

*9th March, 1938.*

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**PRESENT:—**

HIS EXCELLENCY THE GOVERNOR (SIR G. A. S. NORTHCOTE, K.C.M.G.).

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

THE COLONIAL SECRETARY (HON. MR. N. L. SMITH, C.M.G.).

THE ATTORNEY GENERAL (HON. MR. J. A. FRASER, M.C., *Acting*).

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

THE FINANCIAL SECRETARY (HON. MR. S. CAINE).

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

HON. MR. R. M. HENDERSON (Director of Public Works).

HON. MR. T. H. KING (Commissioner of Police).

HON. DR. P. S. SELWYN-CLARKE, M.C., (Director of Medical Services).

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

HON. MR. J. J. PATERSON.

HON. MR. CHAU TSUN-NIN, C.B.E.

HON. MR. LO MAN-KAM.

HON. MR. S. H. DODWELL.

HON. DR. LI SHU-FAN.

HON. MR. M. T. JOHNSON.

MR. B. C. K. HAWKINS (Deputy Clerk of Councils).

**ABSENT:—**

HON. MR. LEO D'ALMADA E CASTRO, JNR.

### MINUTES.

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

### NEW MEMBERS.

The Hon. Mr. J. A. Fraser, M.C. (Attorney General, *Acting*) and the Hon. Dr. P. S. Selwyn-Clarke, M.C. (Director of Medical Services) took the Oath of Allegiance and assumed their seats as members of the Council.

### RENTS COMMISSION.

H.E. THE GOVERNOR.—Honourable Members,—As you are aware, there has recently been considerable public discussion in local newspapers and elsewhere of charges for rent which are said to be generally rising, with inequitable results in certain cases. Moreover, individual representations have been made to me and, as I am cognisant, to certain members of this and the Executive Council, bearing upon the same points. During this week I have conferred upon this subject with persons interested therein and, this morning, with my Executive Council.

Several suggestions have been received from various quarters that legislation should be passed at once which would give greater protection to the holders of existing tenancies than that which common law and local statutes now provide and, conversely, would restrict the existing rights and powers of landlords. On the other hand, recognition is generally given to the fact that any such legislation would be unusual and drastic in its effect and might easily have repercussions which would inflict more harm than benefit in the end.

These issues have been carefully considered by Government, that is to say, the Governor in Executive Council, and the conclusion reached unanimously there is that while there is evidence that rents have risen and are rising and that tenants in certain cases are put into difficulty, not to say hardship, on that account, closer and more systematic investigation of the facts in relation to all relevant circumstances is necessary before such a far-reaching measure can properly be presented to this Council. I have, therefore, decided to appoint at once a small Commission empowered to receive and to analyse complaints by either of the parties to a tenancy agreement who considers himself aggrieved or injured by steps taken by the other party.

Should the report of that Commission—and I hope that it will be able to reach its conclusions rapidly—convince Government that action is necessary along the lines which I have mentioned, a bill will be put before you with all possible expedition.

### STANDING LAW COMMITTEE.

THE COLONIAL SECRETARY.—By Your Excellency's direction I rise to announce the appointment of the Standing Law Committee for 1938.

The following Members have been appointed and have agreed to serve: The Honourable the Attorney General (Chairman), The Honourable the Secretary for Chinese Affairs, The Honourable Sir Henry Edward Pollock, K.T., K.C., LL.D., The Honourable Mr. T. N. Chau, C.B.E., The Honourable Mr. M. K. LO.

### PAPERS.

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the following papers, saying: I wish to say that Item No. 18 on the list, the list of statements and abstracts of reports, is too bulky to print but these are available for Honourable Members to scrutinize if they so desire:—

Order made by the Governor in Council under section 2 of the Emergency Regulations Ordinance, 1922, Ordinance No. 5 of 1922, rescinding certain regulations for the prevention and mitigation of cholera, dated 18th December, 1937.

