

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 1st May 1968****PRESENT**

HIS EXCELLENCY THE ACTING GOVERNOR (*PRESIDENT*)
MR MICHAEL DAVID IRVING GASS, CMC
THE HONOURABLE THE COLONIAL SECRETARY (*Acting*)
MR GEOFFREY CADZOW HAMILTON
THE HONOURABLE THE ATTORNEY GENERAL
MR DENYS TUDOR EMIL ROBERTS, QBE, QC
THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS (*Acting*)
MR PAUL TSUI KA-CHEUNG, O.B.E.
THE HONOURABLE THE FINANCIAL SECRETARY (*Acting*)
MR MICHAEL DENYS ARTHUR CLINTON, GM
DR THE HONOURABLE TENG PIN-HUI, CMG, OBE
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE WILLIAM DAVID GREGG, CBE
DIRECTOR OF EDUCATION
THE HONOURABLE TERENCE DARE SORBY
DIRECTOR OF COMMERCE AND INDUSTRY
THE HONOURABLE KENNETH STRATHMORE KINGHORN
DISTRICT COMMISSIONER, NEW TERRITORIES
THE HONOURABLE GEORGE PERCY NORTON
ACTING DIRECTOR OF PUBLIC WORKS
THE HONOURABLE DAVID RICHARD WATSON ALEXANDER, MBE
DIRECTOR OF URBAN SERVICES
THE HONOURABLE ALASTAIR TREVOR CLARK
DIRECTOR OF SOCIAL WELFARE
THE HONOURABLE DHUN JEHANGIR RUTTONJEE, CBE
THE HONOURABLE LI FOOK-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
THE HONOURABLE JAMES DICKSON LEACH, OBE
DR THE HONOURABLE CHUNG SZE-YUEN, OBE
THE HONOURABLE WILSON WANG TZE-SAM

ABSENT

THE HONOURABLE ROBERT MARSHALL HETHERINGTON, DFC
COMMISSIONER OF LABOUR

IN ATTENDANCE

THE DEPUTY CLERK OF COUNCILS
MR DONALD BARTON

MINUTES

The minutes of the meeting of the Council held on 10th April 1968 were confirmed.

PAPERS

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

<i>Subject</i>	<i>LN No</i>
Subsidiary Legislation:—	
Auxiliary Forces Pay and Allowances Ordinance.	
Pay Classification (Essential Services Corps)	
Assignment Notice 1968	27
Resettlement Ordinance.	
Resettlement (Amendment) Regulations 1968	29
Public Health and Urban Services Ordinance.	
Muslim Cemetery Ho Man Tin (Graves Removal)	
Order 1968	30
Revised Edition of the Laws Ordinance 1965.	
Revised Edition of the Laws (Corrections of Error)	
(No 2) Order 1968	31
Fugitive Offenders Act 1967.	
Fugitive Offenders (Designated Commonwealth	
Countries) (Amendment) Order 1968	32
Sessional Paper 1968:—	
No 13—Annual: Report by the Director of Immigration for the year 1966-67.	
Certificate:—	
Certificate of the Director General of the Overseas Audit Service on the accounts of Hong Kong for the year ended 31st March 1967.	

LANDLORD AND TENANT ORDINANCE

THE ATTORNEY GENERAL moved the following resolution:—

Resolved, pursuant to section 36 of the Landlord and Tenant Ordinance, that the Tenancy Tribunal (Amendment) Rules 1968, made by the Acting Chief Justice on the 9th day of April 1968 under section 36 of that Ordinance, be approved.

He said:—Sir, the District Court (Civil Jurisdiction and Procedure) (Amendment) Ordinance, 1966, raised the general monetary limits of jurisdiction of the District Court from \$5,000 to \$10,000.*

Previously, there had been four scales of costs allowed in District Court actions. A fifth scale was added by the District Court Civil Procedure (Costs) (Amendment) Rules, 1966, to cover cases where the amount claimed or recovered, as the case may be, was between \$5,000 and \$10,000.

The Tenancy Tribunal Rules, which are made under the Landlord and Tenant Ordinance, provide for costs in proceedings for exemptions of premises under that Ordinance to be taxed in accordance with the four scales previously prescribed for actions in the District Court, where the annual rent of the premises did not exceed \$5,000.

