

*2nd May, 1929.*

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**PRESENT:—**

HIS EXCELLENCY THE GOVERNOR (SIR CECIL CLEMENTI, K.C.M.G.).

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR GENERAL J. W. SANDILANDS, C.B., C.M.G., D.S.O.).

THE COLONIAL SECRETARY (HON. MR. W. T. SOUTHORN, C.M.G.).

THE ATTORNEY GENERAL (HON. SIR JOSEPH KEMP, KT, K.C., C.B.E.).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. R. A. C. NORTH.)

THE COLONIAL TREASURER (HON. MR. C. McI. MESSER, O.B.E.).

HON. MR. H. T. CREASY, C.B.E. (Director of Public Works).

HON. COMMANDER G. F. HOLE, R.N. (Retired) (Harbour Master).

HON. DR. A. R. WELLINGTON (Director of Medical and Sanitary Services).

HON. MR. T. H. KING, (Captain Superintendent of Police).

HON. SIR SHOU-SON CHOW, KT.

HON. MR. A. C. HYNES.

HON. MR. W. E. L. SHENTON.

HON. MR. J. P. BRAGA.

HON. MR. S. W. TS'O, O.B.E., LL.D.

HON. MR. B. D. F. BEITH.

MR. E. I. WYNNE-JONES, (Deputy Clerk of Councils).

**ABSENT:—**

HON. SIR HENRY POLLOCK, KT, K.C.

HON. MR. R. H. KOTEWALL, C.M.G., LL.D.

**MINUTES.**

The minutes of the previous meeting of the Council were confirmed.

**NEW MEMBER.**

HON. MR. B. D. F. Beith took the oath and his seat as a member of the Council.

**PAPERS.**

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid on the table the following papers:—

The Dangerous Drugs Ordinance, 1923.

Regulations under section 4 of the Dangerous Drugs Ordinance, 1923, on 8th March, 1929.

Regulation under section 37 (2) of the Merchant Shipping Ordinance, 1899, on 13th March, 1929.

Regulations under section 37 (2) of the Merchant Shipping Ordinance, 1899, on 10th April, 1929.

Regulation under section 23 of the Waterworks Ordinance, 1903, on 24th April, 1929.

Rescue Tug "Kausing" (Sessional paper No. 2 of 1929).

Report of Committee appointed to consider and advise on the Taxation of Motor Vehicles (Sessional paper No. 3 of 1929).

Shing Mun Valley Waterworks Scheme (Sessional paper No. 4 of 1929).

**QUESTIONS.**

HON. MR. J. P. BRAGA asked:—

(a) Will the Director of Public Works inform the Council whether in the scheme of Town Planning for Kowloon any site, and where, has been earmarked for a recreation ground for the growing number of members of the Police Force stationed at Kowloon and of the subordinate staff in the service of the Government?

(b) If no such site has been marked out as yet, will the Government consider the advisability of forthwith making a suitable reservation of Crown land, both as regards area and location, for recreation purposes for the above-mentioned members of the Civil Service residing at Kowloon?

THE DIRECTOR OF PUBLIC WORKS replied:—

(a) Apart from the parade ground at the Police Training School no area has been specially earmarked as a recreation

ground either for the Police Force or for the subordinate employees of Government residing at Kowloon.

(b) The Town Planning scheme for Kowloon makes provision for the reservation of several areas for recreation grounds and Government proposes to develop these as and when funds can be made available. The Government has decided to appoint a Committee under Chairmanship of the Colonial Secretary to review the provision at present existing for playing fields in Hong Kong and on the mainland, to consider what provision is required for the future and to make recommendation in the matter.

### **Fire Escapes.**

HON. MR. J. P. BRAGA asked:—

(a) Without implying any reflection on the personnel of the efficient and hard-working staff of the Fire Brigade, is the Government satisfied with the up-to-dateness and completeness of the appliances and equipment for life-saving in the event of another outbreak of fire like that of the King Edward Hotel in the small hours of the 11th March?

(b) Are the rescue-ladders of a sufficient height to reach the top floor of the tallest building in the Colony when any inmates are entrapped therein in the case of a fire?

