

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 28th June 1967****PRESENT**

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT
(*PRESIDENT*)

MR MICHAEL DAVID IRVING GASS, CMG
THE HONOURABLE THE COLONIAL SECRETARY (*Acting*)
MR DAVID RONALD HOLMES, CBE, MC, ED
THE HONOURABLE THE ATTORNEY GENERAL (*Acting*)
MR GRAHAM RUPERT SNEATH, QC
THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS (*Acting*)
MR PAUL TSUI KA-CHBUNG, MBE
THE HONOURABLE THE FINANCIAL SECRETARY
MR JOHN JAMES COWPERTHWAITTE, 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 TERBNCE 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 JEANGIR RUTTONJEE, CBE
THE HONOURABLE LI FQOK-SHU, OBE
THE HONOURABLE TANG PING-YUAN, 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, OBE
THE HONOURABLE WILFRED WONG SIEN-BING, OBE
THE HONOURABLE ELLEN LI SHU-PUI, OBE
DR THE HONOURABLE CHUNG SZE-YUEN
THE HONOURABLE MICHAEL ALEXANDER ROBERT YOUNG-HERRIES, MC
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 14th June 1967 were confirmed.

PAPERS

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation: —	
Buildings Ordinance (Application to the New Territories) Ordinance.	
Buildings Ordinance (Application to the New Territories) Regulations 1967	91
Government Lotteries (Amendment) Ordinance 1967.	
Government Lotteries (Amendment) Ordinance 1967 (Commencement) Notice 1967	94
Government Lotteries Ordinance.	
Government Lotteries (Amendment) Rules 1967	95
Tax Reserve Certificates Ordinance.	
Tax Reserve Certificates (Fourth Series) (Amendment) (No 2) Rules 1967	96
Supreme Court Ordinance.	
Rules of the Supreme Court 1967..... (GN No 1342)	
Emergency Regulations Ordinance.	
Emergency (Prevention of Intimidation) Regulations 1967	98
Emergency Regulations Ordinance.	
Emergency (Closed Areas) Regulations 1967	99
Emergency (Closed Areas) Regulations 1967.	
Emergency (Closed Areas) (North Point Power Station) Order 1967	100
Emergency (Closed Areas) Regulations 1967.	
Emergency (Closed Areas) (Hok Yuen Power Station) Order 1967	101
Report: —	
Report of the Housing Board for the period 1.4.65 to 31.3.66.	

He said:—Amongst the papers is the report of the Housing Board for the period from the 1st April, 1965 to the end of March 1966, and I think, Sir, that Members, when they have had time to study this paper, will find it most interesting and constructive. The Urban Council and the Housing Authority are being consulted at once on the proposals in the report which are of concern to them. These proposals are for a new design of resettlement block and a change in the balance of the resettlement and Government Low Cost Housing building programmes. The proposed change in resettlement design would enable, if it is accepted, most families resettled to have an initial allocation of 35 square feet of space per adult instead of the existing allocations of 24 square feet per adult. At the same time it is proposed to increase the proportion of Government Low Cost Housing as compared to resettlement in the combined building programmes. As soon as the views of the Urban Council and the Housing Authority on these two proposals can be obtained, it is proposed to seek the advice of the Executive Council and subsequently the Finance Committee of this Council on the Board's proposals.

I would like to express my appreciation at this time to the Chairman and members of the Housing Board for the most valuable advice which is contained in this report. I know that the Board has been hampered in its work by a number of difficulties, not the least of which has been the lack of reliable statistics. However, I also understand that substantial progress has recently been made in assembling information covering the Board's terms of reference and that the Board itself hopes to be able to review the overall balance of the various different kinds of housing, public, public-aided and private housing, in its next report.

QUESTION

MR DHUN J. RUTTONJEE, pursuant to notice, asked the following question: —

There have been press reports of very large sums of money leaving the Colony in recent weeks. Can Government give any information about the true position?