It is now proposed, by the amending rules which are before Council, that the new Fifth Scale, to which I have referred and which was introduced for District Court actions in 1966, should be applied to exemption cases where the annual rent of the premises concerned is between \$5,000 and \$10,000, instead of the Supreme Court scale, which will now apply only where the annual rent exceeds \$10,000.

The amending rules before Council are made by the Chief Justice under section 36 of the Landlord and Tenant Ordinance, and are subject to the approval of this Council.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

RESETTLEMENT (AMENDMENT) BILL 1968

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

He said:—Sir, the Bill now before Council is intended to provide certain powers which experience has shown to be necessary for the effective administration of resettlement estates, resettlement factory areas, resettlement cottage areas and licensed areas.

Restaurant premises in the older resettlement estates have proved too small to serve their purpose and have tended to spread out untidily onto neighbouring land which they occupy without authority or proper control. One purpose of the Bill is therefore to provide for the controlled and authorized occupation of land in resettlement estates and for fees to be prescribed for this purpose.

* 1966 Hansard, pages 400-1 & 422.

[THE COLONIAL SECRETARY]

Sir, the Government is carrying out a 6-year re-wiring programme in the older resettlement estates in the course of which private wiring is being replaced at public expense. This replacement will effect a permanent improvement in the standards of the accommodation in question, over and above the facilities which were afforded when the rents were originally computed. The cost, however, is very considerable and the Bill accordingly provides for the expenditure to be recovered in the form of increased rent payable by those tenants whose wiring has been renewed.

Since resettlement premises are not subject to the Buildings Ordinance there is at present no provision for their compulsory closure when they are found to be dangerous. On occasions, for example as the result of ground subsidence or natural disasters, compulsory closure is necessary. The Bill therefore seeks to make good this deficiency in the existing legislation.

The Bill also provides for the competent authority to take possession of any property which is attached to any resettlement premises in contravention of the conditions of the relevant tenancy, occupation permit or licence under the Ordinance.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons

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

The purpose of this Bill is to amend the principal Ordinance to provide the competent authorities with certain powers which experience has shown to be necessary for the effective administration of resettlement estates, resettlement factory areas, cottage resettlement areas and licensed areas.

2. Clause 2 amends section 51 of the Ordinance to enable the Governor in Council to prescribe fees for the occupation of land authorized under the new section 52A and to provide for a sum to be paid by tenants of premises to which an electricity supply has been connected where the competent authority has replaced the electrical wiring in the building in which the premises are situated.

3. Clause 3 adds two new sections after section 52 of the principal Ordinance. The proposed section 52A provides for

the grant of permits to tenants and authorized occupants of premises in resettlement estates, resettlement factory areas and cottage resettlement areas enabling them to occupy land within the estates and areas for specified purposes. It is intended that the right to occupy such land should be subject to such conditions as may be specified in the permit, that the permit may be cancelled by the competent authority who granted it at any time and that it shall terminate immediately upon the termination of the tenancy of the grantee.

4. The proposed section 52B empowers the competent authority to make an order declaring any building or part of a building in any resettlement estate, resettlement factory area, cottage resettlement area. Class I area or Class II area to be dangerous. On the making of such an order, every tenancy, permit or licence under the Ordinance created or granted in respect of the building will terminate immediately and every person in the building or the part of it affected must leave the building when required to do so by an authorized officer. Any person who does not leave the building when required to do so by an authorized officer may be evicted summarily. The authorized officer may use such force as is reasonably necessary and also call upon the assistance of any police officer.

5. Clause 4 amends section 54 of the Ordinance to authorize the competent authority to take possession of any property which is placed in or on or affixed to any premises in contravention of any condition of a tenancy, occupation permit or licence under the Ordinance.

MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS) (AMENDMENT) BILL 1968

THE FINANCIAL SECRETARY moved the First reading of:—"A Bill to amend further the Motor Vehicles Insurance (Third Party Risks) Ordinance."

He said:—Sir, the Bill seeks to raise the deposit of \$200,000 specified in section 3(1), and the deposit under section 4(4)(c) of the principal Ordinance, to \$400,000. The opportunity has also been taken to correct an error in section 5 of the Ordinance.

These proposed increases are, in part, the result of a comprehensive review of existing policy in relation to motor vehicle third party insurance in Hong Kong in the light of certain provisions contained in the Companies Act, 1967, under which the Board of Trade has been accorded wider and more stringent powers of supervision over insurance companies in the United Kingdom.

