

**OFFICIAL REPORT OF PROCEEDINGS****Meeting of 18th December 1963****PRESENT:**HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR ROBERT BROWN BLACK, GCMG, OBE

HIS EXCELLENCY LIEUTENANT-GENERAL SIR RICHARD WALTE CRADDOCK, KBE,  
CB, DSO

COMMANDER BRITISH FORCES

THE HONOURABLE EDMUND BRINSLEY TEESDALE, MC  
COLONIAL SECRETARYTHE HONOURABLE DENYS TUDOR EMIL ROBERTS, OBE  
ACTING ATTORNEY GENERALTHE HONOURABLE JOHN CRICHTON McDOUALL  
SECRETARY FOR CHINESE AFFAIRSTHE HONOURABLE JOHN JAMES COWPERTHWAITTE, OBE  
FINANCIAL SECRETARYTHE HONOURABLE KENNETH STRATHMORE KINGHORN  
DIRECTOR OF URBAN SERVICESTHE HONOURABLE PETER DONOHUE  
DIRECTOR OF EDUCATIONTHE HONOURABLE ALEC MICHAEL JOHN WRIGHT  
DIRECTOR OF PUBLIC WORKSDR THE HONOURABLE TENG PIN-HUI, OBE  
DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE DHUN JEHANGIR RUTTONJEE, OBE

THE HONOURABLE FUNG PING-FAN, OBE

THE HONOURABLE RICHARD CHARLES LEE, CBE

THE HONOURABLE KWAN CHO-YIU, OBE

THE HONOURABLE WILLIAM CHARLES GODDARD KNOWLES

THE HONOURABLE SIDNEY SAMUEL GORDON

THE HONOURABLE LI FOOK-SHU, OBE

MR GORDON ERIC MATHER (*Deputy Clerk of Councils*)**ABSENT:**

THE HONOURABLE KAN YUET-KBUNG, OBE

**MINUTES**

The minutes of the meeting of the Council held on 4th December 1963, were confirmed.

**PAPERS**

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

<i>Subject</i>	<i>LN No</i>
Sessional Papers, 1963: —	
No 32—Annual Report by the Director, Royal Observatory for the year 1962-63.	
No 33—Annual Report by the Controller, Public Enquiry Service for the year 1962-63.	
Medical Clinics Ordinance, 1963.	
Medical Clinics (Forms) Regulations, 1963 .....	150
Probation of Offenders Ordinance, 1956.	
Probation of Offenders (Approved Institution) (No 2) Order, 1963	151
Juvenile Offenders Ordinance.	
Places of Detention (Juvenile Offenders) (No 2) Appointment, 1963 .....	152
Registration of Persons Ordinance, 1960.	
Registration of Persons (Re-registration) (No 48) Order, 1963	153
Registration of Persons Ordinance, 1960.	
Registration of Persons (Cancellation of Registration and Identity Cards) (No 7) Order, 1963 .....	154
Mining Ordinance, 1954.	
Mining (General) (Amendment) Regulations, 1963 .....	155
Mining Ordinance, 1954.	
Mines (Safety) (Amendment) Regulations, 1963 .....	156
Protection of Women and Juveniles Ordinance, 1951.	
Places of Refuge .....	157
Registration of Persons Ordinance, 1960.	
Registration of Persons (Re-registration) (No 49) Order, 1963	158
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Registration of Persons (Cancellation of Registration and Identity Cards) (No 8) Order, 1963 .....	159

**ILLEGAL STRIKES AND LOCK-OUTS ORDINANCE,  
CHAPTER 61**

THE ATTORNEY GENERAL moved the following resolution: —

Resolved, pursuant to section 8 of the Illegal Strikes and Lock-outs Ordinance, Chapter 61, that the duration of the said Ordinance be extended for the term of one year with effect from 1st January 1964.

He said: Sir, the purpose of this resolution is to extend the life of the Illegal Strikes and Lock-outs Ordinance for a further year until the 31st December 1964.

This Ordinance makes illegal strikes and lock-outs which are not in furtherance of a genuine trade dispute and which are designed or calculated to coerce the Government. The Ordinance has no effect on a strike or lock-out arising out of a genuine trade dispute.

It is considered that the time has not yet come to dispense with the Ordinance and accordingly I invite Council to pass this resolution.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**SOCIETIES ORDINANCE, CHAPTER 151**

THE ATTORNEY GENERAL moved the following resolution: —

Resolved, pursuant to section 26 of the Societies Ordinance, Chapter 151, that the duration of the said Ordinance be extended for the term of one year with effect from 1st January 1964.

He said: Sir, the purpose of this resolution is to extend the life of the Societies Ordinance until the 31st December 1964.

