

24TH JUNE, 1920.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR REGINALD EDWARD STUBBS, K.C.M.G.

MAJOR-GENERAL F. VENTRIS, C.B. (General Officer Commanding Troops in China).

HON. MR. A. G. M. FLETCHER, C.B.E. (Colonial Secretary).

HON. MR. J. H. KEMP, K.C., C.B.E. (Attorney-General).

HON. MR. D. W. TRATMAN (Colonial Treasurer).

HON. MR. E. R. HALLIFAX, O.B.E. (Secretary for Chinese Affairs).

HON. MR. E. A. IRVING (Director of aation).

HON. MR. P. HOBSON HOLYOAK.

HON. MR. HO FOOK.

HON. MR. E. V. D. PARR.

HON. MR. A. R. LOWE.

MR. W. J. CARRIE (Clerk of Councils).

ABSENT:—

HON. MR. W. CHATHAM, C.M.G. (Director of Public Works).

HON. MR. LAU CHU PAK.

HON. MR. JOHN JOHNSTONE.

Presentation of a Military Cross

H.E. THE GOVERNOR—Before we proceed to the business of the meeting I have a pleasant duty to perform in presenting to Major Eric Carew Hudson, of the Machine Gun Corps, the Military Cross, presented for services in France and Salonika.

Members of the Council remained standing while HIS EXCELLENCY pinned the medal on Major Hudson's breast.

**The Emoluments of the Colony's
Public Service**

HON. MR. A. R. LOWE asked the following questions in accordance with notice given by him at the previous meeting of the Council:—

In view of the fact that a strong local Commission, appointed by one Officer Administering the Government, reported in or about March, 1919, their findings regarding the emoluments of the public service of the Colony, and having regard to the fact that such emoluments are defrayed out of local revenue and not out of Imperial Funds, will the Government lay on the table the following documents, viz., the Report of the Commissioners; the despatches from the Secretary of State dealing with such report?

Will the Government, having regard to the desire of the taxpayers that the public servants should be remunerated on a fair and reasonable basis only, and in view of the undoubted dissatisfaction still existing amongst several classes of such servants as a result of the Secretary of State's decision, lay on the table a statement showing in what respect the recommendations of the Commission differ from the directions of the Secretary of State?

THE COLONIAL SECRETARY read the following answer to these two questions:

Certain matters connected with the revision of salaries still form the subject of correspondence with the Secretary of State for the Colonies, and the Government is not at present in a position to lay any papers on the table.

The general recommendations of the Commission have for the most part been accepted, and, where they have been modified, the modifications have as a rule been to the advantage of the officers concerned.

The approved arrangement as regards rent of Government quarters, that the officer pays at the rate of 6 per cent. of his salary, is considerably more favourable than that recommended by the Commission. The question of the rent allowances in respect of houses not belonging to the Government is not settled, but the existing arrangement, which continues in force for the time being, leaves the civil servant in a better position than he would be in if the Commission's proposals were adopted.

The Commission recommended that duty pay, personal allowances, and other preferred payments should be abolished, and this recommendation has been adopted.

The Commission recommended the grant of free quarters on a slightly more liberal scale than that which has been adopted. The Government has, in this matter, adhered to its established practice of granting free quarters only to subordinate officers and to officers, such as the Medical Officer in charge of a hospital, who are required to live in proximity to the place where they work.

The Commission recommended the fixing of exchange at 2/-, on the ground that this rate was adopted by the leading commercial firms in the Colony, and the rate has been fixed accordingly.

The question of leave of absence is not settled, but the arrangements will be at least as favourable as those recommended by the Commission.

Free passages have been granted, in accordance with the recommendations of the Commission.

The salaries approved for the senior officers are in some cases lower than those recommended by the Commission. There is, however, the counterbalancing factor that a system of annual increments has been adopted throughout the service, whereas the Commission recommended in many cases triennial or biennial increments.

The salaries of the European Clerical Staff are in some cases somewhat lower than those recommended by the Commission.

The salaries of the Nursing Staff are those recommended by the Commission, with the exception that the incremental rate of increase in the case of Nursing Sisters is more rapid than that recommended by the Commission.

The salaries of subordinate officers in the Public Works Department, Sanitary Department, Imports and Exports Department, Supreme Court, Harbour Department, Medical Department, Volunteers, and Railway Department are in almost every case those recommended by the Commission, with the exception that in some instance the incremental rate of increase is better than that recommended by the Commission.

The salaries of the European Police are very much better than those recommended by the Commission, the largest increase over the Commission's figures being 60 per cent., in the case of the initial salary of a Sub-Inspector.

The emoluments of the Indian Police are better than those recommended by the Commission, except in the case of the Inspectors.

