
OFFICIAL REPORT OF PROCEEDINGS

Meeting of 17th January 1962

PRESENT:

HIS HONOUR THE GOVERNOR'S DEPUTY (*PRESIDENT*) (*and COLONIAL SECRETARY*)
THE HONOURABLE CLAUDE BRAMALL BURGESS, CMG, OBE
THE HONOURABLE MAURICE HEENAN
ACTING ATTORNEY GENERAL
THE HONOURABLE PATRICK CARDINALL MASON SEDGWICK
ACTING SECRETARY FOR CHINESE AFFAIRS
THE HONOURABLE JOHN JAMES COWPERTHWAITE, OBE
FINANCIAL SECRETARY
THE HONOURABLE ALLAN INGLIS
DIRECTOR OF PUBLIC WORKS
DR THE HONOURABLE DAVID JAMES MASTERTON MACKENZIE, CMG, OBE
DIRECTOR OF MEDICAL AND HEALTH SERVICES
THE HONOURABLE KENNETH STRATHMORE KINGHORN
DIRECTOR OF URBAN SERVICES
THE HONOURABLE KWOK CHAN, OBE
THE HONOURABLE HUGH DAVID MACEWEN BARTON, MBE
THE HONOURABLE DHUN JEHANGIR RUTTONJEE, OBE
THE HONOURABLE FUNG PING-FAN, OBE
THE HONOURABLE RICHARD CHARLES LEE, OBE
THE HONOURABLE KWAN CHO-YIU, OBE
THE HONOURABLE KAN YUET-KEUNG, OBE
THE HONOURABLE WILLIAM CHARLES GODDARD KNOWLES
MR ANDREW McDONALD CHAPMAN (*Deputy Clerk of Councils*)

ABSENT:

HIS EXCELLENCY LIEUTENANT-GENERAL REGINALD HACKETT HEWETSON, CB,
CBE, DSO
COMMANDER BRITISH FORCES
THE HONOURABLE PETER DONOHUE
DIRECTOR OF EDUCATION

MINUTES

The minutes of the meeting of the Council held on 27th December 1961 were confirmed.

ANNOUNCEMENT

HIS HONOUR THE GOVERNOR'S DEPUTY: —Gentlemen, as Colonial Secretary I rise to announce the appointment of the Standing Law Committee for 1962. The following members have been appointed and have agreed to serve: —

The Honourable the Attorney General (*Chairman*)
The Honourable H. D. M. BARTON
The Honourable DHUN J. RUTTONJEE
The Honourable KWAN CHO-YIU
The Honourable W. C. G. KNOWLES

PAPERS

HIS HONOUR THE GOVERNOR'S DEPUTY: —Gentlemen, as Colonial Secretary I wish to lay on the table certain papers copies of which are already in the hands of Honourable Members.

<i>Subject</i>	<i>GN No</i>
Sessional Papers, 1962: —	
No. 1—Annual Report of the Hong Kong Housing Authority for the year 1960-61.	
No. 2—Annual Report by the Chairman, Urban Council and Director of Urban Services for the year 1960-61.	
No. 3—Annual Report by the Controller of Stores and Sand Monopoly for the year 1960-61.	
No. 4—Annual Report by the Director of Commerce and Industry for the year 1960-61.	
No. 5—Annual Report by the Director of Agriculture and Forestry for the year 1960-61.	
No. 6—Annual Report by the Director of Fire Services for the year 1960-61.	
Trade Union Registration Ordinance, 1961.	
Trade Union Registration Regulations, 1961	A 152/61
Registration of Persons Ordinance, 1960.	
Registration of Persons (Re-registration) Order, 1962	A 1/62

QUESTIONS

MR KWOK CHAN, pursuant to notice, asked the following question: —

In connexion with the project of building new abattoirs, which has been under the careful consideration of both official and unofficial members of this Council, will Government now indicate the progress of the project and when the building of the new abattoirs is planned to commence?

MR K. S. KINGHORN replied as follows: —

Your Honour, the sketch plans and equipment estimates for the two abattoirs were received from the Consultants in the United Kingdom some months ago. The order of cost of the complete project is now \$36 million, excluding quarters. In view of these very high capital costs, it has been necessary for Government to scrutinize closely the economics of this large-scale and complicated undertaking, before making a recommendation to the Abattoirs Progress Sub-Committee of Finance Committee. It is hoped to make a recommendation very shortly. The Consultants estimate that building work could commence eighteen months after approval is given to proceed with the working drawings. Construction would take about another eighteen months.