(c) If not, will the Government take immediate steps to provide the Fire Department with a sufficiency of all appliances (including jumping-sheets) necessary so as to avert the recurrence of a disaster and to minimize, as far as practicable, the loss of lives such as happened in the King Edward Hotel fire?

(d) Will the Government cause an immediate inspection to be made of all the large buildings and offices in the Colony —*e.g.*, Prince's, Alexandra, and similar buildings—to ascertain if—

- (i) fire exits are provided on every floor therein;
- (ii) there are indicators showing the way to the exits and lighted in red by night, in the same manner as is done in theatres;
- (iii) that the passages along these exits are made easily accessible and kept free from obstructions at all times?

(e) If no powers exist to compel the enforcement of the requirements stated in clauses (i), (ii) and (iii) of the foregoing question, will the Government frame and introduce early legislation with a view—

to amend the Buildings Ordinance so as to invest the Building Authority with statutory powers enabling him to call upon the owners of buildings of the type mentioned in Question (d) to make adequate and ample provision for fire-escapes in such buildings, and to permit of their regular inspection by officers appointed by the Government;

to require that the main stair-case of buildings designed for use as hostels and groups of offices shall be built of fire-proof material?

(f) Will the Government consider the advisability of compelling holders of Hotel Licences to fulfil the requirements set out in Question (d) and to instal automatic electric fire-alarms, or other mechanical contrivances for effectively raising alarms upon an outbreak of fire, in their premises?

THE COLONIAL SECRETARY replied:—

(a) The Government is satisfied that the life-saving apparatus and equipment of the Hong Kong Fire Brigade are thoroughly up to date except the motor turntable ladder which is seven years old, and is 63 feet in height. It is to be remembered that this appliance is primarily a water-tower, to be used as such by members of the Fire Brigade, and can only occasionally be used for life-saving purposes, in circumstances requiring extreme care and considerable skill. The Government has taken note of the suggestion in the finding of the Jury at the Inquest into the fatalities in the King Edward Hotel that an improved water-tower should be obtained and the matter is now under consideration. The cost is considerable and may amount to as much as \$30,000 for one machine.

(b) No. The longest manual fire escape in Hong Kong is 55 feet in height, which is the largest made. The largest mechanical Fire Brigade ladder or water-tower manufactured so far as is known is only 85 feet in length and there are many buildings in the Colony with stories above this height. It is one of these water-towers which is referred to in the answer to the first part of the honourable member's question.

(c) With the exception of the improved water-tower already referred to, the Fire Brigade has all the equipment recognised by the London Fire Brigade as life-saving apparatus. Certain other appliances such as rocket lines have been under careful consideration but are not considered to be of practical value.

(d), (e) and (f) Power of inspection of buildings by the Building Authority exists, but the necessary staff to make immediate inspections such as are suggested in the honourable member's question is not available. Inspections were actually

made by Fire Brigade Officers of 982 buildings during 1928 and advice given. The more difficult questions are those of the policy of enforcing a more modern interpretation of section 149 of Ordinance No. 1 of 1903 in the case of buildings erected prior to the enactment of that section in 1903, and of the power to enforce such an interpretation in the case of buildings which have been certified as complying with Ordinance No. 1 of 1903. This subject has from time to time engaged the attention of the Government and it is now a matter for consideration whether the interests of the public should not outweigh the hardship to owners of property. In view of doubts as to the legal position fresh legislation would be necessary amending section 149 of the Public Health and Buildings Ordinance and enabling modern safety requirements to be made enforceable in the case of all buildings irrespective of age and prior certificates. The Government is not yet satisfied that drastic legislation of this kind is called for. It will be realized that the enforcement of such legislation would render necessary the reconstruction of much of the house property at present existing in Hong Kong.

Under the Law as it has existed since 1903, all buildings with floors more than 40 ft. above the level of the street are required to be provided with such means of escape in the case of fire for the persons dwelling or employed therein as the Building Authority may reasonably require, in accordance with section 149 of Ordinance 1 of 1903. This requirement has been regularly enforced since 1903 but opinions have varied from time to time as to what is reasonable, much stricter views having prevailed in recent years. The Building Authority now consults the Chief Officer, Fire Brigade, before expressing satisfaction under section 149. The section further requires any means of escape so provided to be maintained to the satisfaction of the Building Authority; but insufficiency of staff has prevented regular inspections from being carried out to see that this part of the section is observed.