[THE FINANCIAL SECRETARY]

His Excellency the Governor has accepted, on the advice of the Executive Council, that it is necessary to adopt equally stringent requirements in Hong Kong. In future, therefore, an application to carry on third party motor vehicle insurance will not be granted unless the company has paid up capital of at least £100,000 or the equivalent. In the case of a company which has, at the time of application, completed its first financial year, assets must exceed liabilities by the following amounts or their equivalents:

- (i) where the general premium income of the company in its last preceding financial year did not exceed £250,000, the relevant amount is £50,000.
- (ii) where the general premium income in the last preceding financial year exceeded £250,000 but did not exceed £2,500,000 the relevant amount is one fifth of the general premium income in that year.
- (iii) where the general premium income in the last preceding year exceeded £2,500,000 the relevant amount is the aggregate of £500,000 and one tenth of the amount by which the general premium income in that year exceeded £2,500,000.

In the case of a company which has not at the time of application completed its first financial year, the value of its assets must exceed its liabilities by not less than £50,000.

These rather complicated requirements adhere to the provisions of the 1967 Companies Act and will be applicable to both new applicants *and* existing authorized insurers. Companies which fall in the latter category, however, will have until 31st December, 1969 to comply with the new requirements, which will be notified to them by the Registrar General in the near future.

It should also be mentioned that certificates of the Board of Trade certifying that companies have complied with the requirements of the 1967 Act will continue to be accepted as evidence of financial stability.

Honourable Members will appreciate that it is the overall margin of solvency of a company which provides the most effective security for policy holders. Nevertheless, it is considered desirable to double the present ceiling of \$200,000 which, under section 3(1) of the principal Ordinance, may be required as a deposit from a company when its financial stability is in some doubt. I should emphasise, however, that a company whose solvency margin is out of line with the new requirements will not be automatically permitted to operate even if it is willing to pay a deposit. In view of their limited effectiveness in this type of business, deposits will only be called for as *additional* security in certain border line cases.

In line with this, it is also considered that the amount of the deposit, now also \$200,000, which by section 4(4)(c) of the Ordinance exempts an owner of vehicles from having to be insured against third party risks, should likewise be increased to \$400,000.

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 the principal Ordinance so as to increase to four hundred thousand dollars—

- (a) the maximum deposit which may be required by the Governor in Council under section 3 of the principal Ordinance when authorizing a company or other person to carry on motor vehicle insurance business;
- (b) the amount of the deposit which a person must make in order that motor vehicles owned by him may be exempt from the requirement of section 4(1) of the principal Ordinance that a policy of insurance or a security in respect of third party risks must be in force in relation to the use of the vehicles.

2. Clause 4 corrects an error in section 5 of the principal Ordinance.

HOLIDAYS (AMENDMENT) BILL 1968

THE SECRETARY FOR CHINESE AFFAIRS moved the Second reading of:—“A Bill to amend further the Holidays 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.

THE SECRETARY FOR CHINESE AFFAIRS reported that the Bill before Council 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.

**THE ST. STEPHEN'S GIRLS' COLLEGE COUNCIL
INCORPORATION BILL 1968**

MR P. C. Woo moved the Second reading of: —“A Bill to provide for the incorporation of The St. Stephen's Girls' College Council.”

MR SZETO WAI 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.

HIS EXCELLENCY THE ACTING GOVERNOR:—With your concurrence, we will take the clauses in blocks of not more than five.

Clauses 1 to 11 were agreed to.

Council then resumed.

MR P. C. Woo reported that the Bill before Council had passed through Committee without amendment and moved the Third reading.

MR SZETO WAI 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.

The question was put and agreed to.

HIS EXCELLENCY THE ACTING GOVERNOR:—Before I adjourn I would like to thank Mr Dickson LEACH for his valuable services to this Council. His advice and assistance in this Council have been very greatly appreciated both by the Governor and by myself and the Government is most grateful to him for the valuable contribution he has made to the Council's business. I am sure that we all wish him and Mrs LEACH many happy years of retirement.

MR LEACH:—Thank you, Sir.

NEXT MEETING

HIS EXCELLENCY THE ACTING GOVERNOR:—Council will now adjourn and the next meeting will be held on the 22nd of May.