MR KWOK CHAN, pursuant to notice, asked the following question: —

Some members of the public who have been to the Registration Office for their identity cards have found it impossible to get them in the same day and not a few have been told that a certain registration number has only been reached. Assuming that the population of the Colony is in the region of over 3 millions, will Government indicate how long it will take to complete the registration, and whether it is possible to facilitate the acquisition of these identity cards by the public?

THE SECRETARY FOR CHINESE AFFAIRS replied as follows: —

Your Honour, I am afraid that it would be quite impossible for an applicant for an identity card to receive his card on the day of application. He must be photographed, his application must be "Processed", and the necessary details must be entered accurately in the records and on his card, together with his photograph. The card must then be

"laminated" between two sheets of plastic. This process makes the cards more durable and less easy to forge.

All this takes time. The normal procedure is for an applicant to go to the Registration Office, fill in his form, and have his photograph taken. He then returns to claim his identity card between one and two months later.

Holders of the old identity cards are being re-registered in blocks of 10,000 every two weeks. The numbers of the cards in each block are announced in the newspapers and over the wireless. There is such a large number of cards in existence that the Commissioner of Registration cannot undertake to replace *any* card on demand. Consequently people who present their old cards for re-registration before their number has been reached are asked to wait until they are called for.

It is estimated that issue of the new type of identity card to all eligible residents will be completed by the end of 1964.

The Commissioner is doing all that he can to assist the public in obtaining new cards as systematically and efficiently as possible. In many cases his staff help people to fill in their application forms. Those who can do this for themselves and who appear with the completed forms are, of course, dealt with more quickly.

The speed with which the Registration Offices can attend to the needs of members of the public is bound to depend on the pressure of applicants at any given time. The whole system has recently been put under a considerable strain by unusually large numbers of people who do not have identity cards at all coming forward to register. They are not all new arrivals, but people who have been in Hong Kong for some time and who have not previously applied for identity cards. However, the situation is now returning to normal.

You, Sir, have, I know, recently visited the Registration of Persons Office yourself, and I believe you are satisfied that, in view of all the circumstances, the operation is being carried on efficiently and with reasonable speed, and that any considerable increase in the speed at which this job is being done could be achieved only if this Council were prepared to sanction much increased expenditure on staff, equipment and offices. In Government's view such increased expenditure would not be justifiable in present circumstances.

I may add that if any Honourable Member is particularly interested, I should be only too glad to arrange for the Commissioner to show him round, and to explain all details of the operation.

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

In view of the recent public concern at the sharp increases in rent of uncontrolled domestic premises, would Government state whether measures are under consideration to investigate this matter which has an inflationary effect on the Colony's economy to the detriment of the livelihood of our wage earners?

THE FINANCIAL SECRETARY replied as follows: —

Your Honour, I should first of all like to give an assurance that Government keeps all matters connected with housing under constant review and also to say that it is of the opinion that the present situation does not call for a special or formal investigation. A great deal of information on the subject is available at all times through the office of the Commissioner of Rating and Valuation.

The question refers to "sharp increases in rent of uncontrolled domestic premises". This seems too extreme a description of the present situation without a great deal of qualification. Government's information is that the rents being charged to existing tenants of tenement floors and smaller flats in the less popular districts have not been increasing significantly, although first tenancies of new flats in some areas are fetching substantially higher rents. Substantial increases affecting existing as well as new tenants have generally occurred in the larger and better class flats in good districts. Where they have occurred, they have varied considerably and it is difficult to generalize about their magnitude but they might be estimated on average at between 10% and 20%. This is very much a reflexion of increased spending power resulting from our present prosperity and is most felt in such districts as Tsim Sha Tsui where that prosperity has been particularly concentrated. I know that this is very cold comfort for those individuals who have had their rents increased particularly if they are not amongst those who enjoy an adequate share of the increase in prosperity; but it does suggest that the general situation is not nearly as bad as it has been painted.

In his question Mr RUTTONJEE said that recent increases are having an inflationary effect on the Colony's economy. In strict economic theory I do not think that this is so. Rent increases are rather the result of pressures arising from our present prosperous economic condition; they are one symptom of that prosperity rather than a cause of inflation.

