

**OFFICIAL REPORT OF PROCEEDINGS**

**Meeting of 14th February 1968**

**PRESENT**

HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)  
SIR DAVID CLIVE CROSBIE TRENCH, KCMG, MC  
THE HONOURABLE THE COLONIAL SECRETARY  
MR MICHAEL DAVID IRVING GASS, CMG  
THE HONOURABLE THE ATTORNEY GENERAL  
MR DENYS TUDOR EMIL ROBERTS, QBE, QC  
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, CBE  
DIRECTOR OF EDUCATION  
THE HONOURABLE ROBERT MARSHALL HETHERINGTON, DFC  
COMMISSIONER OF LABOUR  
THE HONOURABLE ALASTAIR TODD  
DIRECTOR OF SOCIAL WELFARE  
THE HONOURABLE TERENCE 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 KAN YUET-KEUNG, CBE  
THE HONOURABLE FUNG HON-CHU, 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

**ABSENT**

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS  
MR DAVID RONALD HOLMES, CBE, MC, ED

**IN ATTENDANCE**

THE DEPUTY CLERK OF COUNCILS  
MR DONALD BARTON

**MINUTES**

The minutes of the meeting of the Council held on 24th January were confirmed.

**PAPERS**

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

<i>LN No</i>	<i>Subject</i>	
Subsidiary Legislation:—		
	Interpretation and General Clauses Ordinance.	
	Specification of Public Office .....	3
	University of Hong Kong Ordinance.	
	Statutes of the University (Amendment) Statutes 1968	4
	Fugitive Offenders Act 1967.	
	Fugitive Offenders Act 1967 (Commencement) Order	
	1968 .....	5
	Urban Council Ordinance.	
	Urban Council Ordinance (Amendment of Second	
	Schedule) Order 1968.....	6
	Urban Council Ordinance.	
	Urban Council Elections (Registration of Electors)	
	(Amendment) Regulations 1968 .....	7
Sessional Papers 1968:—		
	No 5—Annual Report by the Director of Public Works	
	for the year 1966-67.	
	No 6—Annual Report by the Commissioner of Labour	
	for the year 1966-67.	
	No 7—Annual Report by the Director of Information	
	Services for the year 1966-67.	
Reports: —		
	Passenger Transport Survey (1964-66).	
	Hong Kong Mass Transport Study.	
	Report made in accordance with section 118(1) of the	
	Merchant Shipping Ordinance Chapter 281.	

He said:—Among these papers is the Mass Transport Feasibility Study, the result of several years' study of our future public transport problems by Freeman, Fox, Wilbur Smith and Associates, the Consulting Engineers appointed by Government for this purpose. I am sure honourable Members will agree with me that the Consulting Engineers are to be congratulated on a most interesting and comprehensive report, to which the various departments concerned, as well as the Transport Committee, will now proceed to give detailed consideration. I must, however, sound a warning note even at this early stage; it will be seen from the report that the scheme is estimated to cost over \$3,400 million, or \$200 million a year over a 17-year construction period. This is a formidable bill and one must wonder where money of this order could be found, even for a project so desirable as this one.

I should also say something about the Passenger Transport Survey, which is also among the papers tabled today. This is the result of a co-operative effort by the British Road Research Laboratory and the Public Works Department. A whole new range of statistics has emerged about traffic and travel habits in Hong Kong which will be of very considerable value to those concerned with traffic engineering and transport generally. We are grateful to the Road Research Laboratory for the major part it has played in producing this survey, and I should add that the basic data on which the Mass Transport Consultants' recommendations are based came from this survey.

#### INLAND REVENUE ORDINANCE

THE FINANCIAL SECRETARY moved the following resolution:—

RESOLVED, pursuant to section 28 of the Inland Revenue Ordinance, that for the purposes of paragraph (a) of the proviso to section 28 of the said Ordinance the rate shall be  $3\frac{1}{2}$  per cent per annum with effect from the 1st day of April 1968.

He said:—Sir, under the proviso to section 28 of the Inland Revenue Ordinance, no tax is charged on any interest paid, or payable, by Government or by a bank licensed under the Banking Ordinance, which accrues at a rate not exceeding 3% per annum or such other rate as may from time to time be declared by resolution of this Council.

