

16th July, 1931.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR (SIR WILLIAM PEEL, K.C.M.G., K.B.E.).

THE HON. THE OFFICER COMMANDING THE TROOPS (COLONEL R. B. COUSENS, D.S.O.).

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

THE ATTORNEY GENERAL (HON. MR. C. G. ALABASTER, K.C., O.B.E.).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. E. R. HALLIFAX, C.M.G., C.B.E.).

THE COLONIAL TREASURER (HON. MR. E. TAYLOR).

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

HON. MR. E. D. C. WOLFE, C.M.G. (Inspector General of Police).

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

HON. DR. W. B. A. MOORE (Director of Medical and Sanitary Services).

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

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

HON. MR. C. G. S. MACKIE.

HON. MR. J. P. BRAGA.

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

HON. MR. J. J. PATERSON.

HON. MR. W. H. BELL.

MR. R. A. C. NORTH (Deputy Clerk of Councils.)

ABSENT:—

HON. SIR SHOU-SON CHOW, KT.

MINUTES.

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

PAPERS.

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

Order made by the Governor in Council under section 29 of the Asiatic Emigration Ordinance, 1915, Ordinance No. 30 of 1915, on the 29th day of June, 1931.

Rule dated 29th day of June, 1931, made by the Chief Justice under section 32 of the Supreme Court Ordinance, 1873, Ordinance No. 3 of 1873.

Regulation made by the Governor in Council under section 25 (4) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, on the 6th day of July, 1931.

Regulation made by the Governor in Council under section 37 (2) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, on the 9th day of July, 1931.

Regulation made by the Governor in Council under section 95 of the Liquors Consolidation Ordinance, 1911, Ordinance No. 9 of 1911, on the 9th day of July, 1931.

Regulations made by the Governor in Council under section 95 of the Liquors Consolidation Ordinance, 1911, Ordinance No. 9 of 1911, on the 9th day of July, 1931.

Regulation made by the Governor in Council under section 95 of the Liquors Consolidation Ordinance, 1911, Ordinance No. 9 of 1911, on the 9th day of July, 1931.

Report of the Superintendent of Prisons for the year 1930.

FINANCE COMMITTEE'S REPORT.

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid upon the table the report of the Finance Committee, No. 7 of 2nd July, 1931, and moved that it be adopted.

THE COLONIAL TREASURER seconded and this was agreed to.

RULES BY CHIEF JUSTICE.

THE COLONIAL SECRETARY.—I bring up an order dated 10th day of July, 1931, made by the Chief Justice under section 32

of the Supreme Court Ordinance, 1873, and move that it be revised and approved.

THE ATTORNEY GENERAL seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I bring up an order dated 10th day of July, 1931, made by the Chief Justice under section 74 of the Probates Ordinance, 1897, and move that it be approved.

THE ATTORNEY GENERAL seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I bring up the rule of Court dated 10th day of July, 1931, made by the Chief Justice under section 63 of the Bankruptcy Ordinance, 1891, and move that it be revised and approved.

THE ATTORNEY GENERAL seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I bring up the order dated 10th day of July, 1931, made by the Chief Justice under section 26 of the Bills of Sale Ordinance, 1886, and move that it be revised and approved.

THE ATTORNEY GENERAL seconded and the resolution was agreed to.

PUBLIC WORKS ON LOAN.

THE COLONIAL SECRETARY.—With the permission of the Council I should like to speak on this and the next four motions together. A reference to Appendix VI.B. of the printed Estimates for 1931 will show that the anticipated expenditure on Public Works which was to be charged to the Surplus Balances of the Colony pending the raising of a further loan was as follows:

Shing Mun Valley Water Scheme, 1st section	\$235,000
Aerodrome.....	200,000
Aberdeen Valley Water Scheme	895,000
Shing Mun Valley Water Scheme, 2nd section	230,000
Vehicular Ferry	650,000
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Total.....	\$2,210,000
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These works have at various times been approved by this Council and the proposed expenditure was referred to in the discussion on the Budget for 1931, but no formal resolution was taken to give legislative sanction to the expenditure for the current year

although, as honourable members are aware, the work has been going on in the meantime. It is to regularize the position that these motions are being proposed to-day.

Some nine months have elapsed since the printed estimates were drawn up and it is therefore possible to make a closer estimate of the amount likely to be required this year. This explains the difference between the amount now asked for and the amounts shown in the printed estimate. More money is asked for in connexion with the Shing Mun Scheme, 1st section, the Aerodrome and the Vehicular Ferry; less will be required for the Aberdeen Valley and Shing Mun 2nd Section schemes. The figures depend largely on the pace at which the various works proceed and to some extent on changes in design which are inevitable in the carrying out of large works of this nature. The increase in the Aerodrome estimate is largely due to an increase in the size of the hangar now under construction of which the Air Ministry has undertaken to bear half the cost.

The decrease in the Shing Mun Valley 2nd section estimate is due to the fact that the Secretary of State's sanction has so far been confined to the work on the Filters, sanction of the whole scheme being held up for the present pending expert consideration of the designs.