This Ordinance confers on the Commissioner of Police powers which assist him in curbing the activities of triad and other undesirable and unlawful organizations. It is the Government's view that the continuance in force of this Ordinance is essential to the maintenance of law and order in the Colony.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**DEFENCE REGULATIONS (CONTINUATION)  
ORDINANCE, 1958**

THE ATTORNEY GENERAL moved the following resolution: —

Resolved, pursuant to section 6 of the Defence Regulations (Continuation) Ordinance, 1958, that the duration of the said Ordinance be extended for the term of one year with effect from 1st January 1964.

He said: Sir, the purpose of this resolution is to extend the life of the Defence Regulations (Continuation) Ordinance, 1958, until the 31st December 1964.

This Ordinance keeps in force certain Defence Regulations and the Defence (Finance) Regulations and it is considered necessary to retain such regulations for the time being.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**COMPANIES (PREVENTION OF EVASION OF THE SOCIETIES  
ORDINANCE) ORDINANCE, 1959**

THE ATTORNEY GENERAL moved the following resolution: —

Resolved, pursuant to section 16 of the Companies (Prevention of Evasion of the Societies Ordinance) Ordinance, 1959, that the duration of the said Ordinance be extended for the term of one year with effect from 1st January 1964.

He said: Sir, the purpose of this resolution is to continue the Companies (Prevention of Evasion of the Societies Ordinance) Ordinance, 1959 until the 31st December 1964.

This Ordinance was enacted in July 1959 with the object of preventing persons who associate together for undesirable purposes from evading the control imposed by the Societies Ordinance by registering under the Companies Ordinance.

It is considered that the maintenance of law and order requires that this Ordinance should remain in force.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**PUBLIC MARKET (AMENDMENT) (NO 2) BY-LAWS, 1963**

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

Resolved that the Public Market (Amendment) (No 2) By-laws, 1963, made by the Urban Council on the 3rd day of December 1963, under section 80 of the Public Health and Urban Services Ordinance, 1960, be approved.

He said: Sir, In January this year, by-law 13 of the Public Market By-laws, 1960, was amended to provide for the serving of a notice by the Director of Urban Services to prohibit persons convicted of certain offences from carrying on business or being employed in any public market up to a maximum period of two years.

It has now been brought to notice that it was intended that the Urban Council should be the authority for the purpose of exercising the powers conferred by by-law 13 within the urban area. The Public Market (Amendment) (No 2) By-laws, 1963, will give effect to this change in the authority.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

**SOCIETIES (AMENDMENT) BILL, 1963**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Societies Ordinance."

He said: Sir, before the enactment of the Societies (Amendment) Ordinance, 1961, on 21st July 1961, the offences of being or acting as a member of a Triad Society and similar offences were established by subsection (2) of section 15 of the Societies Ordinance. Section 12C of the Societies Ordinance provided before 21st July 1961, that any person who had been convicted of an offence against subsection (2) of section 15 of the Societies Ordinance would be guilty of an offence if he became an office-bearer of a Society without the prior permission of the Registrar of Societies.

By the Societies (Amendment) Ordinance, 1961, the offences formerly created by subsection (2) of section 15 of the principal Ordinance were transferred to subsection (2) of section 11 and the reference in section 12C to subsection (2) of section 15 was deleted. This deletion has meant that persons convicted of triad offences before 21st July 1961, are not liable to prosecution under section 12C of the Ordinance.

The purpose of this Bill is to amend section 12C in order that the offence under that section of becoming an office-bearer of a Society without the prior permission of the Registrar of Societies shall apply to a person who was convicted of an offence against subsection (2) of section 15, prior to the enactment of the Societies (Amendment) Ordinance, 1961, as well as to a person who has since the enactment of the latter Ordinance, been guilty of the same offence.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

### *Objects and Reasons*

The “Objects and Reasons” for the Bill were stated as follows: —

Section 12C of the Societies Ordinance, Chapter 151 (the principal Ordinance) provides that any person who, having been convicted of an offence under section 10 or 11 of that Ordinance, becomes an office bearer of any other society without the permission in writing of the Registrar of Societies shall be guilty of an offence. Prior to the enactment of the Societies (Amendment) Ordinance, 1961, the offences now created by subsection (2) of section 11 were to be found in subsection (2) of section 15 of the principal Ordinance and section 12C referred to the latter subsection. By the 1961 Ordinance, the offences under subsection (2) of section 15 were replaced in subsection (2) of section 11, and the reference in section 12C to subsection (2) of section 15 was deleted. The purpose of this Bill is to amend section 12C to apply the provisions of that section to a person who, prior to the date of enactment of the Societies (Amendment) Ordinance, 1961, was convicted of an offence against subsection (2) of section 15.

### **JURY (AMENDMENT) BILL, 1963**

THE ATTORNEY GENERAL moved the First reading of a Bill intituled “An Ordinance further to amend the Jury Ordinance.”