The main effect of this provision in practice is to set the rate at which banks are prepared to pay interest on savings accounts, although there is no legal connexion between the rates. This is largely because tax exemption avoids the serious administrative problems which would arise, both for banks and for the Commissioner of Inland Revenue, in dealing with tax on hundreds of thousands of small interest payments, the recipients of which are almost all eligible for refund under the provisions for personal assessment.

[THE FINANCIAL SECRETARY]

The last occasion on which the tax exempt rate was changed was 1960 when it was increased from 2½% to its present level of 3%\*. Because of the general rise in interest rates since then, there is a good case for a further concession now, given the practical link between the exempt rate and that paid on savings accounts. The purpose of the resolution before Council is therefore to increase the tax exempt rate of interest from 3% to 3½%. At the present standard rate of interest tax, that represents an increase in the rate grossed up for tax from 3.53% to 4.12%; although, of course, the gross rate is not of any relevance to the majority of account holders.

Consideration was given to some other method of providing a concession such as that in use in Britain where interest received from certain savings banks only is free of tax up to £15 and is taxable thereafter. But, with our tax structure, such an arrangement does not seem appropriate.

I understand that most banks are prepared to increase the rate they offer on savings accounts to the new tax exempt level of 3½%, although there is no compulsion on them to do so. Some people may consider the rate of 3½% low in comparison with the rate paid on fixed deposits, but it must be remembered that the savings account holder has an advantage over current account holders in receiving any interest at all; and an advantage over holders of fixed deposits in that very small amounts may be deposited, in spite of the high cost of administering such deposits, and withdrawals may be made at short notice.

The cost of this concession will mostly fall on those banks which raise their interest rate on savings accounts to 3½% because very little other interest liable to tax accrues at rates as low as this. It is likely to cost the banks over \$10 million a year, although, of course, this is likely to be reflected in the interest rates charged by banks. One accidental effect is to exempt from interest tax the interest on Rehabilitation Loan Stock; this would theoretically cost the revenue about \$250,000 a year, but in practice the loss will be small as the great bulk of the stock is held by banks which do not benefit from exemption from interest tax, receipt of interest being regarded as part of their normal business for purposes of Profits Tax.

It is proposed that the new exempt rate should come into effect from 1st April. This will give both the banks and the Commissioner of Inland Revenue time to make the necessary adjustments.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

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\* 1960 Hansard, pages 306-7.

**SCHOOL MEDICAL SERVICE BOARD INCORPORATION  
(AMENDMENT) BILL 1968**

DR TENG PIN-HUI moved the First reading of:—"A Bill to amend further the School Medical Service Board Incorporation Ordinance".

He said:—Your Excellency, under section 8 of the principal Ordinance (amended by Ordinance No 42 of 1965\*), the School Medical Service Board is required to keep proper accounts of all its transaction periods of 12 months ending the 30th of September each year.

This Bill now seeks to provide for the Board's financial year for the preparation of its accounts, required under section 8(1) of the principal Ordinance, to coincide with the Government financial year ending on 31st March in every year.

It is proposed that the first accounts under the Board's new financial year should be for the period ending 31st March 1969.

Section 8(3) of the principal Ordinance at present requires a copy of the signed and audited statement of accounts, and the auditor's report, to be laid on the table of this Council within six months after the end of the financial year. This requirement will be retained by the proposed amendment in clause 2(b).

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 provide for the Board's financial year for the preparation of its accounts, required under section 8(1) of the principal Ordinance, to coincide with the Government financial year ending on 31st March in every year.

It is proposed that the first accounts under the Board's new financial year should be for the period ending 31st March 1969.

Section 8(3) of the principal Ordinance at present requires a copy of the signed and audited statement of accounts, and the auditor's report, to be laid on the table of the Legislative Council within six months after the end of the financial year. This requirement will be retained by the proposed amendment in clause 2(b).

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\* 1965 Hansard, pages 521-2.

**ADJOURNMENT**

THE COLONIAL SECRETARY moved the adjournment.

THE ATTORNEY GENERAL seconded.