The salaries of the Chinese Police are a little better than those recommended by the Commission.

The salaries of the European Police were formerly much lower than those of officers of similar standing in other departments; with the result that men were continually seeking transfer in order to get better pay elsewhere. The relative positions of the Police and of officers in other departments had been more or less equalised by the grant of a number of allowances to the Police for special duties of various kinds; and it would seem that the Commissioners, in making their recommendations, did not appreciate the extent to which the emoluments of the men would be affected by the cessation of the allowances, which they proposed to abolish. The Police have now been brought into line with other departments as regards substantive salary, on the understanding that special payments and allowances of all kinds are abolished, with the exception of those for Fire Brigade, language, and medals.

The salaries of the European Prison Warders are better than those recommended by the Commission.

The salaries of the Indian Prison Staff are not yet settled.

The questions under reply refer to the undoubted dissatisfaction which still exists amongst several classes of the Service as a result of the Secretary of State's decision. It appears to be the case, as regards the European Subordinate Officers, that the main ground of discontent lies in the fact that the proportionate increase is much greater in the case of Police salaries than it is elsewhere, and men have complained that they have resigned from the Police to better themselves, only to find that they would have been as well or better off if they had remained where they were.

The fact that a number of applications have recently been received from men in the Navy and Army for posts as Prison Warders points to the conclusion that the conditions for unskilled labour are not less attractive locally than they are in the United Kingdom. As regards skilled labour and more especially professional men the rates at home are at the present time very high, but it must be remembered that the supply of trained men was interrupted during the war, and it is possible that, when the supply again meets the demand, the rate of remuneration will fall. The Government is watching the situation very carefully, in the light of its present experience in engaging men from home to fill vacant posts, and various readjustments may be found necessary. As is stated in the questions, the emoluments of the Service are defrayed out of money provided by the tax-payers, and it is the aim of the Government, as guardian of that money, to expend it in such a manner as to ensure, on the one hand that efficiency is not sacrificed to economy, and on the other that there is no waste; the measure of its ultimate success being found in the standard of public service which is maintained.

I may add that since the foregoing reply was written a telegram has been received from the Secretary of State for the Colonies to the effect that he is prepared, in view of the recent violent fluctuations in exchange, to consider proposals for a sliding scale of exchange. In the meantime, he agrees to an increase of 7 per cent. on sterling salaries, or in other words to an exchange rate of \$10.70 to the pound sterling, while the dollar is between 3s. 4d. and 4s.

Loans for House-Building

THE HON. MR. LOWE further asked:—Will the Government state on broad lines what financial assistance they are prepared to make to assist applicants desiring to build houses for their own occupation, and also how many of such applications have been received to date, specifying how many of such have been accepted or refused or with which they are still in treaty?

THE COLONIAL SECRETARY replied—The Committee which was appointed on the 26th March reported on the 5th May. They received thirty-two applications, twenty-three of which were in respect of private residences; and they recommended that these latter applications should be the subject of careful enquiry by the Government and that assistance should be given where circumstances warranted it. They drew attention to certain difficulties, the providing of sites, the question of repayment, the risk that the borrower might leave the Colony in the course of his employment; and they advised that no advance should be made in respect of a private residence the cost of building which would exceed \$20,000, or to any person who had not been continuously resident in the Colony during the five years immediately preceding the date of his application.

Owing to great pressure of work in the Secretariat no application in respect of a private residence has as yet been dealt with, it being considered advisable to proceed in the first instance with the Committee's recommendations regarding blocks of buildings designed to provide considerable housing accommodation. Arrangements have been made for loans contingent upon the building of 39 flats and ten houses; and terms have been offered for the advance of a considerable sum for the building of a private hotel.

The policy which is being adopted is broadly as follows:—

- (a) Interest on advances is at the rate of 5 per cent.
- (b) The cost, design, and materials of a building must be approved.
- (c) Advances are made by instalments as the building progresses.
- (d) Advances are repayable by instalments.
- (e) Advances are secured on the building and site.
- (f) The net rental may not exceed the sum required to give a net return of 8 per cent. on capital outlay.

THE HON. MR. LOWE—Arising out of the answer to the last question how is the capital amount arrived at? Is the cost of the land taken at the valuation of the moment, or the original cost when it was bought from the Government?

THE COLONIAL SECRETARY — The valuation of the land at the present time, sir, as far as can be ascertained.

Kowloon's Hospitals

THE HON. MR. A. R. LOWE also asked:—How many patients resident in Kowloon have been inmates of the Government and other hospitals in Victoria during 1919 and what steps, if any, have been taken to further a scheme for a general and maternity hospital at Kowloon?