Certain classes of exceptional buildings such as Hotels, Cinemas, Theatres, etc., have for some years past been required by the Building Authority to have special protection against fire even though of a less height than those referred to in section 149. The Government is now considering whether similar safeguards should not be required in respect of all buildings of more than two stories.

It must be remembered that the plans of the King Edward Hotel were approved in 1902 and the building was certified in 1905 when less stringent views prevailed than those now enforced.

With reference to the detailed suggestions in paragraph (f) of the honourable member's question regarding Indicators, Electric Fire Alarms, etc., these suggestions are receiving the consideration of the Government; but it is probable that legislation will be necessary before they can be insisted upon in the case of buildings already certified.

### **Committee's Suggestions.**

HON. MR. W. E. L. SHENTON asked:

1.—What steps have been taken by the Government to carry out the report of the Committee appointed to consider suggestions for the improvement of the fire-fighting organisation of the Colony, which was laid on the table of the Legislative Council on the 27th May, 1927?

2.—If steps have already been taken, what further steps does the Government propose to take?

THE COLONIAL SECRETARY replied:—

1.—In matters of personnel and equipment the recommendations of the Committee referred to have been generally adopted and either have been or are being carried out with certain minor exceptions, the chief of which is that the Government considered it best to retain the Captain Superintendent of Police as Chief Officer of the Fire Brigade.

As regards construction, it has not yet been possible to provide funds for the suggested Main Station in Kowloon but the site referred to is earmarked for the purpose. Temporary sub-stations exist in the Eastern and Western Districts of Victoria but the permanent buildings have not yet been erected for want of funds. The Shaukiwan sub-station has not yet been provided, but a hand-trailed motor-pump is installed at Shaukiwan Police Station.

The relaying of the water mains and fixing of pedestal hydrants is being undertaken on annual votes.

As regards legislation for the purpose recommended by the Committee, namely to give the Governor in Council power to make regulations in regard to the prevention of fire, escape from and extinction of fires, the matter was referred to the Attorney General, who advised that legislation was necessary, but that the drafting of the Ordinance should await the formulation of the regulations to be made thereunder. The matter was then referred to the Chief Officer of the Fire Brigade, but owing to the great difficulty of compiling practicable regulations, the matter has made slow progress. Draft

regulations regarding places of Public Entertainment, Garages and the Storage of inflammable liquids were recently submitted to the Government, together with a draft bill enabling these regulations to be put into effect. Further consideration of these draft regulations was postponed pending the finding of the Coroner's enquiry into the King Edward Hotel fire.

2.—The regulations already drafted are receiving consideration and the preparation of further regulations is being considered by the departments concerned.

### **FINANCE COMMITTEE'S REPORT.**

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the reports of the Finance Committee Nos. 3 and 4 dated 21st March, 1929, and moved that they be adopted.

THE COLONIAL TREASURER seconded and this was agreed to.

### **ABERDEEN WATER SCHEME.**

THE COLONIAL SECRETARY:—

Sir,—I rise to move the resolution standing in my name, viz.—

"That this Council approves the carrying out of the Aberdeen Water scheme set out in Sessional Paper No. 10 of 1927, at an estimated cost of \$2,702,000 and the expenditure of a sum of \$555,000 during the current financial year, the cost to be met by a future loan and meanwhile to be charged as an advance from the surplus balances of the funds of the Colony."