THE FINANCIAL SECRETARY replied as follows: —

He said:—Sir, I do not know where the press figures come from. The main evidence available is the monthly return from banks. Returns up to 31st May were due on 21st June and they have all come in. The consolidated figures will be published in this week's *Gazette*.

“Flight of capital” to use rather an alarmist phrase as such is not easy to distinguish from other movements of money. All we can do is try to assess the total adverse balance of payments over a period; and

there are available two different but connected sources of information which can give us an approximate estimate of this, that is, the change in banks' net balances overseas (which represent the bulk of the Colony's foreign exchange reserves apart from those in Government's hands) and the change in cash in circulation and in bank deposits in Hong Kong. For, generally speaking, an adverse balance of payments, particularly in the context of capital movements, takes the form of the public changing their Hong Kong dollars for foreign exchange supplied from banks' reserves abroad. This leaves out a number of elements, adverse or favourable, such as changes in holdings of gold, but the omissions are not very significant, particularly in the short term.

The net reduction in banks' foreign balances between 30th April and 31st May, after adding back sterling paid by banks into the Exchange Fund as cover for additional notes issued, was \$268 million or approximately 2.5% of the Colony's total supply of bank deposits and cash, which totalled almost \$11,000 million.

If one looks now at the other side of the coin, the change in bank deposits, there has been a reduction of \$501 million; but this is misleading by itself, for there was an increase of \$376 million in Hong Kong notes held by the public. While this increase in notes reduces bank money, it is not, of course, flight of capital for the money is still Hong Kong money and remains in Hong Kong, although in a different form. It mainly represents the public's desire to ensure that they have ready money available and they have, of course, been influenced in this by the physical shortage of notes which occurred in 1965—although there was no danger of a shortage on this occasion. The total authorized increase in the note-issue up to the end of May was in fact \$560 million but the banks had to issue only \$376 million of this to the public, keeping the remainder in their own tills. There are, of course, further very large unissued reserves as well.

To the reduction of \$501 million in deposits, less \$376 million transferred into notes, must be added an \$82 million increase in bank advances, giving a total net reduction in May of \$207 million or 1.9% of the total of deposits and cash.

These figures therefore indicate that the total adverse balance of payments, capital and current, in May was of the order of \$200 million to \$270 million, or between 1.9% and 2.5% of our supply of money. This puts us back to the position as it was only six to eight weeks before at the end of February or middle of March; and, to bring the figures into perspective, should be compared with the *increase* in deposits and cash in the 1966-67 financial year alone which was \$1,350 million.

But I must stress again that the whole of this \$200 million to \$270 million was not "flight of capital". For example, we normally have a

deficit on current account which is more than offset by capital inflows; it is not possible to estimate what part is due to this normal deficit. Again, many people with continuing commitments abroad, like school fees, very naturally reacted like those who drew Hong Kong banknotes and made absolutely sure that 'there would be no interruption in their supply of funds abroad to meet their commitments; while there is evidence that firms and individuals to whom foreign currencies were accruing at that time delayed repatriating them; but that is something they can do for only a short time as they soon need cash in Hong Kong to meet commitments here. We might estimate then to sum up that the true "flight of capital" was probably somewhere between \$175 million and \$200 million or 1.6% to 1.9% of our total money.

It is interesting that the loss of deposits was spread throughout all sections of the banking system although individual banks had varying experience. I should add that bank liquidity remains exceptionally strong, being 46% of deposit liabilities at the end of May against the minimum of 25% required by the Banking Ordinance. There is therefore no lack of credit available in the banks for sound business. As I said during this year's debate, we have tended to attract more capital in recent years than we can usefully and profitably use.

This analysis, of course, takes us only up to 31st May. The Middle East crisis in early June caused some nervousness, as it did in all financial centres, and there was a comparatively small further outflow of deposits into cash and some further flow of funds abroad. But this was fairly short-lived. Banknotes soon began to return to the banks, particularly into savings accounts, and evidence from overseas balances of the main banks and the US dollar rate of exchange suggests that the outflow is no longer on any very significant scale, if indeed there is a net outflow.