MR J. DICKSON LEACH:—Your Excellency, since the meeting of this Council on the 24th January the last of our visiting MP's, the Right Honourable Anthony BARBER has departed. In a final press interview on the 27th January he stated that 33 pieces of legislation were in the process of drafting to improve labour conditions in Hong Kong but he did not elaborate on their contents. We have now learned of the arrival of Mr D. I. GOODWIN who has been appointed by Government to advise on labour legislation.

Out of the 1967 troubles came the concern of a responsible segment of the population as to the need for reform in labour matters.

During that year we had a large number of visits from Members of Parliament and the House of Lords with the result that the affairs of Hong Kong came under review in the House of Lords on the 9th November. I do not propose to bore you with long extracts from speeches as these are available to all who are interested. I have endeavoured not to quote out of context thereby giving an incorrect emphasis on certain statements but if I do so this is unintentional.

Lord RHODES said:—

“Discontent has crystallised in riots. Last year it was the Right-Wing political unions and this year it has been the Left-Wing political unions. The small industrial unions are not associated with either kind of riot.

Since the riots earlier this year, however, the situation has changed. All Hong Kong knows that a return to the normal pre-riot days is impossible for Government employers and workers. So it is imperative that a major attempt be made to clear up the jungle of labour relations. A strong Government labour office is a must. Employment offices should be opened so that the unemployed workers may register, and a complete register of places of employment should be made. There is an Ordinance which sets out that registration must take place, but only 11,000 out of the estimated 25,000 places of employment are known to be registered. The system of recruitment which has been common in Hong Kong for many years must go. Under this system an employer says to a foreman, “Get me six men, will you?” The foreman goes to his relatives and friends and gets six men, and these men are forced thereafter to pay a sum of money to the foreman who has been influential in getting them their jobs.”

The Earl of Bessborough said:—

“In regard to labour reform, I agree with what the noble Lord, Lord RHODES, has said, and certainly with what the noble Lord, Lord SHEPHERD, said in his television interview about the granting of a statutory one day off each week to all workers in the Colony. I believe some firms already do this, but with noble Lords on the other side of the House we also would press for an improvement in working conditions; and I need hardly say that we are as concerned as others are about the possibility of there still being ‘sweated labour’ in the Colony. On the other hand, as I think the noble Lord, Lord RHODES, recognises. Hong Kong must remain competitive with South Korea and Taiwan, but I do not see any reason why she should not continue to be so and yet improve labour conditions.”

Whether we agree with what was said in the House of Lords is for each individual here to decide in the knowledge of the facts. The cynical or possibly the more intelligent, might well say it is preferable to have work seven days a week than to be workless for seven days a week, as is the case in the United Kingdom for a large segment of the working population. However, the power to legislate for the future of Hong Kong is in the hands of this Council. Whilst I am sure we would all be grateful for advice, such advice does not relieve us of any of our responsibilities.

In Hong Kong, as in other countries, there are good and bad employers. The good provide excellent working conditions and other benefits. However, legislation is not required to keep good conditions up to standard but to bring the bad up to an acceptable level. I am inclined to agree with Lord Bessborough about granting one day off each week to all workers but Industry must be given time to implement such legislation despite the fact that the majority already do this in any event.

When the Factories and Industrial Undertakings Ordinance was first introduced into this Council on the 29th November 1967 my honourable Friend Dr S. Y. CHUNG said:—

“We are also at a disadvantage when compared with the United States of America where, in some States, women are allowed to work at any time of the day or night. This freedom to work around the clock is particularly important and desirable in some industries such as the electronics industry, where the capital invested per worker is relatively high and where female workers are definitely preferred. In the United States it is possible to mount three full 8-hour shifts for women and work around the clock, whereas in Hong Kong the maximum we are permitted is two 8-hour shifts, as female workers are not allowed to work earlier than 6.00 o'clock. . . .” \*

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\* 1967 Hansard, page 487.

[MR LEACH]

It is not only in the USA that this full shift work is allowed but also, I understand in Norway, Sweden, Denmark and France.

I would refer to the Labour Commentary article in the *London Times* dated 18th January wherein it is stated:—

“Employers are wondering whether the Government will have the courage to sweep away all the out of date legal restrictions on the working hours of women in factories in the next Parliamentary session.