Amendment made by the Governor in Council under paragraph (f) of sub-section (1) of section 32 of the Telecommunication Ordinance, 1936, Ordinance No. 18 of 1936, to the Radiocommunication Regulations, dated 22nd December, 1937.

Rescission of the Order made by the Governor in Council on the 21st September, 1937, under section 18 of the Quarantine and Prevention of Disease Ordinance, 1936, Ordinance No. 7 of 1936, dated 28th December, 1937.

Licence granted by the Governor in Council under section 3 subsection (2) of the Telecommunication Ordinance, 1936, Ordinance No. 18 of 1936, and pursuant to agreements made between the Government of the Colony of Hong Kong and Cable and Wireless Limited, to the said Company to establish, maintain and work a telegraph within the Colony of Hong Kong and an exclusive licence to supply and operate the external fixed station commercial radio communications of the said Colony, dated 29th December, 1937.

Rescission of the Order made by the Governor in Council on the 23rd October, 1937, under section 18 of the Quarantine and Prevention of Disease Ordinance, 1936, Ordinance No. 7 of 1936, dated 31st December, 1937.

Stanley Market declared a market by the Urban Council under by-law 1 of the by-laws under the heading 'Markets' contained in the Schedule to the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, dated 18th January, 1938.

Amendment made by the Governor in Council under section 3 of the Post Office Ordinance, 1926, Ordinance No. 7 of 1926, to the Post Office Regulations relating to the U.S.A. Air Mail Services, dated 21st January, 1938.

Order made by the Governor in Council on the 21st day of January, 1938, under regulation 16 of the Emergency regulations published by Notification No. 621 in the Hong Kong Government Gazette of the 2nd October, 1931.

Amendment made by the Governor in Council under section 3 of the Pharmacy and Poisons Ordinance, 1937, Ordinance No. 8 of 1937, to the Third List to the Regulations, dated 14th February, 1938.

Amendments made by the Governor in Council under section 18 of the Pharmacy and Poisons Ordinance, 1937, Ordinance No. 8 of 1937, to the Poisons List, dated 14th February, 1938.

Notice given under section 5 of the Public Reclamations Validation and Clauses Ordinance, 1936, Ordinance No. 40 of 1936, re the definitive approval of the erection of a Pier at North Point by the Governor in Council, dated 17th February, 1938.

Temporary Regulations made by the Governor in Council under section 2 of the Lighting Control Ordinance, 1936, Ordinance No. 55 of 1936, dated 17th February, 1938.

Declaration under section 18 of the Quarantine and Prevention of Disease Ordinance, 1936, Ordinance No. 7 of 1936, dated 19th February, 1938.

Proclamation No. 13 of 1937.—Pharmacy and Poisons Ordinance, 1937, to come into operation on the 1st January, 1938.

Proclamation No. 1 of 1938.—Crown Rents (Apportionment) Ordinance, 1936, to come into operation as regards certain lots on 7th January, 1938.

Administration Reports, 1937:—

Part I.—General Administration:—

Financial Returns.

Sessional Papers, 1938:—

No. 1.—Report on a New Museum in Hong Kong.

No. 2.—Report on the Third Congress of Prehistorians of the Far East, held at Singapore, 1938.

List of statements and abstracts of reports of the following Companies, which have been deposited with the Registrar of Companies under the Life Insurance Companies Ordinance, 1907, during the year 1937:—

*Statements under Section 12.*

The China Hong Nin Life Insurance Company, Limited.

The Sincere Life Assurance Company, Limited.

The Wing On Life Assurance Company, Limited.

West Coast Life Assurance Company.

The Luk Hoi Tong Life Assurance Company, Limited.

The Oi Kwan Life Assurance Company, Limited.

*Statements under Section 13.*

The Tai Shan Insurance Company, Limited.

**QUESTIONS.**

HON. DR. LI SHU-FAN asked:—

1.—Will Government state what is the number of liquid fuel storage tanks in the immediate vicinity of residential districts, both Hong Kong and Kowloon, giving the numbers separately and their respective localities?