MR RUTTONJEE:—Thank you, Sir.

SUPPLEMENTARY PROVISIONS FOR THE QUARTER ENDED 31ST MARCH 1967

THE FINANCIAL SECRETARY moved the following resolution:—

Resolved that the Supplementary Provisions for the Quarter ended 31st March 1967, as set out in Schedule No 4 of 1966-67, be approved.

He said: —Your Excellency, the Schedule for the fourth quarter of the 1966-67 financial year covers supplementary provision totalling nearly \$61 million. Of this sum \$23.7 million was required for Public Works Non-Recurrent, of which \$10.2 million represents accelerated

progress on Resettlement and Low-Cost housing. Almost \$7 million was required as a result of the salaries revision in order to meet deficits in personnel emoluments votes of some departments and to increase subventions to a number of organizations aided on a deficit grant basis.

A further \$8 million was required by the Post Office to meet the cost of airmails originating in Hong Kong; this is, of course, offset by increased revenue from postage stamp sales. \$2.4 million was voted in order to transfer to the Lotteries Fund the net proceeds of the 1966 lotteries season which had accumulated in general revenue.

The balance of approximately \$10 million, as the schedule demonstrates, was spread over a large number of Heads and subheads and follows very much the normal pattern for the fourth quarter in any financial year.

All the items in the schedule have been approved by Finance Committee and the covering approval of this Council is now sought.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

DUTIABLE COMMODITIES ORDINANCE

MR T. D. SORBY moved the following resolution:—

Resolved, in exercise of the power conferred by section 4 of the Dutiable Commodities Ordinance, as follows—

That with effect from 2.30 p.m. on 28.6.1967, that part of the Resolution of the Legislative Council published as Legal Notice Number 123 in the *Gazette* of 11th October 1963 that imposed duties on hydrocarbon oils be revoked and that thereafter duty shall be payable on hydrocarbon oils at the following rates—

DUTIES ON HYDROCARBON OILS

Duty shall be payable on hydrocarbon oils at the following rates—

(a) light oils—

- | | |
|------------------------------|---------------------|
| (i) motor spirit and air | |
| craft spirit | \$1.80 per gallon |
| (ii) liquefied petroleum gas | 2 cents per pound |
| (iii) other light oils | 10 cents per gallon |

(b) heavy oils—

- (i) diesel oil for public omnibuses owned and operated by China Motor Bus Company Limited and by the Kowloon Motor Bus Company (1933) Limited respectively 50 cents per gallon
- (ii) diesel oil for other road vehicles \$1.30 per gallon
- (iii) other diesel oil and other heavy oils not specified above 10 cents per gallon

He said: —Sir, following the passage of the Aircraft Spirit (Validation of Duties) Bill 1967* and the Dutiable Commodities (Amendment) Bill 1967‡ through this Council, it is now the intention that, with effect from today's date, that part of the resolution of the Legislative Council† published as Legal Notice No 123 in the *Gazette* of 11th October 1963 which imposed duties on hydrocarbon oils it is the intention that it be revoked and that, again with effect from today's date, duty shall be payable on light hydrocarbon oils at the following rates:

Motor Spirit and Aircraft Spirit a duty of \$1.80 a gallon

In respect of motor spirit, this represents no change in duty. In respect of aviation spirit, however, it has always been the intention that duty on this light oil should be paid at the same rate as for motor spirit. Owing however to an omission in the 1963 Resolution+, the duty attracted became 10 cents a gallon only. The Aircraft Spirit (Validation of Duties) Ordinance together with the Resolution now before Council would set the matter aright. The other duty is on

Liquefied Petroleum Gas.....a duty of 2 cents per pound

Consumption of L.P.G. as a cooking fuel has increased considerably in the last three years. It has now replaced kerosene as the most popular domestic fuel in many better-off households and in some restaurants. There is no longer reason why it should escape the duty of 10 cents a gallon paid on kerosene. The Dutiable Commodities (Amendment)

* Pages 319-20 and 335-6.