One further factor in the situation is that new private buildings tend to come on the market irregularly. There are periods of comparative glut and scarcity and it happens that in recent months relatively few big housing schemes have been completed. The indications are that this situation will soon be reversed.

Rent is basically a matter of supply and demand and Government must consider what it can effectively do to improve the position by influencing either factor. There is little that can be done or should be done on the demand side, particularly if my diagnosis of the main reason for the increased pressure of demand in some areas is correct. So far as supply is concerned let me say straight away that any attempt to bring rents generally under control would almost certainly make the housing situation worse, not better. The private builder will not build if his investment in housing, unlike other investments, is subjected to statutory restrictions. That has been the experience elsewhere. The result would be, assuming effective control, that existing tenants would be accommodated at rents below market price and others would have no accommodation at all. The private builder in Hong Kong is very active. He spent \$198 million last year (excluding the cost of land), generally at his own risk, on the construction of private housing for sale or rent. It is difficult to estimate how many people this will house but a fair guess would be at least 70,000 adults. It would be very shortsighted to do anything to discourage him. It is intended rather to encourage him by continuing to make arrangements for the rapid disposal of available housing sites.

If a situation were to arise where rents were increasing but no private building was being undertaken (as for example in wartime), it would clearly be a different matter, but all indications, such as plans submitted to the Buildings Ordinance Office and applications for exclusion orders under the Landlord and Tenant Ordinance, suggest that the rate of private development is continuing to increase or at very least to maintain its present high level.

I have said so far what Government should not do. May I now say what positive steps Government is taking, in conjunction with other interested bodies, to increase the supply of housing. The major effort is, of course, in Resettlement, which, although not directly connected with the present problem, has some influence on it; the aim is to accommodate 100,000 persons a year. Then it is proposed to house 20,000 persons a year in a new type of very low cost housing constructed by the Public Works Department. The rate in the first two years will be rather higher than this to compensate for delays since the project was approved. Next there are the efforts of the Housing Authority, the Housing Society and the Settlers Housing Corporation which between them will spend in 1962 some \$56 million in Government loans, plus some of their own funds, and provide accommodation for about 40,000 persons. Finally there are Civil Servants' Co-operative Housing schemes which it is estimated will spend \$25 million of loan funds this year. Increased provision of Government quarters also helps. The aim is thus to produce housing, other than Resettlement, for about 70,000 persons next year (or rather more in terms of population as, for housing purposes, two children are regarded as equal to one adult); and this is a continuing programme.

Combined with private housing this cannot fail to have a very strong damping down effect on rents generally. But its effect will of course be weaker in the best residential districts where only limited land is available for further development and where it is not appropriate to undertake Government housing or Government assisted housing. I am afraid that we have got to accept the fact that, so long at least as our present prosperity continues, it is going to cost more to live in the best places.

What I have said so far applies to the general level of rents for both existing and new buildings. The present public concern has been mainly linked with increases in rent imposed on sitting tenants. As I have said this is occurring mainly in larger flats in better class areas. One of the difficulties in dealing with the problem is the traditional reluctance in Hong Kong, on the part of the tenant as much as the landlord, to enter into long-term lease arrangements. Some of the more spectacular rent increases reported have been in cases where the original monthly tenancy included payment of a capital sum as construction money. There is already some statutory

provision for these cases under the Tenancy (Prolonged Duration) Ordinance of 1952, which gives a legal right of three years' tenancy at the original rent. There may well be good grounds for a substantial increase in some cases particularly where the rent is exceptionally low by virtue of the payment of construction money, but each case must be looked at on its merits. One unfortunate side-effect of the Ordinance may have been to suggest to landlords that increases were necessarily reasonable after three years, and there may well be some cases of unreasonable increase. Government is concerned to see that there should be no genuine victimisation of sitting tenants and will give further thought to the need for, and the possibility of, affording some degree of protection in such cases. But care must be taken to do nothing likely to cause permanent distortion of the economic or social relationship between landlord and tenant.

PUBLIC CLEANSING AND PREVENTION OF NUISANCES (AMENDMENT) BY-LAWS, 1962

MR K. S. KINGHORN moved the following resolution: —

Resolved that the Public Cleansing and Prevention of Nuisances (Amendment) By-laws, 1962, made by the Urban Council on the 2nd day of January, 1962, under section 15 of the Public Health and Urban Services Ordinance, 1960, be approved.