The Confederation of British Industry has been pressing for their removal, particularly the ban on night work. They believe the restrictions are deterring employer's from investing in modern machinery which requires shift work to keep it in action and so justify the cost.”

It would seem that Britain in its desire to make economic progress in the wake of devaluation is determined to sweep away out-dated legislation only now having found there is no restriction in the working hours of nurses, bus conductresses or women police or air hostesses. I would ask my honourable Friend the Commissioner of Labour to watch United Kingdom legislation. If the out of date legal restrictions on the working hours of women are repealed then Hong Kong should follow suit immediately. Our machinery is just as expensive, if not more so, and my honourable Friend Dr S. Y. CHUNG has already emphasized the desirability of shift work.

I would also draw attention to the fact that legislation which appears suitable to Western standards may require very considerable adaption before being suitable or practical for adoption here.

Hong Kong's progress has been made by its own exertions. Businessmen in Hong Kong know that they either make a profit from their operations or go bankrupt as there is no subsidy here for their operations. Humanitarian labour laws are essential but we cannot swing from one extreme to the other overnight—neither can we afford as some other countries have done—to take two steps forward and then one back. I am sure we are all realistic enough to understand progress can be made only at the pace it is capable of being absorbed by industry.

The activities of the Labour Department have been given very close scrutiny in the last year or so and Hong Kong is looking to it now for a definite lead. The success of the Labour Department's local employment service is pleasing and from the experience gained here we can possibly begin to think in the terms of employment offices as suggested by Lord RHODES when the time is appropriate.

The Labour Department has long offered to mediate in Industrial Disputes if called upon by either side. Has the time not arrived to legislate for conciliation boards to prevent disputes dragging on without settlement?



Sir, I regret that my address has not been more specific in relation to particular aspects of labour legislation. However, with no less than thirty three different Bills on labour reform in the pipeline the subject is complex. These Bills must cover a very wide range indeed and I would like to hear from my honourable Friend, the Commissioner of Labour an outline of the proposals. Thereafter, as individual Bills are presented to this Council an opportunity will be available to comment in detail.

DR S. Y. CHUNG:—Your Excellency, I rise to supplement the remarks of my honourable Friend, Mr Dickson LEACH, relating to labour matters in Hong Kong.

The fact that the 1967 local disturbances were sparked off by a labour strike arising from industrial dispute in a factory has led many people to believe that we have bad labour-management relations in Hong Kong. This is indeed a very unfair judgement.

If we consider labour strike as an indication of poor labour-management relations, then Hong Kong is very much better than many other industrialised countries. During the five years 1961 to 1965 inclusive, the average number of man-days lost through strikes in Hong Kong was about 42,000 per year. During the same period, the average working population in Hong Kong was about 1.4 million people. Taking the percentage ratio of man-days lost to working population as the strike index, we arrive at a figure of 3 for Hong Kong.

Let us look at two of the most industrialized advanced countries in the world. Using the same formula and for the same period, the strike index in the United Kingdom is 10 and in the United States of America about 30. If we take a country nearer to us such as Singapore, the situation is even worse. For the corresponding period, its strike index is as high as 40, which is more than 12 times that of Hong Kong.

However, the events of the recent past did bring our attention to the need for reviewing labour matters in Hong Kong. We have been successful in our industrial and economic development in the past decade and we should see that labour get a fair share of our economic prosperity. In view of the comparatively weak labour union movement and the special local conditions in Hong Kong, both Government and management have an even greater responsibility in looking after the rights and privileges of labour than in many other places. I therefore welcome the move of making an overall review of labour matters and the appointment of Mr GOODWIN to advise us on labour legislation.

There are two basic types of employers in Hong Kong, namely, (1) Government, institutional organizations and services industries, which are either non-competitive or competitive only with local companies in the domestic market, and (2) export-oriented manufacturing industries, which are facing world-wide competition.

[DR CHUNG]

Any legislation causing higher labour cost will not adversely affect the operations of the first type of employers as they can pass the cost increase to either the general public through heavier taxation or the local consumers through higher prices. However, the situation is quite different for the second type of employers which is the mainstay of our economic structure. It is therefore essential that any legislation resulting in higher costs of production must be introduced gradually and at a pace which will not impede the competitive position and growth potential of our export industries.