‡ Pages 321-2 and 337.

† 1963 Hansard, pages 262-5.

Ordinance provides a definition of L.P.G. on which duty will be payable if this Resolution is adopted, at the rate of 2 cents a pound, which is equivalent to 10 cents a gallon.

There is no change proposed in the duty rate on other light oils and on heavy oils. The rates themselves are set forth in the resolution.

I should like to emphasize that, as far as the general public is concerned, the only effective change in the rates is the introduction of the small duty on liquefied petroleum gas.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

BIRTHS AND DEATHS REGISTRATION (AMENDMENT) BILL 1967

THE ATTORNEY GENERAL moved the First reading of:—"A Bill to amend the Births and Deaths Registration Ordinance."

He said:—Sir, this Bill is one of three associated measures due for their First reading today and its main aim is to transfer from the Governor in Council to the Governor the powers to provide for the due carrying out of the principal Ordinance and the powers to amend the Schedules. These powers are contained in section 29(2) of the principal Ordinance (Chapter 174) and are also referred to in section 23(2) of the same Ordinance. As a general rule, Sir, it is not considered necessary to refer to the Governor in Council comparatively trivial matters such as the lists of the birth and death register offices and the contents and layout of statutory forms. The Bill, therefore, seeks to transfer these powers to the Governor and I would then add, Sir, that fees, which are provided for in the body of the Ordinance, will remain unaffected.

The Bill also proposes to delete from section 20(*b*) of the main Ordinance the requirement that the medical certificate of cause of death shall include a statement as to whether any, and if so what, anaesthetic was administered during the last illness of the deceased. Such a statement appears to serve no useful function and it will be omitted from a revised form of certificate, the details of which are currently under discussion.

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:—

Clause 2 of this Bill amends section 20 of the Births and Deaths Registration Ordinance by removing the requirement that certificates of the cause of death must include a statement as to whether any anaesthetic was administered to a deceased person prior to his death. This will enable the Governor, if he thinks fit, to amend the form of Medical Certificate of Cause of Death with regard to the statement therein relating to the administration of anaesthetics.

2. The object of clauses 3 and 4 is to enable the Governor, by order, to provide for matters pertaining to the shortened form of birth certificate issued under section 23 of the principal Ordinance, and to amend the Schedules to the Ordinance.

3. This obviates the necessity for bringing these largely routine matters before the Governor in Council.

**BIRTHS REGISTRATION (SPECIAL REGISTERS)
(AMENDMENT) BILL 1967**

THE ATTORNEY GENERAL moved the First reading of:—“A Bill to amend the Births Registration (Special Registers) Ordinance.”

He said:—Sir, this is a short and simple Bill allied to the last Bill which has been read and relates to the Births and Deaths Registration (Amendment) Bill 1967 which, as I say, has just been read.

The aim is likewise to transfer from the Governor in Council to the Governor the powers, which are contained in section 13(2) of the principal Ordinance, which are to provide for the due carrying out of the Ordinance and the amendment of the Schedules.

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 object of this Bill is to enable the Governor, by order, to amend the Schedules and provide for the due carrying out of the Ordinance, instead of the Governor in Council. This obviates

the necessity for bringing this largely routine matter before the Governor in Council.

Accordingly, clause 2 of the Bill makes the necessary amendment to carry this intention into effect.

**DEATHS REGISTRATION (SPECIAL REGISTERS)
(AMENDMENT) BILL 1967**

THE ATTORNEY GENERAL moved the First reading of:—"A Bill to amend the Deaths Registration (Special Registers) Ordinance."

He said:—Sir, this Bill is likewise connected with the two Bills which have just been read a First time, and again, the aim is to transfer from the Governor in Council to the Governor the powers, contained in section 13 of the principal Ordinance, which are to provide for the due carrying out of the Ordinance and the amendment of the Schedules.

