of its members at this time under Your Excellency's leadership. I would only add that the Service has been greatly encouraged by the widespread and whole-hearted support given to it by the people of Hong Kong as a whole.

It seems to me, Sir, that the desire of the very great majority of the people of Hong Kong is to live in peace and this has been amply and clearly demonstrated in these recent weeks. Hong Kong is at enmity with no one. Our desire is to live peacefully with all without interference and Hong Kong has shown itself firm in this desire.

The disturbances and stoppages of work in recent days have come about through the actions of a small minority using despicable means of intimidation and threats of violence. This Government is determined to do all in its power to put an end to this intimidation and violence; it is determined to restore and maintain the peace and good order and confidence in Hong Kong which it believes to be the desire

of all but a very small number. In this we now know that we have the overwhelming support of the people of Hong Kong and the full and unequivocal support of Her Majesty's Government in Britain. There can be no question of this Government weakening in any way in its resolve and determination. With this massive support behind it, and the will of the people to go about their daily lives undeterred by violence and intimidation, there is no reason why Hong Kong should not regain its peaceful prosperity and keep it indefinitely.

Sir, I beg to move.

The question was put and agreed to.

NEXT MEETING

HIS EXCELLENCY THE GOVERNOR: —Council will now adjourn. The next meeting of Council will be held on 14th June.