He said: Your Honour, many householders in Hong Kong employ private refuse collectors to carry refuse from their premises to refuse collecting vehicles, and the purpose of the new by-law 24A is to legalize this practice.

The new by-law 15A prohibits the employment for gain of children under the age of 16 as refuse carriers. The reason is to stop younger children from carrying excessive weights for their ages. The prohibition does not apply to a member of a family disposing of its own household refuse.

Finally, with a view to preventing private refuse collectors and householders from spilling refuse whilst conveying it to the collecting vehicles, the proposed amendment to by-law 14 requires that refuse containers be suitably covered, and that all other necessary precautions be taken to prevent spilling.

THE SECRETARY FOR CHINESE AFFAIRS seconded.

The question was put and agreed to.

**MERCHANT SHIPPING (CERTIFICATES OF COMPETENCY
(MASTERS AND MATES) RULES) (VALIDATION AND
COMMENCEMENT) BILL, 1962**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to remove doubt as to the validity of certain rules purporting to be made in exercise of the powers conferred by the Merchant Shipping Ordinance, 1952."

He said: Sir, the purpose of this Bill is to remove doubts as to the validity of the Certificates of Competency (Masters and Mates) Rules made by the Governor in Council on the 31st July 1953. The circumstances which have given rise to such doubts are set out in detail in the Preamble to the Bill and further elaboration would appear to be unnecessary. Clause 2 of the Bill effects the appropriate validation.

THE SECRETARY FOR CHINESE AFFAIRS 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 seek the removal of doubt as to the validity of the Certificates of Competency (Masters and Mates) Rules, made by the Governor in Council on the 31st day of July, 1953.

DANGEROUS DRUGS (AMENDMENT) BILL, 1962

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Dangerous Drugs Ordinance, Chapter 134."

He said: Sir, the purpose of this Bill is to amend the Ordinance in order to remove an inconsistency in the provisions of subsection (2) of section 17 and subsection (4) of section 11. Both these subsections authorise the application of penalties for the contravention of regulations made under the Ordinance but the penalties so authorised are not identical. This inconsistency in the provisions of the Ordinance could give rise to different penalties being applicable in respect of the same offences. Clause 2 of the Bill amends section 17 of the Ordinance so as to remove the defect.

THE SECRETARY FOR CHINESE AFFAIRS 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 generality of section 17(2) of the Dangerous Drugs Ordinance, Chapter 134, has given rise in certain cases to the provision of penalties in respect of the same offence both under the Ordinance and under the regulations made thereunder. The purpose of this Bill is to eliminate the inconsistency.

LEGAL PRACTITIONERS (AMENDMENT) BILL, 1962

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Legal Practitioners Ordinance, Chapter 159."

He said: Sir, the purpose of this Bill is to amend the Ordinance to make provision for the establishment, when necessary, of a Committee of Enquiry empowered to investigate complaints as to misconduct on the part of members of the Bar. Although section 34 of the Ordinance at present affords the Court powers to deal with an enrolled barrister who has been guilty of such misconduct as to make him unfit to practise, no provision is made for a preliminary inquiry into a complaint of such misconduct. This means, in practice, that any inquiry must be conducted by the Full Court. This situation is not only undesirable but also contrary to practice in Britain and other colonies where normally a preliminary inquiry is held in the first instance by some form of disciplinary committee.

Clause 2 of the Bill seeks to introduce 5 new sections into the Ordinance. The proposed new section 34A empowers the Chief Justice to appoint a Committee of Enquiry of the application of either the Attorney General or the Committee of the Hong Kong Bar Association and also provides for the composition of a Committee of Enquiry. The proposed new section 34B prescribes the function, procedure and powers of a Committee of Enquiry. The new section 34C makes provision for the powers of the Full Court on receipt of a report from a Committee of Enquiry whilst the new section 34D empowers the Full Court to vary a previous Order. The proposed new section 34E authorises the Chief Justice to make rules governing the conduct of a Committee of Enquiry and the procedure to be followed for lodging a complaint with the Committee and for making a reference to the Full Court.

This Bill has been approved in principle by the Chief Justice and the Hong Kong Bar Association, and if enacted, will introduce into the Ordinance procedural disciplinary provisions applicable to enrolled barristers, analogous to those at present applicable to enrolled solicitors.