I would like to mention two more aspects of labour. One is the accuracy and adequacy of labour statistics and the other is the enforcement of labour legislation. As remarked by Lord RHODES the vast difference between the actual number and the official record of industrial undertakings in Hong Kong is a real problem which must be overcome. If the Labour Department is not aware of the location of all the industrial undertakings, it would not be possible to enforce labour legislation for the benefit of the whole labour population. Any improvement in our labour legislation will then only be superficial.

Sir, I support the motion.

MR R. M. HETHERINGTON:—Sir, I thank my honourable Colleagues for referring in their speeches to the legislative programme of the departments for which I am responsible. I shall carefully consider the remarks of both Mr DICKSON LEACH and Dr CHUNG about certain aspects of existing legislation and of possible future legislation in the context of the local situation.

Last year was a momentous year for Hong Kong. Among many of its significant features, one of special importance to me was the widespread and sustained interest in labour matters. In previous years public attention focussed intermittently on the labour scene and, more often than not, on some industrial dispute with a dramatic appeal. I not only welcome this more serious approach to the complex problems of labour. I consider that it is long over-due. Probably about 1.6 million people work in Hong Kong and each person has individual problems. All these problems may at some time come to be considered, generally or individually or directly or indirectly, by the Labour Department. In addition, there are thousands of people from Hong Kong working overseas and some of their problems also come to the attention of the Labour Department.

I am often asked if the Labour Department has considered this or that problem. I reply in all honesty that the department is constantly considering an exceedingly wide range of problems. This is inevitably so because I reckon that, each year, about 60,000 persons call at the

offices of the department in person and that officers of the factory and labour inspectorates make about 85,000 visits annually to industrial undertakings. In addition, about 20,000 personal interviews are conducted in respect of industrial and occupational injuries. These contacts with the general public and particularly the industrial labour force keep the department constantly aware of current problems.

The regular and daily exchange of information between the public and officers of the department often raises difficulties over distinguishing between problems which are temporary but urgent and those which require more fundamental solutions. This is a dilemma for most Government departments and one not peculiar to the Labour Department. Nonetheless, I think that it is more acute in the field of employment which is an essential, immediate, and personal part of the daily life of most of us.

Over twelve months ago, I decided that one way which would best enable me to keep in mind the contribution which the Labour Department could make towards the welfare, health, and safety of the people of Hong Kong would be to set out in a departmental programme items of legislation which were then under consideration. As I am, concurrently, the Commissioner of Mines I included in this programme, for administrative convenience, items of legislation affecting the Mines Department. To ensure that the changing requirements of local circumstances were constantly taken into account and that the progress of individual items was kept under periodical examination, the departmental programme has regularly been reviewed at intervals of six weeks by the senior officers of both the Labour Department and Mines Department. At these reviews, developments are recorded, priorities re-assessed, and, when necessary, new items included. Cognizance is taken of the extent to which the departmental programme has been incorporated in to Government's over-all legislative priority programme because the speed at which the departmental programme is carried out depends ultimately on the priority accorded to individual items in Government's over-all programme.

You publicly announced last year, Sir, the existence of the departmental programme and stated that it contained about 33 items. That was the position at that time. During 1967, eight separate items of new legislation became law. These included a major item of legislation concerning the welfare of women and young persons in industrial employment which introduced a phased programme for the progressive reduction of the maximum standard working hours to eight hours a day and 48 hours a week\*. In spite of the removal of these eight items from the departmental programme the number still stands at 33 items. During 1967 new items have been added and further progress made with old ones.

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\* 1967 Hansard, pages 481-7.

[MR HETHERINGTON]

From time to time public reference has been made to the subject matter of some of the individual items in this programme but no comprehensive account has been officially given. There are constitutional and other good reasons for this. It is not customary or appropriate to announce details of proposed legislation until the principles have been approved by this Council by, for example, endorsement of a White Paper on policy or the introduction of a particular Bill following publication. From the time when a Bill is first conceived until it is publicly brought before honourable Members for consideration, it may, and often does, go through a great many changes as a result of the necessary processes of consultation, drafting problem's, changing circumstances, and external factors of timing. It would be misleading to the general public and derogatory to this Council if a blow-by-blow account of progress was to be made public. Nonetheless, the heightened interest in recent months in the activities of the Labour Department does, I believe, justify some departure from the normal practice in this case. Accordingly, and with your permission, Sir, I propose, in replying to honourable Members to reveal in broad general terms the scope of the principal legislative measures which I am now examining for consideration by Government and, where appropriate, by this Council. In outlining this programme I must clearly and emphatically state that I am only the departmental head initiating this programme. I can not dictate, although I may hope to influence, the final form or the time of introduction of any particular Bill into this Council nor, of course, the form in which it is eventually enacted.