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 object of this Bill is to enable the Governor, by order, to amend the Schedules and provide for the due carrying out of the Ordinance, instead of the Governor in Council. This obviates the necessity for bringing this largely routine matter before the Governor in Council.

Accordingly, clause 2 of the Bill makes the necessary amendment to carry this intention into effect.

**FACTORIES AND INDUSTRIAL UNDERTAKINGS
(AMENDMENT) BILL 1967**

MR R. M. HETHERINGTON moved the First reading of:—"A Bill to amend section 7 of the Factories and Industrial Undertakings Ordinance."

He said:—Sir, the object of this enabling Bill is quite simple. It is to amend section 7 of the principal Ordinance. Section 7, as it stands at present, authorizes me to make general regulations on a wide

range of subjects including the employment of women and young persons. I am advised that it does not empower me to make regulations imposing special conditions in respect of such employment in particular industrial undertakings or in particular classes or descriptions of industrial undertakings. For reasons which I will mention shortly, I seek to obtain such powers through the enactment of the amending Bill now before Council.

I would like to take the opportunity of removing any doubts, which may have arisen since the Bill was published in the *Government Gazette* for general information, about the statutory procedure regarding all regulations which I may make under section 7 of the Factories and Industrial Undertakings Ordinance. Section 7(3) prescribes that all regulations made by the Commissioner of Labour shall be submitted to the Governor and shall be subject to the approval of the Legislative Council. This procedure has, of course, been followed in the past and all existing regulations have been approved, by resolution, by this Council. The same procedure would also be followed in the future with regard to any special regulations which I might make if the Ordinance is amended as proposed.

The reason for this Bill is more complex. The existing regulations impose statutory limitations throughout all industrial undertakings on periods of employment, hours of work, overtime, and rest periods for all women and all young persons, both male and female. The maximum standard working hours permitted are 60 a week and ten a day with one rest day in every seven except in respect of young persons, both male and female, aged 14 and 15 years where the maximum is 48 hours a week and eight hours a day together with the same requirement for a rest day. I would like to mention at this stage that the number of young persons employed in industrial undertakings is small and accounts for less than 1½% of the total working force. Hong Kong is not different from many other places in containing a wide range of industries where conditions of employment vary widely. It is different in that the maximum working hours for women and some young persons are higher than those permitted by statute or by negotiated agreements in most other places. Steps are now being planned to bring Hong Kong more into line with widely-accepted international standards. A complicated pattern of practices with regard to hours of work exists. In some industries a standard working week of 48 hours is universally observed. In other industries it is the common but not the universal practice to work a standard week of 48 hours. In some industries, the general standard working week is the statutory maximum of 60 hours. In others, there is a wide variety of different hours followed by individual factories.

To meet this complicated situation involving problems of wage rates and earnings and of forward planning by managements it would

be possible to adopt two methods of approach. One is to seek to arrange for the progressive reduction of the maximum statutory hours of work throughout all industries by a phased programme with the object of endeavouring to ensure that all industries can effectively plan ahead for this reduction without adverse economic effects on both labour and management. The other is to take certain steps to freeze the hours of work at present worked in certain industries at the levels at which they exist at the moment and at which they are universally or widely accepted. The first method would involve general regulations. The second method would involve special regulations.

Sir, it is for these reasons that I now seek the approval of this Council for the amending Bill now before Members. As I said earlier, the Bill is simply an enabling Bill and its passage into law would give me greater flexibility in dealing with a complicated problem. It will allow me, at a later date and subject to the approval of the Governor, to present regulations, both general and special, for the consideration of honourable Members. At that later stage, I would explain more fully the detailed implications of regulations designed to have the effects which I mentioned earlier.

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 amend section 7 of the principal Ordinance to enable the Commissioner of Labour to make special regulations controlling the employment of women and young persons in particular industries.

THE CHINESE UNIVERSITY OF HONG KONG (AMENDMENT) BILL 1967

THE COLONIAL SECRETARY moved the Second reading of: —"A Bill to amend The Chinese University of Hong Kong Ordinance."

