

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 2nd August 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-CHEUNG, 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 TEREINCE 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 KAIN YUET-KEUNG, CBE
THE HONOURABLE LI POOK-SHU, OBE
THE HONOURABLE FUNG HON-CHU, 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 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

ABSENT

THE HONOURABLE SZETO WAI, OBE

IN ATTENDANCE

THE DEPUTY CLERK OF COUNCILS MR
DONALD BARTON

MINUTES

The minutes of the meeting of the Council held on 12th July 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:—	
Dangerous Goods Ordinance.	
Dangerous Goods (General) (Amendment)	
Regulations 1967	104
Emergency (Closed Areas) Regulations 1967.	
Emergency (Closed Areas) (Hong Kong Tramways	
Limited Depot, Workshops and Welfare Centre)	
Order 1967	107
Public Order Ordinance.	
Nos 34/40 and Nos 42/50, Ma Tau Chung Road,	
Kowloon Closed Area Order 1967	(GN No 1543)
Public Order Ordinance.	
Nos 34/40 and Nos 42/50, Ma Tau Chung Road,	
Kowloon Closed Area Order 1967 (Revocation)	
Order 1967	(GN No 1544)
Emergency (Principal) Regulations.	
Emergency (Principal) Regulations (Commencement)	
Order 1967	108
Emergency Regulations Ordinance.	
Emergency (Public Health and Urban Services	
Ordinance) (Amendment) Regulations 1967.....	109
Interpretation and General Clauses Ordinance.	
Specification of Public Office	110
Emergency Regulations Ordinance.	
Emergency (Principal) (Amendment) Regulations 1967	111
Emergency (Principal) Regulations.	
Emergency (Principal) Regulations (Commencement)	
(No 2) Order 1967	112

<i>Subject</i>	<i>LN No</i>
Commonwealth Preference (Motor Vehicles) Ordinance 1967.	
Commonwealth Preference (Motor Vehicles) (Depreciation) (Amendment) Regulations 1967 ...	113
Motor Vehicles (First Registration Tax) Ordinance.	
Motor Vehicles (First Registration Tax) (Depreciation) (Amendment) Regulations 1967...	114
Public Health and Urban Services Ordinance.	
Frozen Confections (New Territories) (Amendment) Regulations 1967.....	115
Post Office Ordinance.	
Post Office (Amendment) Regulations 1967	116
Resettlement Ordinance.	
Resettlement (Amendment) (No 3) Regulations 1967....	117
Emergency (Principal) Regulations.	
Emergency (Principal) Regulations (Commencement) (No 3) Order 1967	118
Emergency (Principal) Regulations.	
Emergency (Committee of Review) Rules 1967	119
Emergency Regulations Ordinance.	
Emergency (Principal) (Amendment) (No 2) Regulations 1967	120
Emergency (Principal) Regulations.	
Emergency (Principal) Regulations (Commencement) (No 4) Order 1967	121
Reports: —	
Report in accordance with Regulation 10(3) of the Hawker Control Force (Welfare Fund) Regulations 1962.	
Report of the Board of Management of the Hong Kong Tourist Association 1966-67.	

QUESTION

DR CHUNG SZE-YUEN, pursuant to notice, asked the following question: —

Having regard to the serious problems facing the local steel industry and the very great public interest that has been aroused in its plight, will Government please state what its policy is relative to this particular industry?

MR T. D. SORBY replied as follows: —

He said:—Your Excellency, I am aware that the steel industry in Hong Kong is at present facing a number of difficulties. They spring from the falling-off in new commercial building construction since 1965, and increased competition from imported steel reinforcing bars in a somewhat reduced domestic market. At the same time the effects of an already expensive and continuing capital investment programme designed to increase the industry's efficiency and insulate its production from vagaries in the price of raw materials have not yet had time to bear fruit.

Domestic consumption of steel reinforcing bars and rods during 1966 is estimated to have been of the order of 230,000 tons. Production in the same year is believed to have been about 120,000 tons, which was well below capacity. Sixty-five thousand tons of steel bars were exported in 1966. Imports therefore met about 74% of domestic demand in that year.

The volume of imports by quantity from China has been rising since 1961 when they constituted 32% of total imports. In 1964 they were 40%, in 1966 70%; a steep relative rise as you will see, in the last two years. The percentage of imports from Japan was 18% by volume in 1966, a steep absolute and relative decline from the levels achieved in the previous two years.