The total amount asked for is \$2,538,000 as against \$2,210,000 in the printed estimates, but considerably less was spent from Surplus Balances in 1930 than was estimated for and, as honourable members are aware from my remarks when introducing the Supplementary Supply Bill at the last meeting, the state of the Surplus Balances is very much more satisfactory than could have been anticipated when the Estimates for 1931 were framed. This small increase need therefore cause no concern.

I now formally move "That this Council approves of the expenditure of \$350,000 on the Shing Mun Valley Water Supply Scheme during the financial year 1931 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I move "That this Council approves of the expenditure of \$568,000 on the Kai Tak Aerodrome slipway and hangar during the financial year 1931 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I move "That this Council approves of the expenditure of \$750,000 on the Aberdeen Valley Water Scheme during the financial year 1931 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I move "That this Council approves of the expenditure of \$140,000 on the filters in connexion with the Shing Mun Valley Water Scheme during the financial year 1931 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I move "That this Council approves of the expenditure of \$730,000 on the Vehicular Ferry during the financial year 1931 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded and the resolution was agreed to.

SUPREME COURT AMENDMENT ORDINANCE, 1931.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Supreme Court Ordinance, 1873." He said.—The object of this Bill is fully explained in the short memorandum attached to it.

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

Objects and Reasons.

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

Section 13 of the principal Ordinance requires two Deputy Registrars for the Supreme Court. There is at present only one; the duties of accountant formerly performed by one of the Deputy Registrars being now undertaken by another officer. It is considered desirable to continue the present arrangement and that the personnel of the Registry should be decided by the Governor according to the requirements of the time. This Ordinance amends section 13 of the principal Ordinance accordingly.

CHARGES OF THE YEAR, 1930.

THE COLONIAL SECRETARY moved the second reading of "A Bill to authorize the Appropriation of a Supplementary Sum of Two million four hundred and eighty-six thousand five hundred and seventy-seven Dollars and two Cents to defray the Charges of the year 1930."

THE COLONIAL TREASURER seconded.

THE HON. MR. W. E. L. SHENTON.—Your Excellency, I rise on behalf of the Unofficial Members of this Council to express our appreciation of the successful administration of the Colony's finances for the year 1930.

The year under review was an extremely difficult one; circumstances arose, mainly due to the phenomenal fall in exchange, creating situations the ultimate result of which it was difficult to foresee.

Your Excellency's keen foresight and sound judgment has carried us through a difficult period with an actual deficit of \$301,173 only—a position which was hardly anticipated.

Whilst we have weathered the storm of 1930 we venture to think that the present year will also be a difficult one. The Colony is still experiencing difficult times financially, but we hope that Your Excellency will find that our revenue is sufficient and that no increased taxation will be called for in connexion with the forthcoming Estimates.

Since the various items in the appropriation account have received the approval of the Finance Committee and have been adopted by this Council, we have no comments to offer on the Bill.

THE HON. MR. R. H. KOTEWALL.—The remarks of the honourable Senior Unofficial member represent completely the sentiments of the Chinese unofficials. Nevertheless, as the senior representative of the Chinese, who constitute at least 95 per cent. of the taxpayers, I have felt it incumbent upon me to try to add emphasis to the plea that no fresh taxation should be imposed in connexion with the forthcoming Estimates. During the short period of less than a year the assessment rates have been increased by 4 per cent., shipping charges have been raised, the duties on liquor and on tobacco have been substantially augmented, the stamp duty has also been increased, while a tax has been put on certain forms of entertainment. The world-wide trade depression has not shown any appreciable sign of diminution, while the uncertainty of the political outlook in China is having an adverse effect on trade between the neighbouring provinces and this Colony, which is no longer able to bear any additional taxation, whether it is or is not lightly taxed

in comparison with certain other colonies. When referring to the question of extra taxation in connexion with the Estimates for 1931, the Hon. Colonial Secretary said that all taxation was distasteful but that it was hoped that "this ingredient in the medicine which we must necessarily take for our condition had been correctly prescribed." There is always the danger that a patient may suffer from too much medicine. Knowing what a wise physician Your Excellency is, the community confidently looks to you for a period of recuperative rest, without further doses of physic.

H.E. THE GOVERNOR.—On behalf of myself and my advisers I thank the honourable members for their remarks. I may say the revenue this year is coming in very satisfactorily, and although it was anticipated at the time the budget was introduced last year that there would be a deficit—approaching two millions—I think there is good reason to hope that we shall be able this year to balance our revenue and expenditure. If this success is achieved it is, nevertheless, largely as the result of the restriction of desirable public works and services. Our financial position to-day is very much more satisfactory than most of us ever hoped for, and I have no hesitation in expressing my opinion that it compares very favourably with that of any other British colony. It is, therefore, necessary that we should consider very carefully how far the restriction to which I have referred should be continued. It is difficult to foresee quite so far ahead, and I can, at the moment, therefore, only add that I echo the hopes of my honourable friends that it will not be necessary further to increase taxation in connexion with the Budget for 1932 so long as we are able on the present basis to maintain the necessary standards of efficiency.—(Applause).