2.—Does Government agree that these tanks are potential sources of danger to the localities, either from accidental fire or from destructive missiles in time of war?

3.—If the answer to question 2 is in the affirmative, will Government consider the desirability of removing the tanks as speedily as possible to outlying districts, where they will not constitute a source of danger to the public?

THE COLONIAL SECRETARY replied:—

1.—There are 15 oil storage tanks in Hong Kong distributed as follows:—

*North Point Installation.*

5 large tanks	}	Benzine and Kerosene.
1 small tank		

4 large tanks	}	liquid fuel oil.
3 small tanks		

*West Point Petroleum Depot.*

*Davis Street.*

2 small tanks      Benzine.

*Kowloon.*

None of the tanks in Kowloon are in the immediate vicinity of residential districts.

2.—The requirements of the Fire Brigade in the matter of surrounding the tanks by retaining walls and of connexion with the chemical foam fire extinguishing system have been complied

with and there is no reason to think that the precautions taken are not adequate for the protection of property in ordinary circumstances.

The risk to neighbouring property would of course be increased by war conditions.

3.—The suggestion will have Government's consideration.

HON. MR. M. K. LO asked:—

With reference to the Commission appointed by His Excellency the Officer Administering the Government on the 7th day of October, 1937, for the purpose of inquiring into and establishing "the facts in relation to the alleged sinking of certain fishing junks the survivors of which were brought into Hong Kong on board the s.s. Scharnhorst and s.s. Kaying":

1.—What is the date of the Commissioners' Report?

2.—Is it the intention of Government to publish the Report for the information of the public, and if so, when?

3.—If it is not the intention of Government to publish the Report, will Government state the reasons for not publishing the same?

THE COLONIAL SECRETARY replied:—

1.—25th October, 1937.

2 & 3.—The report was referred to the Secretary of State for the Colonies for consideration by the Imperial Government. It is at present still under consideration and no instructions have yet been received as to its publication.

### **FINANCE COMMITTEE'S REPORTS.**

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid upon the table the Reports of the Finance Committee (Nos. 10 and 1), dated the 22nd December, 1937, and the 2nd February, 1938, respectively, and moved that they be adopted.

THE FINANCIAL SECRETARY seconded, and this was agreed to.

### **MOTIONS.**

THE DIRECTOR OF PUBLIC WORKS.—Sir,—At your instruction I rise to move the resolution standing in my name. The resolution is made necessary because of a proposal by the Hong Kong Tramways, Ltd., to construct a small extension to their existing track.

Under section 7 of the Tramway Ordinance, No. 10 of 1902, the approval of this Council is required for such an extension, and previous notification is also required to be given in the public press by the Company stating that it is their intention to apply for such approval.

This public advertisement has been duly given.

The extension in question covers the construction of a length of single tramway track approximately 170 ft. in length leading from the double tramway track in King's Road, over a portion of a public street of secondary importance, to the Tramway Company's new tramcar shed which will be erected on portions of Inland Lots Nos. 3546 and 4955.

There is no objection from the traffic point of view nor from the Public Works Department, and I therefore move:—

Resolved that the approval of the Governor in Council of permission to the Hong Kong Tramways, Limited, to construct a new single tramway track leading from the double tramway track in King's Road to Inland Lots Nos. 4955 and 3546 as shown in Enclosure (94)2 in C.S.O. 9365/04, and to maintain a tramcar shed on the said Inland Lots in connexion therewith be confirmed.

THE COLONIAL SECRETARY seconded, and this was agreed to.

### **GASHOLDERS EXAMINATION ORDINANCE, 1938.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to make provision for the periodical examination of gasholders." He said: The Objects and Reasons for this Bill are set out in the Memorandum attached to the Bill.