During the same years the average unit import price of Japanese steel rose. The average unit import price of China origin steel has remained relatively static, but is said to be persistently below that of the equivalent Hong Kong product. The steel industry claims that its domestic selling prices have themselves been falling since the high level of 1961, reflecting not only the spur of internal but also external competition. Average prices can however be misleading, as they do not reflect the differing qualities of steel bars either produced in Hong Kong or imported into Hong Kong.

A lot of money has been invested in the steel industry and must continue to be invested if it is to reach its full level of efficiency and diversity, and to be in a position to meet major domestic demand. The industry itself is made up of some twenty individual enterprises, half a dozen or so of which contribute the greater part of its present aggregate production and plan to increase their share. In a period of slackened domestic demand and uncertain export markets, the industry faces severe competition from imports of cheaper steel from China, which it claims it is not in a position to meet unless it is accorded some special treatment.

I can see the advantage of having an efficient steel rolling industry in a position to supply steel for building construction at competitive

prices. But special treatment for a particular industry would run counter to Government's well-tested economic policies and would have to be justified by quite special circumstances. The evidence of such circumstances is as yet less than complete, but I propose to pursue the matter with the industry.

You will see, Sir, that I have not in full answered my honourable Friend's question because it is not a question which can be readily answered at the present juncture. As you will see also, Sir, it is a question that remains open.

DR CHUNG said:—Sir, may I ask a supplementary question? I thank my honourable Friend for his comments. While the general principles which he has advanced are broadly acceptable, would he not agree that Government has a premier responsibility, particularly in the current circumstances, to ensure that Hong Kong's economic activity and employment capabilities are maintained at the highest possible levels?

MR T. D. SORBY replied as follows:—Sir, I would certainly agree with Dr CHUNG that Government has such a responsibility, but I think I should perhaps mention in relation to the steel industry that as far as employment is concerned it is not an industry which in fact employs a great number of people.

REVISED EDITION OF THE LAWS (AMENDMENT) BILL 1967

THE ATTORNEY GENERAL moved the First reading of:—"A Bill to amend the Revised Edition of the Laws Ordinance 1965."

He said:—One of the main advantages, Sir, of the new loose-leaf edition of the Laws is that when an Ordinance is extensively amended it can be reprinted and issued as a separate booklet for insertion in place of the old edition. Provision is made for this to be done at the discretion of the Attorney General under the Revised Edition of the Laws Ordinance 1965. However this provision is limited to Ordinance as such. This means that where extensive amendments are made to any subsidiary legislation so as to make it desirable to replace a particular set of regulations; this can only be done by ordering a reprint of the parent Ordinance together with the subsidiary legislation. Since this is clearly uneconomic this Bill proposes an amendment which will permit reprints of subsidiary legislation to be ordered and carried out without necessarily reprinting the parent 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: —

This Bill seeks to amend section 13 of the Revised Edition of the Laws Ordinance 1965 so as to provide that the Attorney General may, where it appears to him to be convenient and appropriate, prepare and publish in a separate booklet a new revised edition of the subsidiary legislation made under or by virtue of an Ordinance without also having to prepare and publish a new revised edition of the Ordinance under which that subsidiary legislation is made. At present if the Attorney General considers it necessary to prepare a new revised edition of subsidiary legislation he cannot do so without also preparing a new revised edition of the Ordinance under which that subsidiary legislation is made.

PERJURY (AMENDMENT) BILL 1967

THE ATTORNEY GENERAL moved the Second reading of:—“A Bill to amend the Perjury 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 to 5 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Perjury (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.

EVIDENCE (AMENDMENT) BILL 1967

THE ATTORNEY GENERAL moved the Second reading of:—“A Bill to amend the Evidence 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 to 4 and the schedule were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Evidence (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.

ADJOURNMENT

THE COLONIAL SECRETARY moved the adjournment.

THE ATTORNEY GENERAL seconded.

MR DHUN J. RUTTONJEE addressed the Council.