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read the Second time.

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

Clauses 1 to 8 were agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that The Chinese University of Hong Kong (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 the Third time and passed.

DANGEROUS GOODS (AMENDMENT) BILL 1967

MR R. M. HETHERINGTON moved the Second reading of:—"A Bill to amend further the Dangerous Goods Ordinance."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read the Second time.

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

Clauses 1 and 2 were agreed to.

Council then resumed.

MR R. M. HETHERINGTON reported that the Dangerous Goods (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 the Third time and passed.

NEW ASIA COLLEGE INCORPORATION BILL 1967

MR TANG PING-YUAN moved the First reading of:—"A Bill to incorporate the members for the time being of the Board of Governors of New Asia College and to provide for the constitution of New Asia College and matters connected with the purposes aforesaid."

He said: —Sir, New Asia College was founded in 1949 by its former President, Dr CH' IEN Mu and a small group of scholars who left Mainland China in search of academic freedom. Their purpose was to preserve traditional Chinese culture and to balance it with Western learning so that students might have a thorough knowledge of their cultural heritage and, at the same time, prepare to cope with the realities of the modern world. Throughout its history, the College has emphasized Chinese studies: Chinese History, Literature and Philosophy, and effectively answers the criticism against any institution of high education being too Western in its approach to learning.

The College began humbly with meagre resources, but soon attracted local support as well as assistance from Yale in China, the Harvard-Yenching Institute and the Asia Foundation. Since 1959 it has received financial support from Government, first as a grant college and now as one of the University's three foundation colleges which were federated to form the Chinese University of Hong Kong. Today, the College has found large buildings grouped about a small campus in northeast Kowloon that has space for extra-curricular activities, for it is realized that the pursuit of learning and the development of character should proceed simultaneously and reinforce each other. It is intended that, in due course, the College will move to Sha Tin where it will share with the other colleges of the Chinese University a site which has been set aside for the purpose.

Turning to the Bill itself, it has been drafted on the lines of similar incorporation Ordinances which are in force relating to the two other foundation colleges of the Chinese University and is, in a sense, an attempt to put all three colleges on the same footing. Part 1 of the Bill consists of the short title and interpretation clauses. Part 2 provides for the incorporation of the Board of Governors and the College and also for the vesting of property now held by New Asia College incorporated, which is incorporated under the Companies Ordinance, and for the dissolution of that Company. Part 3 of the Bill will lay down the power of new Corporation, including the power to prescribe a constitution for the College. The final clause is the usual provision saving the rights of the Crown as is required in the case of private Bills.

MR F. S. LI 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 New Asia College is a Foundation College of the Chinese University and is concerned with the provision in Hong Kong of

the educational and other facilities consistent with its status as a Foundation College of the Chinese University.

1. Clause 1 of the Bill comprises the short title of the Bill.
2. Clause 2 of the Bill constitutes the interpretation clause.
3. Clause 3 of the Bill provides for the vesting of property and for perpetual succession.
4. Clauses 4 and 5 of the Bill provide for a common seal and make provision for the execution of documents by and on behalf of the corporation.
5. Clause 6 nominates the Board of Governors until a new constitution is prescribed under section 11.
6. Clause 7 provides for the vesting of specific property and the succession of the corporation to the previously established New Asia College incorporated.
7. Clause 8 of the Bill makes provision for the Registrar of Companies to strike off the name of New Asia College incorporated from the register kept for the purpose of the Companies Ordinance and provides for notification and dissolution of New Asia College incorporated.
8. Clause 9 of the Bill defines the powers of the corporation.
9. Clause 10 of the Bill provides for delegation of powers.
10. Clause 11 of the Bill provides for a constitution to be prescribed by the Board of Governors.
11. Clause 12 of the Bill provides for documents relating to the constitution to be delivered to the Registrar General and for fees in respect thereof.
12. Clause 13 of the Bill contains provision saving the rights of the Crown as required in the case of private Bills by clause XXVII of the Royal Instructions.