THE SECRETARY FOR CHINESE AFFAIRS 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 the Legal Practitioners Ordinance, Chapter 159, to provide for a Committee of Enquiry to investigate complaints made against members of the Bar in respect of their professional conduct. Section 34A empowers the Chief Justice, on the application of the Attorney General or of the Bar Committee, to appoint a Committee of Enquiry. The powers and functions of the Committee of Enquiry are set out in section 34B and the powers of the Full Court on receipt of a report from the Committee of Enquiry and to vary any previous order made by it are set out in sections 34C and 34D. Under section 34E the Chief Justice is empowered to make rules governing the conduct of an inquiry and procedure before the Committee of Enquiry and the Full Court.

**WILD BIRDS AND WILD MAMMALS PROTECTION
(AMENDMENT) BILL, 1961**

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Wild Birds and Wild Mammals Protection Ordinance, 1954."

He said: Sir, as regards clause 3 of this Bill which seeks to afford complete protection to wild pig and barking deer, following the first reading misgivings were expressed by leaders of rural opinion in more than one locality on the question whether, as time goes by, these animals especially the wild boar, may not be likely to re-establish themselves and eventually once more to cause substantial damage to crops, as they have done in the past. I am advised, Sir, that this point is certainly not without force; but I think it may be met by a reference to an important existing provision in the principal Ordinance. Section 16 confers upon His Excellency the Governor, notwithstanding any other provision of the Ordinance, the authority to issue special permits to hunt and kill any mammal or bird in any area of the Colony. If in the future it transpires that in any particular area the rare animals to which we are now seeking to give protection have so re-established themselves as to constitute a menace to agriculture, then forthwith there would be submitted to His Excellency, Sir, a recommendation for the issue of special permits under the section to which I have referred, and I have little

doubt but that His Excellency would give favourable consideration to such an application.

THE SECRETARY FOR CHINESE AFFAIRS 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 6 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Wild Birds and Wild Mammals Protection (Amendment) Bill, 1961, had passed through Committee without amendment and moved the Third reading.

THE SECRETARY FOR CHINESE AFFAIRS seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

NEW TERRITORIES (AMENDMENT AND VALIDATION) BILL, 1961

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the New Territories Ordinance, Chapter 97, and to validate certain acts purported to have been done thereunder."

THE SECRETARY FOR CHINESE AFFAIRS 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 7, and the Preamble were agreed.

Council then resumed.

THE ATTORNEY GENERAL reported that the New Territories (Amendment and Validation) Bill, 1961, had passed through Committee without amendment and moved the Third reading.

THE SECRETARY FOR CHINESE AFFAIRS seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

UNION CHURCH INCORPORATION BILL, 1962

MR W. C. G. KNOWLES moved the First reading of a Bill intituled "An Ordinance to make amended provision for the incorporation of the Trustees of the Union Church in Hong Kong."

He said: Sir, this Bill follows the usual form of a Bill of Incorporation and its purpose is clearly set out in the statement of Objects and Reasons to which there is nothing I can usefully add.

MR FUNG PING-FAN 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 repeal and replace the Union Church Incorporation Ordinance, Chapter 318 (the present Ordinance), which, due to changing circumstances, is no longer adequate or appropriate.

By clauses 3, 4, 5 and 6, "The Trustees of the Union Church in Hong Kong" are incorporated and granted powers similar to those granted to the corporate body under the present Ordinance. By clause 7, the property of the Church is declared to be held upon trusts for the purposes of the Union Church. Clauses 8 and 9 seek to establish the qualifications for full members, associate members and adherents of the Union Church, in substitution for the present, outdated qualification "seat-holders, being subscribers" employed in the present Ordinance. Clauses 10 and 11 provide for general meetings of members of the Church. By clauses 12, 13, 14, 15 and 16, provision is made for the Committee of management and officers, the Deacons' Court, the Trustees and the Minister of the Church. Clause 17 provides for the continuation in office of such persons elected or appointed under the present Ordinance. By clause 18, Deacons' Court and the Committee of management, meeting together, are empowered to make rules. Clause 19 repeats the residuary trust contained in section 17 of the present Ordinance. Clause 20 is the normal saving clause. By clause 21, the present Ordinance is repealed.

ADJOURNMENT

HIS HONOUR THE GOVERNOR'S DEPUTY: —That concludes the business for today, gentlemen. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL: —May I suggest this day two weeks, Sir?

HIS HONOUR THE GOVERNOR'S DEPUTY: —Council stands adjourned until this day two weeks.