THE COLONIAL SECRETARY replied:—The number is: Europeans 54; Asiatics 287.

A preliminary plan for a hospital at Kowloon has been prepared, but the question of a site is not settled. On the 31st March the Public Works Committee inspected two areas, one on the hill-side to the north-west of King's Park, and one to the north of Chuk Un in the neighbourhood of Kowloon City. They recommended that the latter area should be selected.

As the matter is one primarily affecting residents of Kowloon, it was referred to the Kowloon Residents' Association, who have forwarded to the Government a report by two Medical Practitioners. The report condemns the Chuk Un site on the ground of its

inaccessibility, it being stated that a hospital five miles distant from the centre of Kowloon offers little, if any, advantage over hospitals in Hongkong; and it is also considered a serious disadvantage that patients should be so far removed from their own doctors. A site to the east of Yaumati Railway Station is recommended, as fulfilling certain essential conditions which the report predicates, namely, accessibility, elevation, quietness, and space. The Director of Public Works has been asked to forward a report regarding this site.

The question of admitting maternity cases to the Kowloon hospital has not been decided.

Finance

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table Financial Minutes Nos. 51 to 54, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and the motion was agreed to.

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the Report of the Finance Committee (No. 5).

Papers

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the following Departmental Reports for the year 1919: Report of the Director of Education; Report on the New Territories; Report on the Botanical and Forestry Department; and the Report on the Assessment of the Colony for the year 1920-1921.

Trade Marks Ordinance, 1920

THE ATTORNEY-GENERAL, in moving the second reading of a Bill intituled, An Ordinance to amend the Trade Marks Ordinance, 1909, said:—This Bill belongs to the class of temporary post-war legislation—in other words, it has been rendered necessary by circumstances arising out of the war and it will have only a temporary operation. It contains two substantive clauses. One relates to the German and Austro-Hungarian trade marks and the

other is general. Clause 2 refers to the Austro-Hungarian marks and deals with a practical difficulty which has arisen in connection with marks belonging to the nationals of these two States which have expired and have not been renewed. The present law requires that, before a time-expired trade mark is removed from the Register, the Registrar must send out notices to the owner of his intention to remove the mark, if the renewal fees are not paid, and to advertise the fact of the non-payment. The time for giving these notices has now expired. It was not possible during the war to give notice to these enemy firms. It would have been futile to send such a notice to the Hongkong address of the former owner and the addresses of the owners in Germany were not always known, and it was not known whether notices would ever reach addresses in Germany or Austria. All these marks were, under an Ordinance of 1917, vested in the Custodian of Enemy Property. It would have been equally futile to send such notices to him, because he had no means of communicating with the former owners and he had no funds or authority to pay the renewal fees. In view of these facts the object of this clause is to provide expressly that neither omission on the part of the Registrar to send the prescribed notice, nor non-receipt of such notice by the registered owner, shall be any bar to the removal of any marks formerly belonging to German or Austro-Hungarian owners which have expired and have not been renewed by the owners within one year after the ratification of the Treaty of Versailles. The other clause, 3, of the Bill is a general one, intended to give power to the Governor-in-Council to make regulations, if necessary, for the purpose of giving effect to certain provisions in the Treaty of Versailles. Article 307 of the Treaty provides that a minimum of one year after the coming into force of the Treaty must be accorded to the nationals of the various belligerents to do any acts which may be necessary for the purpose of preserving trade mark rights which they were not previously able to do on account of circumstances arising out of the war. It is not known at present whether any applications for an extension of time will be received, but if they are this clause will give power to the Governor-in-Council to make regulations which will render it possible to grant such applications. We are bound, of course, to carry out the provisions of the Treaty which have, in the Colony and throughout the Empire generally, the force of law.

THE COLONIAL SECRETARY seconded, and the Bill was read a second time.

Council then went into Committee to consider the Bill clause by clause. There being no amendments,

Council resumed and the Attorney-General moved that the Bill be read a third time.

THE COLONIAL SECRETARY seconded, and the Bill was read a third time and passed.