The work of the Labour Department and the Mines Department falls within three main groups of subjects. These are safety, health, and welfare. The bulk of the proposals for legislation broadly concerns welfare in a wide variety of subjects. A measure of the highest priority would affect the welfare of a vast majority of workers. The draft Bill will deal with contracts of service and the protection of wages. It will clarify the rights and obligations of workers and employers who enter into contractual arrangements. It will, in particular, distinguish between regularly-employed and casual workers irrespective of the basis on which wages might be calculated. It will also protect wages in conformity with convention No 95 of the International Labour Organization. It is intended so to frame the Bill that other parts may be conveniently added in future with the objective of compiling in due course a comprehensive Ordinance dealing with the main problems of employment. Another measure affecting the welfare of many workers concerns redundancy. The experience of conciliation officers reveals that redundancy and the fears of redundancy are responsible for many anxieties. It is understandable that workers are often bewildered, frustrated, and angry over the turn of events when they lose their jobs in this way. I hope to be able to recommend statutory entitlements for redundancy payments based

on length of service and other relevant considerations. A third measure, which might eventually become part of the proposed employment Ordinance, concerns fee-charging employment agencies. It would introduce comprehensive measures of supervision over all activities of these agencies to protect workers from unscrupulous exploitation. Some initial safeguards will be included in the employment Bill to which I have already referred. A fourth related measure would deal with the interests of workers going overseas for employment under contract.

A second major piece of legislation concerning the welfare of large numbers of workers which I am examining involves the Workmen's Compensation Ordinance. I intend to put forward proposals for amending the existing legislation in two stages. The first Bill deals with the extension of the coverage of existing provisions in terms of both monthly income and occupations, the question of compulsory insurance in selected dangerous trades, the benefits for those who become incapacitated permanently, and the rate of periodical payments in the light of recommendations of the International Labour Organization and established practice elsewhere. Subsequently, I propose to deal in a second Bill with the supply of prostheses and hospitalization excluding out-patient treatment. These two Bills seek to provide injured workers with benefits more in line with present-day conditions in Hong Kong.

A group of four measures deals with holidays and rest days. One is a simple measure to ensure that industrial holidays coincide with general holidays in the Holidays Ordinance which was amended last year\*. The second contemplates changes in the qualifications for holidays with pay and improved entitlements to sickness allowance especially after long service. The third concerns rest days for women and young persons in some non-industrial sectors. A rest day in every seven days is a statutory right for these workers in industrial employment. The possibility of an extension to the non-industrial sectors of shops and service industries is being examined. The fourth measure concerns the provision of a statutory right to a six-days week for adult male workers in industry and in some services. For over a year the department has encouraged employers, with some success, to introduce voluntarily a standard six-days week. A statutory right to a six-days week would allow for voluntary overtime on the seventh day.

Another group of four related subjects is of particular concern for young persons. The problems of industrial training are being considered in two measures. Legislation on important aspects of craft apprenticeship would deal with the contents of apprenticeship contracts, the protection of apprentices, and the approval of apprenticeship training schemes. Later, a more comprehensive measure on industrial training may emerge from the advice given by the Industrial Training Advisory Committee and its ten associated committees. I am also co-operating

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\*1967 Hansard, pages 103-6 and 119.

[MR HETHERINGTON]

with other departments in considering legislation for a minimum age of employment in hotel, restaurant, and boarding house trades, and, possibly, also in hawking.