He said: Sir, professors, lecturers, other academic officers and full-time students of the University of Hong Kong are exempt from service as jurors. The object of this Bill is to confer the same exemption on professors, lecturers, academic officers and full-time students of the new Chinese University of Hong Kong.

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 grant exemption from jury service to professors, lecturers and other academic officers and full time students of the Chinese University of Hong Kong, similar to the exemption already granted to corresponding members of the University of Hong Kong.

**EXCHANGE FUND (AMENDMENT) BILL, 1963**

THE FINANCIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to amend the Exchange Fund Ordinance."

He said: Sir, when the Hong Kong dollar ceased in 1935 to be based on silver, an Exchange Fund was set up by Ordinance with the proceeds of the sale of the demonetized silver. The function of the Fund was to regulate the value of the currency. In practice since 1937 the Fund has operated, under arrangements agreed with the three note-issuing banks, virtually in the same manner as a normal colonial Currency Board. Apart from rather less than \$67 million covered by sterling securities deposited by note-issuing banks with the Crown Agents, the Colony's currency note issue is secured by the assets of the Exchange Fund, which is maintained wholly in sterling. A bank may issue notes only if it has first paid the equivalent in sterling into the Fund, receiving in return Certificates of Indebtedness for the amount involved. When a bank withdraws notes, it can present Certificates of Indebtedness for redemption and receive back sterling from the Fund.

The Fund is invested in a variety of interest-bearing sterling securities, long and short. Except in the unlikely event of serious and rapid capital depreciation, the Fund produces a surplus annually over and above what is required for redemption of the notes in full. Notes constitute, in a sense, an interest-free loan from their holders. When introducing the original bill in 1935 the Attorney General said—

"Any profit or loss arising from the operation of the Fund will be for Government's account".

No mechanism, however, was provided in the Bill for transferring surpluses out of the Fund and the present Bill is designed to remedy this defect. The Bill has the concurrence of the Exchange Fund Advisory Committee.

It is proposed that only the excess of assets over 105% of the liabilities of the Fund should be transferable. In theory this is designed to provide a cushion against sudden capital depreciation, but at 105% it reflects perhaps excessive caution in that context. It is inconceivable

that there should be a demand for 100% redemption of our currency or anything approaching that. Indeed, in other colonial and ex-colonial countries it is the practice to invest a substantial proportion, up to 23%, of the currency backing in the issuing Government's own securities, leaving 77% in the form of external assets. There is no case for our following this practice, at least at present, and it is in any event our view that it is important for the international standing of the Hong Kong dollar, and therefore for our economic prosperity, that a high level of external cover should be maintained. It is our intention to maintain the full 105% cover in sterling.

The Bill provides that the surpluses may be paid into general revenue or "to any such other fund as may be authorized by the Secretary of State". It is particularly convenient to use such assets to feed special funds, as to do so from general revenue causes a degree of duplication in the public accounts. The available surplus, in terms of the Bill, is at present approximately \$381 million, and something of the order of \$40 million a year should become available over the next few years. If the Bill is enacted it is proposed to proceed to transfer \$100 million at once to the Development Loan Fund, which is at present in debt to General Revenue to the extent of \$59 million.

I should add that, while we are only now proceeding to introduce mechanism for releasing these funds, I have taken them fully into account in the last two years' Budgets, when assessing our future financial prospects. They are not a new and unbudgeted windfall.

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 enable the Financial Secretary, subject to consultation with the Exchange Fund Advisory Committee and with the approval of the Secretary of State, to devote such assets of the Fund as become surplus to the requirements of the Fund to the general revenue of the Colony or to such other purpose beneficial to the Colony as the Secretary of State may approve.

2. The reason for the introduction of this measure is to avoid the excessive accumulation of assets in the Fund.



**LIFTS AND ESCALATORS (SAFETY) (AMENDMENT)  
BILL, 1963**

MR A. M. J. WRIGHT moved the First reading of a Bill intituled "An Ordinance to amend the Lifts and Escalators (Safety) Ordinance, 1960."

He said: Sir, the purpose of this measure, as stated in the Objects and Reasons, is to release small service lifts from the application of the Lifts and Escalators (Safety) Ordinance, 1960.

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 measure is to seek amendment of the Lifts and Escalators (Safety) Ordinance, 1960, in order to release small service lifts used exclusively for the carriage of goods from the application of the Ordinance.

**ADJOURNMENT**

HIS EXCELLENCY THE GOVERNOR: —Well, gentlemen, that concludes the business for today. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL: —May I suggest, Sir, Wednesday the 8th January?

HIS EXCELLENCY THE GOVERNOR: —Council stands adjourned until Wednesday, 8th January.