Societies Ordinance, 1920

THE ATTORNEY-GENERAL moved the second reading of a Bill intitled, An Ordinance to amend the law relating to Societies. In doing so he said:—The object of the Bill is to repeal the present Societies Ordinance of 1911, and to substitute a simpler system based on the former Triad and Unlawful Societies Ordinance, 1887. The present Ordinance was passed in 1911 and has been in operation for nearly ten years. It has not accomplished the objects which it was expected it would accomplish when it was passed. It has failed to give the increased control which was intended and it has sometimes tended to drive unlawful societies underground. It has, in one case, at least, supplied a technical defence in an action brought by a society which in itself was desirable but which had failed to register itself. The term "society" had to be defined so widely that it included a number of clubs and other societies which do not really require Governmental regulation at all, and it is a question whether it does not also include certain foreign trading corporations. Their position is not quite clear, but it is possible that in actions brought by them they might be met by the technical defence that they were unlawful societies. The present Bill is based on the old Ordinance which worked very well and the only new feature—not an entirely new feature either—but the main feature which is brought out more clearly in this Ordinance than the old one, is that there are two classes of unlawful societies—(1) the class declared unlawful by the Ordinance, dealt with under Clause 3, and (2) the class of societies which may be declared unlawful by the Governor-in-Council on grounds set out in clause 4. I beg to move the second reading of the Bill.

THE COLONIAL SECRETARY seconded, and the Bill was read a second time.

Council then went into Committee to consider the Bill clause by clause.

With regard to section 3

THE HON. MR. LOWE asked—Is there no remedy in the Courts? When the Governor declares against a society what right of appeal is there?

THE ATTORNEY-GENERAL—The Bill gives absolute discretion to the Governor-in-Council to declare a society unlawful on grounds stated in the Bill. A similar power exists under the present Ordinance in a slightly different form.

H.E. THE GOVERNOR—Do you wish to move an amendment?

THE HON. MR. LOWE—No.

As there were no amendments, Council resumed and the ATTORNEY-GENERAL moved the third reading of the Bill.

THE COLONIAL SECRETARY seconded, and the Bill was read a third time and passed.

Public Health and Buildings Ordinances, 1903 and 1920

THE ATTORNEY-GENERAL, in moving the second reading of a Bill intituled, An Ordinance to amend the Public Health and Buildings Ordinance, 1903, said: The introduction of this Bill arises out of a question asked by the Hon. Mr. Pollock in this Council in February. The policy advocated then was a reduction in the cost of building and the means suggested was the reduction of the statutory minimum height of storeys in suitable cases. That is dealt with in the proposed new Clause 116A which only applies to buildings erected after the passing of the Ordinance. The clause provides that the upper storeys in detached and semi-detached buildings and in any building exempted by the Building Authority need only be ten feet in height. It also provides that bath rooms and latrines may be constructed of a height of $7\frac{1}{2}$ feet. At present the regulation height is 9 feet. It is proposed under Section 116B that no space under nine feet in height "in the clear" shall be used for human habitation. No doubt the existing Ordinance of 1903 intended to effect that object, but it failed to do so. This section will apply to all buildings.

THE COLONIAL SECRETARY seconded, and the Bill was read a second time.

Council went into Committee to consider the Bill

clause by clause and as there was no amendment, on Council resuming, the ATTORNEY-GENERAL moved the third reading.

THE COLONIAL SECRETARY seconded, and the Bill was read a third time and passed.

Council Adjourns

His EXCELLENCY adjourned the Council *sine die*.

FINANCE COMMITTEE.

A meeting of the Financial Committee, followed, the Colonial Secretary presiding:—

The Sham-shui-po Reclamation

The Governor recommended the Council to vote a sum of \$35,000 in aid of the vote Public Works, Extraordinary, New Territories, Public Health and Buildings Ordinance, 1903, (79) Compensation and Resumptions.

THE CHAIRMAN—The vote for the year is \$35,000, but a large extra sum has been required through pushing on with the Sham-shui-po reclamation and preparing sites for buildings there; also for the Mongkok, Tai-kok-tsui and Kowloon City road.

The vote was agreed to.

Secret Service

The Governor recommended the Council to vote a sum of \$4,000 in aid of the vote Police and Prison Departments, A.—Police, Other Charges, Secret Service.

THE CHAIRMAN—The vote was \$8,000 and more money is required for extra payments in connection with the arrest of the Police accountant and the gaol murderers.

The vote was agreed to.

The Strike

The Governor recommended the Council to vote a sum of \$700 in aid of the vote Kowloon-Canton Railway, General Charges, Other Charges, Incidental Expenses, Offices.

THE CHAIRMAN—The vote was for \$1,100, but there have been certain extra charges, prices having gone up considerably. There are extras also in connection with the strike—getting people to run the engines.

The vote was agreed to.

Drought in Shaukiwan

The Governor recommended the Council to vote a sum of \$600 in aid of the vote Public Works, Recurrent,

Hongkong, Water Works (20) Maintenance of Water Works.

THE CHAIRMAN—There was a drought in Shaukiwan. The water ran dry and the Taikoo Sugar Refinery kindly assisted Government and connected pipes to our mains from their reservoir. This is for connecting and small payments for pipes and water.

The vote was agreed to.