Yet another related group of four items concerns those aspects of labour-management relations which usually attract most attention. Considerable interest has been shown in recent months in the problems of labour-management relations. It is sometimes overlooked that most difficulties which arise between labour and management are solved directly by the two parties concerned. Although in 1966-67, the Conciliation Section dealt with about 2,600 cases, I am quite sure that these represent only a small proportion of disputes of all kinds. It is a proper function of the department to attempt to reconcile two parties who wish to turn to a neutral third party for help. Recourse to voluntary conciliation has been the common and generally successful method of procedure for over twenty years. Nevertheless, recent experience has suggested that additional machinery may be necessary to settle disputes not amenable to voluntary conciliation. Studies are in train to examine those problems to see if any new legislation appears to be desirable. I have already stated in this Council in December last year that, during 1968, efforts would be made to replace by permanent legislation the Illegal Strikes and Lock-outs Ordinance which at present must be renewed annually\*. The legislation under consideration will seek to deal with the problems of strikes and lock-outs which have an object other than or in addition to the furtherance of a trade dispute in essential services. The occurrence of a dispute is usually symptomatic of a breakdown in communication between labour and management. The establishment of appropriate consultative machinery will not insure against all risks of disputes but, if operated with patience and mutual understanding, will considerably reduce the risks. Some initiative in this field, encouraged by the Labour Department, has already taken place on a voluntary basis and the success of steps taken will be closely watched. Meanwhile, considerable preliminary work has been done on a Bill which would require the establishment of consultative machinery in organizations employing more than a prescribed number of workers and where inadequate or no alternative methods are practised. With regard to trade unions, I am co-operating with the Registrar of Trade Unions in considering the revision of certain parts, including those dealing with picketing and intimidation, of the Trade Union Registration Ordinance in the light of experience over the past few years and more recently.

On the subject of the health of workers, three measures are contemplated. When accidents occur serious consequences for the injured may be alleviated by prompt attention. I hope shortly to prepare

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\* 1967 Hansard, pages 511-2.

regulations dealing with the provision in the larger industrial undertakings of staff trained in first-aid and available to give treatment. I also propose to specify the contents and numbers of first-aid boxes to be provided in every factory. A Bill and regulations dealing with the use and control of radio-active substances are under consideration in co-operation with the Director of Medical and Health Services. I am concerned with that aspect relating to the protection of workers from dangers arising from the mis-use of these substances in industrial processes. I am also preparing regulations covering precautions in processes involving blasting by abrasives which can cause serious health hazards to workers and, in the case of outside work, to the general public.

There are eight items under examination concerned with the subject of safety. One important measure would bring building sites and construction work under effective control by requiring registration and inspection. This would facilitate supervision of safe working practices which I consider most necessary because more serious accidents and deaths occur in this industry than in any other. Another safety measure would introduce regulations for the safe operation of quarries involving supervision by competent persons, use of safety equipment, and observation of safe practices. A group of six sets of regulations are contemplated for other selected industries and for certain types of equipment. Although two industrial safety committees have been active for some time it may be necessary eventually to enforce codes of safe practice by legislation.

It is inevitable in a legislative programme of this size that there are a few items of limited interest to the public. Four items are under consideration involving a measure to require employers to supply statistics on employment and related subjects, the registration of underground workers to comply with convention No 123 of the International Labour Organization, the centralized control of fireworks, and the revision of storage fees for explosive's.

The legislative programme which I have briefly outlined is a formidable one. It attempts both to improve existing legislation and to move into many new fields. The mere physical problem of handling it is such that it would severely tax the existing resources of the department. An adviser on labour legislation has recently arrived and assumed duty in the Labour Department. He will be engaged in reviewing the whole range of labour legislation and advising on it. Meanwhile, I am unable to forecast with any degree of certainty the speed with which individual items already in the programme will come before this Council. It is inevitable that major items because of their complexity make slower progress than minor items. Because quicker progress can often be made on straightforward or minor items they often overhaul the major items to which I personally attach higher priority. As I said earlier, the

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programme is regularly reviewed and there is no possibility that delays on a particular item could be overlooked or that flexibility can not be assured to meet changing conditions. I assure you, Sir, that the progress of the legislative programme will continue to be an important and continuing matter of concern to me personally.

Sir, I support the motion before Council.

The question was put and agreed to.

#### **NEXT MEETING**

HIS EXCELLENCY THE GOVERNOR:—Council will now adjourn and the next meeting will be held on 28th February.