He said: —Your Excellency,* “. . . the present movement cannot be called a Strike in any proper sense of the word since those who have ceased to work have not done so with a view to attaining any definite object. It has become increasingly clear during the last fortnight that the movement is nothing else than an attack . . . on existing standards of civilization as represented by Hong Kong In this matter Hong Kong stands by itself. An attack has been made upon us, as representing the existing standards of civilization, by the agents of disorder and anarchy. . . . We have to realize that we are faced with a deliberate attempt to destroy, in the interests of anarchy, the prosperity and the very existence of the community. . . . It is for us to show that we are not so helpless as our enemies have assumed, and I can heartily congratulate the community on the evidence which has already been given. To use a trite phrase ‘the situation is well in hand’. We are . . . experiencing . . . considerable inconvenience and minor hardships but I am confident both of the power and of the will of the community to continue to endure these inconveniences as long as is necessary. . . . it is not always necessary to believe that the Government is doing nothing because it does not talk about what it is doing. There are many occasions on which it is wiser to say nothing because

* 1925 Hansard, pages 45 - 7.

measures that are being taken are more likely to be successful if they are not talked about.”

Your Excellency, these words are not mine. They were part of a speech made to this Council by the then Governor of Hong Kong, Sir Reginald STUBBS in 1925 and I am sure that all members will agree that they are not without a certain relevance today. I quote them to show that in Hong Kong we are used to trouble. We can deal with it; and most certainly we can overcome it. We overcame it in 1925, we have overcome it since and we shall surely overcome it now. Those who oppose law and order also oppose the will of the great majority of the people here. In the last few weeks we have seen demonstrations leading to rioting; strikes leading to the curtailment of transport and food supplies; and finally violence leading to bloodshed and loss of life. These trouble-makers, these anarchists, are desperate; and perhaps they may resort to viler tricks and filthier outrages before they are beaten. Nevertheless the outcome is clear and eventually it will be realized that the events of recent weeks have paradoxically been the best guarantee of Hong Kong's continued prosperity that one could have wished for. Indeed it has brought about a feeling of cohesion, of belonging, of being “a Hong Kong-ite”, amongst the vast majority of all facets of our population such as has perhaps never been equalled.

To have the present water restrictions added to our other troubles might have been thought to have presented an appalling problem. But here again, once again, the people of Hong Kong have demonstrated their ability to rise above temporary difficulties. Our thanks go out to the housewives of the Colony. I wonder how many of them, standing in the hot sun at the standpipes, are thinking that there is water in plenty just across the border, ready for buying, as before, by the Hong Kong GovernmentThe Far Eastern Economic Review's comment is worthy of repetition: “if China should be so immoral (as to cut off water supplies to a 98% Chinese city) then Government could rightly reject all blame for the inevitably severe water restriction which would follow. The discomfort caused would guarantee a mass unpopularity for the local communists”. The trouble makers here are alone; it is quite apparent that they have few—very few—friends in Hong Kong

Finally, there is one other matter which I would like to mention. I comment and applaud the decision of Government to compensate the families of those who have been killed and those who have been injured whilst carrying out their lawful duties in recent weeks. It may be that in years to come we shall look back upon this as a small beginning towards the institution of a system of social welfare in Hong Kong. For such is the aim of a good Government in this day and age.

Recent events have made many of us (they have certainly made me) look anew at the problems which face us. I would like to think

that the same urgency and the same vision with which recent troubles have been tackled will soon be translated into other fields of Government and community activity. Perhaps the problems which many have for long considered almost insurmountable will prove to be but molehills.

With these remarks, Sir, I am pleased to support the motion.

THE COLONIAL SECRETARY replied as follows:—

He said: —Your Excellency, the Government is most grateful to my honourable Friend Mr RUTTONJEE for re-affirming the resolve to deal with the subversive activities of the trouble makers. These sentiments have been expressed before by my honourable Friend and by others but I am glad Mr RUTTONJEE has taken this opportunity to repeat and reaffirm it here today.

I concur with his view that the present disorders have brought fundamental issues before us and I also believe it is true to say that there is now a greater sense of unity of purpose in Hong Kong than we have felt for some considerable time. People have accepted difficulties caused by the water shortage, by the traffic dislocation that occurs when bombs are placed in public roads, by the walk out of bus crews and so forth. This has not been easy and the hardship inflicted by recent outbursts of lawlessness and violence has fallen on ordinary people who have a struggle to make ends meet even at the best of times. The response of the people has been heartening and I feel confident that it will be sustained.

My honourable Colleague urged us all to look anew at the many problems that face us. I can now say that shortly before he went on leave His Excellency the Governor instructed all Heads of departments to re-assess their priorities, to ensure that the work of Departments took proper account of the present situation and further, in re-examining their duties, to place prime importance on their contact with the public at large. This action is now in hand and I trust that from it will come forth new proposals to deal with the sort of problems my honourable Friend no doubt has in mind.

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 16th August.