The details of the scheme are fully set out in Sessional Paper No. 10 of 1927 and it is therefore unnecessary for me to take up the time of the Council with a detailed description of the scheme, which it is estimated will provide an additional 2.12 million gallons of water a day. Suffice it to say that it appears to be the last remaining practicable scheme for any large increase in the storage of water on the Island of Hong Kong without almost prohibitive expenditure. I think it will be generally admitted, especially in view of our unpleasant experience during the long drought, which unfortunately still continues, that, whatever water we may be able to bring across from Kowloon we ought to have available all possible means of storage on this side. The Government as the Council knows is not putting forward this Aberdeen scheme as a substitute for that portion of the Shing Mun scheme which involved the bringing of Shing Mun water to Hong Kong. We are pushing ahead with the Shing Mun scheme as fast as we can. Increased storage on the mainland is being provided in the new Kowloon Byewash Reservoir, the actual construction of which should commence

at a very early date, and the Waterworks Engineer is, we hope, already engaged in final discussions with the Consulting Engineers as to the design of the pipe line. At the same time preliminary investigations are in hand for further storage on the upper reaches of the Shing Mun River. The Aberdeen scheme is, so far as Hong Kong Island is concerned, supplementary to the Shing Mun scheme and will be of the utmost value in securing improved supply to the Western end of the city which, in times of drought, is always the worst sufferer.

Honourable members will notice a discrepancy between the estimated cost of \$2,627,000 given in the Sessional Paper and the figure of \$2,702,000 given in my resolution. This represents the difference between the estimated and the actual cost of the necessary resumptions. The estimated time necessary for completion of the Aberdeen scheme is three years, so that if this resolution is approved we ought to obtain the benefit of the scheme in 1932. I need hardly remind honourable members that this scheme is strongly recommended by the Director of Public Works and the Waterworks Engineer in the reports published in Sessional Paper No. 4 of 1928.

Coming now to the question of finance, the Government is satisfied that waterworks schemes of this magnitude are not a fair charge on the current revenue of the Colony and has secured the approval of the Secretary of State to charge the cost of the Aberdeen scheme to Loan Funds. The present public works loan will, however, be more than fully expended in paying for the first section of the Shing Mun scheme, the construction of the Kai Tak Aerodrome and the Harbour Dredging. It will, therefore, be necessary to charge the Aberdeen scheme and the extensions of the Shing Mun scheme to a further loan which will be raised at a future date. For the present we shall be able to advance the necessary money from the surplus funds of the Colony which will later on be reimbursed from loan funds. It is estimated that the amount which will be required for expenditure during the current financial year is \$555,000, the greater part of which will be spent on resumptions.

I now formally move the resolution standing in my name and trust it will meet with the unanimous approval of the Council.

HON. SIR SHOU-SON CHOW.—As the senior Unofficial member for the time being, I beg to second the resolution. The explanations given by the Hon. Colonial Secretary are so full that it will be unnecessary for me to add anything to them beyond explaining that since Your Excellency's return to the Colony, the Unofficial members have had a full discussion of the whole question of the supply with you, and have been convinced that whatever water we may be able to bring across from Kowloon, we ought to proceed simultaneously with the Aberdeen water scheme, which will secure an improved supply to the Island and especially to the inhabitants of the Western end of the city who, in times of a water shortage, suffer the most.

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members agree with Your Excellency that this work is more properly chargeable to Loan Funds than to current revenue.

HIS EXCELLENCY THE GOVERNOR.—I am very glad to find that the Official and Unofficial members are of one mind in this matter.

The resolution was carried unanimously.

### **HONG KONG AND SHANGHAI BANK ORDINANCE.**

HON. MR. W. E. L. SHENTON moved the first reading of a Bill intituled An Ordinance to amend the constitution of the Hong Kong and Shanghai Banking Corporation. He said:

The amendments effected by the body of this Bill and by the Regulations in the Schedule thereto are sufficiently explained by the Objects and Reasons attached to the Bill and by the two Tables of Correspondence which follow the Objects and Reasons, namely:

1. The table of correspondence between the Bill and Ordinances No. 2 of 1866 and No. 2 of 1924 which it supersedes, and
2. The table of correspondence between the Regulations in the Schedule to the Bill and the provisions of the existing Deed of Settlement of the Bank.

Broadly speaking, the object of the Bill is:

1. To incorporate the Bank for an unlimited period instead of as hitherto for limited periods of years at a time.
2. To make the Bill and Regulations (after they become law) binding on third parties as well as on the Bank and on shareholders, for the reasons given in paragraph 5 of the Objects and Reasons.
3. To enlarge by means of the combined effect of clause 5 (1) of the Bill and of Regulation 3 in the Schedule the business which may be lawfully carried on by the Bank.