ADJOURNMENT

THE COLONIAL SECRETARY moved the adjournment.

THE ATTORNEY GENERAL seconded.

MR F. S. LI addressed the Council:—

He said:—Your Excellency, before we adjourn this afternoon's proceedings, I should like to make a few observations on the current situation in Hong Kong resulting from the continued attempts by the

leftist elements to stir up trouble among the workers. When I spoke on May 31st last on the subject of civil disturbances, I paid special tribute to the work of all ranks of the Police Force and all grades of the Civil Service for their valued contribution to the well-being of the community in the preservation of law and order. I wish to repeat that tribute to-day.

But since that date, the methods used by the leftists have changed. There is no longer a direct challenge to the established forces of law and order. The intention now seems to be to use the labour unions and workers generally as the spearhead of Communist agitation and to dislocate our economic life by strike action. The workers are now being forced into the front line, whether they wish it or not.

I should like, Sir, to offer the workers a word of encouragement to stand firm against these methods employed by the left. It is known that an appeal is being made to get all workers to sign an undertaking to promise their support for the overthrow of the existing authorities here and that sums of money are being offered as an inducement. I wish to warn all workers against signing such a document. In doing so, they will be giving up their freedom to act according to their own wishes. They may be called upon to perform illegal acts such as putting up posters of an inflammatory nature which is contrary to law and which may get them into trouble. I ask all workers seriously to consider if the game is worth the candle and whether the money offered is worth the risks involved, but even if the strikes succeed, what good will it do if firms have to close down and management and labour both lose their jobs? Many workers are courageously resisting this pressure, and to all these I want to pay a very sincere tribute for their spirit and sense of service to the community. I want to assure them that the vast majority of respectable citizens in our community are supporting them and will never let them down. The more workers there are who resist the left, the easier it will be to organize mutual support against intimidation.

In Hong Kong, we do not want politics of any kind, neither of the left nor the right. What we need is to continue to build up our economy, to export our goods by which means alone we can give our people the jobs that they need, and hold out to them the prospects of better standards of life. We are an industrial and trading community and economic activities should command our whole interest and attention. I want to appeal to all workers to remember that our future well-being depends, not on playing politics, but on our work, our skill and our industry.

MR R. M. HETHERINGTON replied as follows: —

He said: —Sir, I am grateful to my Colleague, the Honourable Li Fook-shu for drawing attention, in the public forum of this Council, to the change of tactics of a very small minority of left-wing elements from a direct challenge to the forces of law and order to the more insidious methods of intimidation and bribery of the working population as the main challenge to the peaceful way of life of Hong Kong. The activities of the industrious people here have been responsible for the creation of a thriving community. These activities can ensure, in the future, the peaceful development of a better, happier, and more prosperous mode of living for us all. As he rightly points out, politics have played no part in this astounding economic growth which has benefited not only those who were born here but those who have chosen to come here.

As Commissioner of Labour I deplore all incidents which lead to loss of employment with the consequent disruption of an individual's livelihood, the cessation of a regular income, the disturbance of family life, the frustration of plans, and the thwarting of ambitions for the future. I wholeheartedly support the advice which my colleague has given to the working population to stand firm against all methods used to disrupt steady and normal employment. The overwhelming majority has already shown its support for a law-abiding and orderly way of life. I urge everyone, both in their own interests and in the general interests of the community as a whole, to resist the blandishments of temporary 'bribes and 'the threats of intimidation. I assure them that Government gives, and will continue to give, protection against intimidation by all means within its power. Government is confident that, with the continued support of the vast majority of the peace-loving people of Hong Kong, these tactics will be frustrated.

I acknowledge the renewed tribute to the civil service and, especially, to all ranks of the police force. My honourable Colleague can be assured that loyal officers of Government will carry on, as before, with their responsibilities as public officers to serve the best interests of the community.

The question was put and agreed to.

NEXT MEETING

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT:—
Council will now adjourn. The next meeting will be held on 12th July.