The Bill was read a second time.

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

Upon Council resuming,

THE COLONIAL SECRETARY reported that the Bill had passed through Committee without amendment and moved the third reading.

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

SUMMARY OFFENCES AMENDMENT ORDINANCE, 1931.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Summary Offences Ordinance, 1845."

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

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

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through Committee without amendment and moved the third reading.

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

RATING AMENDMENT ORDINANCE, 1931.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled, "An Ordinance to amend the Rating Ordinance, 1901."

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

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

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through Committee without amendment and he moved the third reading.

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

CRIMINAL PROCEDURE AMENDMENT ORDINANCE, 1931.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled, "An Ordinance to amend the Criminal Procedure Ordinance, 1899."

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

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

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through Committee without amendment and he moved the third reading.

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

**HEALTH AND BUILDINGS AMENDMENT (NO. 2)
ORDINANCE, 1931.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled, "An Ordinance to amend further the Public Health and Buildings Ordinance, 1930."

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

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

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through Committee without amendment and moved the third reading.

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

**HOP YAT TONG CHURCH OF CHRIST HONG KONG
ORDINANCE, 1931.**

THE HON. MR. W. E. L. SHENTON moved the second reading of a Bill intituled, "An Ordinance to provide for the incorporation of the Hop Yat Tong Church of Christ in Hong Kong."

THE HON. MR. R. H. KOTEWALL seconded and the Bill was read a second time.

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

Upon Council resuming,

THE HON. MR. SHENTON reported that the Bill had passed through Committee without amendment and moved the third reading.

THE HON. MR. KOTEWALL seconded and the Bill was read a third time and passed.

**BIRTHS AND DEATHS REGISTRATION AMENDMENT
INCORPORATION ORDINANCE, 1931.**

THE ATTORNEY GENERAL.—Under Standing Order 49 I move that the next item on the Agenda be postponed as new suggestions with regard to this Bill have come forward and it has not been possible to examine them.

THE COLONIAL SECRETARY seconded.

H.E. THE GOVERNOR.—There is no hurry about this Bill as it is not proposed to bring it into force until 1st January next year.

The postponement was agreed to.

H.E. THE GOVERNOR.—The Council stands adjourned *sine die*.

FINANCE COMMITTEE.

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

Votes totalling \$249,755, contained in Message No. 8 from H.E. the Governor, were considered.

Item No. 37:

THE HON. MR. J. J. PATERSON.—With regard to the charging of salaries of existing officials of the P.W.D. to loan work, it strikes me as rather unusual.

THE CHAIRMAN.—They are charged to loan work in the estimates, and this is a vote to put them back under personal emoluments.

THE HON. MR. PATERSON.—Yes, but it also indicates they are going back again to loan work.

THE CHAIRMAN.—It is in accordance with the regulations that when you are employing officers on loan works their salaries can be charged to those loan works.

THE HON. MR. PATERSON.—I understand that, but I think it is wrong. It is not in accordance with public life elsewhere outside the Government, for the salaries of only extraordinary people are charged to extraordinary work, by which I mean that if extraordinary work is done by existing officials their salaries should be charged in the ordinary way, and it is only people imported from outside to deal with extraordinary work who can properly be charged against a loan.

THE CHAIRMAN.—Surely you will agree that the salaries of existing officers, if they are seconded to these special works, are a proper charge against such loan works.

THE HON. MR. PATERSON.—You cannot do that on municipal affairs at Home.

THE CHAIRMAN.—You certainly can in Government work.

THE HON. MR. PATERSON.—Oh yes, the Government can do anything.—(Laughter).

THE CHAIRMAN.—It seems a perfectly correct procedure.

THE HON. MR. PATERSON.—I don't think I agree. Of course, a good deal of what I am thinking comes into the Retrenchment Committee's Report, so, perhaps, I had better stop.

THE HON. MR. W. H. BELL.—While I fully agree with you, Sir, that it is perfectly reasonable to charge these salaries to loan work, I have had a case in my own business when my head office insisted on charging the salaries of men engaged on special work to the Division in the ordinary way.

THE CHAIRMAN.—Without knowing the full circumstances which govern your own case and the case referred to by Mr. Paterson, I would not be prepared to express an opinion as to which was right, because the circumstances might be entirely different from those under which the Government, from time to time, seconds an officer for loan work and charges his salary to that loan work. Personally, I find it difficult to understand what the objection to that position is. It seems to give a far more accurate record of what the work has cost.

THE HON. MR. BELL.—My own personal opinion is in accordance with yours, but I had a case where I was building an entirely new installation and a great deal of work was done by contractors and outside labour. I took one of my own engineers and put him in complete charge, and charged his salary to the capital cost of that particular piece of work, but my people said "No."

THE CHAIRMAN.—I should have thought it was quite right.

The votes were approved.