Regulation 3 is based not merely upon modern British precedents relating to banking companies but also upon local conditions prevailing in the Far East. See in particular on this latter point paragraphs (8) and (13) of Regulation 3.

4. To secure increased powers (based upon sections 41 and 45 of the English Companies Act, 1908) in regard to the alteration and re-organisation of the Bank's capital. (See clauses 8 and 9 of the Bill).
5. To omit certain provisions of Ordinance No. 2 of 1866 relating to the Bank which are considered either impracticable or unnecessary. (See clause 20 of the Objects and Reasons).

6. To substitute the Regulations in the Schedule to the Bill for the articles of the present Deed of Settlement of the Bank, so as to bring such Regulations into line with modern precedents appearing in Palmer on Companies instead of continuing the somewhat out-of-date language on the present Deed of Settlement.

7. To make the language of the Regulations correspond with either the present practice of the Bank, or the present requirements of the Bank, (See items 18, 19, 22, 30, 32, 47, 48, 52, 53, 55, 56, 65, 81, 89, 92, 94, 97, 98, 102, 109, 110, 118, 121, 123-125, 127, 130, 135, 140-144, 149, 150, 152, 157, 158, 160, 168 and 169 of the Table of Correspondence between the Regulations and the provisions of the existing Deed of Settlement of the Bank).

HON. MR. A. C. HYNES seconded and the Bill was read a first time.

### **Objects and Reasons.**

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

1. The object of this Bill is to consolidate and amend the constitution of the Hong Kong and Shanghai Bank, which is at present to be found in two different Ordinances, namely, 2 of 1866 and 2 of 1924, and in the Deed of Settlement of 1867 and the amendments thereto.

2. Concurrently with the Bill there have been prepared a new set of regulations of the Bank to replace the provisions of the Deed of Settlement and amendments, which regulations appear in the Schedule to the Bill.

3. The Bill contains an interpretation clause (clause 2). Hitherto the interpretation clause has been in the Deed of Settlement, but it is considered more regular that it should appear in the Ordinance. The present interpretation clause is fuller than that in the Deed of Settlement.

4. The Bank is being now incorporated for an unlimited period (see clause 3). Under previous legislation the Bank has been incorporated for limited periods only, and the current term of incorporation would, apart from the provisions of this Ordinance, expire in August, 1929. It is obviously desirable that the incorporation of the Bank should now be made permanent.

5. Clause 4 substitutes new regulations for the provisions in the Deed of Settlement, and provides for amendment and proof of such regulations. It also enacts that the Ordinance and the regulations for the time being shall bind not merely the Bank and the shareholders but also third parties. The reason for

binding third parties is that they are affected by certain provisions of the regulations, namely, 34 (1), 36, 42, 44, 45, 51, 52 and 53.

6. Clause 5 (1), in conjunction with regulation No. 3, shows a marked advance on section 4 (1) of Ordinance No. 2 of 1866, which authorises the carrying on of the business of banking only. Regulation No. 3, which has been drafted after most careful consideration of the Bank's present and prospective requirements, enables the Bank to carry on all such kinds of business as experience has shown can be suitably and profitably conducted in conjunction with the main and principal business of banking.

7. Clause 5 (1) also contains a definition of the word "establishment," and continues the present practice that new establishments of the Bank shall only be opened with the consent of the Commissioners for the time being of His Majesty's Treasury. Clause 5 (2) gives the Bank power to close any of its establishments.

8. Clause 6 corresponds with the first part of section 21 of Ordinance No. 2 of 1866. As regards the latter part of that section, see regulation No. 3 (12).

9. Clause 7 reproduces in simplified language the combined effect of sections 5 and 22 of Ordinance No. 2 of 1866, as amended by section 3 of Ordinance No. 10 of 1922.

10. Clauses 8 and 9 make certain provisions as to alteration and reorganisation of capital, which might possibly in the future be useful, applicable to the Bank. These provisions are based on sections 41 and 45 of the English Companies Act, 1908, except that, for the sake of simplicity,

- (1) the power of sub-division conferred by clause 8 (*b*) is made exercisable by ordinary resolution instead of by special resolution, and
- (2) the power of reorganisation in clause 9 is made exercisable subject to the prior approval of the Governor instead of subject to the prior approval of the court.

11. Clause 10 is based on section 12 (1) of Ordinance No. 2 of 1866. The Bank does not require the re-enactment of the other sub-sections of section 12 of Ordinance No. 2 of 1866. The liability of shareholders for the note issue is dealt with in clause 12 of the Bill. The limitation of the period of issue to July 1939 is made as the result of instructions from the Secretary of State.

12. Clause 11, as to the amount of and security for the note issue, is a reproduction of section 13 of Ordinance No. 2 of 1866, as amended by Ordinance No. 2 of 1924, except that

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"notes" is substituted for "bills and notes," because the word "note," alone is considered by the Bank sufficient.

13. Clause 12, as to the liability of shareholders on dissolution, re-enacts in simplified language the combined provisions of section 12 (5) and (6), and of section 25 of Ordinance No. 2 of 1866. See too regulation No. 166 which replaces article 208 of the Deed of Settlement.

14. Clause 13 as to forms of contract and clause 14 as to bills of exchange and promissory notes apply to the Bank the provisions of sections 76 and 77 of the English Companies Act, 1908, which are in accord with the present practice of the Bank.

15. Clause 15 re-enacts section 16 of Ordinance No. 2 of 1866, except that one-tenth is substituted for one-third.

16. Clause 16 re-enacts section 14 of Ordinance No. 2 of 1866.

17. Clause 17 re-enacts section 28 (1) and (2) of Ordinance No. 2 of 1866. It does not appear necessary to re-enact sub-section (3) of section 28.

18. Clause 18 makes the necessary repeals. It should be mentioned that, although section 11 of Ordinance No. 2 of 1866 refers to the possibility of by-laws being made under the Deed of Settlement, no such by-laws have in fact been made.

19. Clause 19 is the usual clause for saving the rights of the Crown and others.

20. It only remains to add that the following provisions of Ordinance No. 2 of 1866 have no counterpart in the present measure, because they are either impracticable under present day conditions (see sections 19 and 20), or unnecessary (see sections 10, 11, 15, 17, 18, 24, 26, 27 and 29).

#### **ADJOURNMENT.**

HIS EXCELLENCY THE GOVERNOR.—Next Thursday, I understand, there will be an eclipse of the sun. I expect that, weather permitting members will wish to see it. The Council therefore will not sit on Thursday next, but will adjourn for a fortnight.

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#### **FINANCE COMMITTEE.**

Following the Council, a meeting of the Finance Committee was held, the Colonial Secretary presiding.

Votes totalling \$126,236 (\$11,454 for 1928 and \$114,782 for 1929), contained in Message No. 5 from H.E. The Governor, were considered.

Item No. 28: Public Works Extraordinary: Hong Kong General Works, Drainage, Sewage and Storm Water Drains, \$24,000.

HON. MR. W. E. L. SHENTON:—I notice that it is stated in Item No. 28 that there will be a saving on this year's Estimates on the vote for the Sai Ying Pun new market, and I would like to ask when it is anticipated this new market will be erected?

THE DIRECTOR OF PUBLIC WORKS.—It will be taken up this year. It is only lack of staff that has prevented us getting out quantities, etc.

Item No. 30: Harbour Department.—Special Expenditure. Training expenses of two Government Marine Surveyors in England, Expenses of Assistant Government Marine Surveyors in connection with the Board of Trade Training Course, \$11,582.

HON. MR. J. P. BRAGA.—I should like to ask what is the explanation for the term "Subsistence allowance?"

THE CHAIRMAN.—These men have to work away from their homes and it is to pay for the additional expenditure that they have to meet whilst they are away. I cannot tell you off-hand where the men concerned have been working.

HON. MR. J. P. BRAGA.—Would the question of subsistence allowance arise in the case of a member of the clerical department of the Government doing work outside office hours?

THE CHAIRMAN.—This is not for work outside office hours. It is for men having to live away from their homes.

All the votes were passed.

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