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:—

1. The Object of this Bill is to enable the Governor in Council to make regulations for the inspection of gasholders.
2. It results from a petition and other representations which have been made to the Government after a gasholder explosion which occurred at West Point, Hong Kong, on the 14th May, 1934.
3. The regulations in the Schedule place the obligation of carrying out periodical inspections on the proprietors of the gasholder; but provide that in the case of the annual examinations, to ascertain the external condition of all gasholders, and of the septennial examination, to ascertain the internal condition of gasholders more than fifteen years old, the proprietor's examiner shall be accompanied by a Government observer.

4. The regulations also provide for the making, keeping and furnishing of records and reports of the examinations and of all work done in consequence thereof.

### **ASIATIC EMIGRATION AMENDMENT ORDINANCE, 1938.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Asiatic Emigration Ordinance, 1915." He said: The Objects and Reasons for this Bill are also set out in the Memorandum attached to the Bill.

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:—

1. The object of this amending Bill is to exclude the sick bay or hospital of emigrant ships licensed under the provisions of the Asiatic Emigration Ordinance, 1915, from the passenger deck space required to be measured for the purpose of determining the number of emigrants to be carried in such ships.

2. The amendment is necessary in order to allow for the proper segregation of sick emigrants, particularly those suffering from infectious or contagious disease, and to prevent the overcrowding which necessarily results under the existing law from such segregation.

3. Clause 2 of the Bill effects the amendment by substituting the words "shall not be included" for the words "shall be included" in the third line of regulation 4 (7) in the Fourth Schedule and the corresponding regulation in the Sixth Schedule to the principal Ordinance.

4. Clause 3 of the Bill is the suspending clause necessitated by the proviso to section 2 of the Chinese Passengers Act, 1855, (18 & 19 Vict., c. 104).

### **EMPIRE PREFERENCE AMENDMENT ORDINANCE, 1938.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Empire Preference Ordinance, 1932." He said: The Objects and Reasons for this Bill are set out in the Memorandum attached to the Bill which Honourable Members will see is merely to correct the position arising from the separation of Burma from India.

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:—

As Burma has now been separated from India, the former country is no longer covered by the definition of "The British Empire" contained in section 2 of the principal Ordinance, as amended by the Empire Preference Amendment Ordinance, 1934.

Clause 2 of this Bill inserts the word "Burma," immediately after the word "India," in that definition, in pursuance of instructions given by the Secretary of State for the Colonies in his circular despatch of 23rd December, 1937.

### **CORONATION HOSPITALITY.**

HON. MR. S. H. DODWELL.—Your Excellency,—As this is the first Council Meeting which has been held since my return to the Colony in December, I would very much like, with your Excellency's permission, to take the opportunity publicly to thank the Hong Kong Government and the Home Government for the wonderful hospitality shown to Dr. Ts'o and myself as the representatives of the Colony at the Coronation of Their Majesties. Had we been permitted to select our own seats in the Abbey, we could not have chosen better ones than those allotted to us. Besides the ceremony in the Abbey, we were honoured with invitations to many other brilliant functions, including the State Ball at Buckingham Palace, the Naval Review at Spithead, and the Receptions given by the Speaker in the House of Commons and the Lord Chancellor in the House of Lords, while quite apart from Government entertainment, the invitations from various sections of the community to dinners, luncheons and garden parties were so numerous that it was a physical impossibility for us to accept them all.

May I request Your Excellency to be good enough to have conveyed to the Secretary of State, on behalf of Dr. Ts'o, my wife and myself, a message expressing our deep appreciation of the excellence of the arrangements made for our reception, our comfort and our enjoyment during a most memorable visit. (Applause).

H.E. THE GOVERNOR.—I shall be very pleased to comply with the Hon. Member's request.

### **ADJOURNMENT.**

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

### **FINANCE COMMITTEE.**

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

Votes totalling \$391,999, being \$101,589 under Estimates, 1937, and \$290,410 under Estimates, 1938, were considered.

Item 190.—28, Miscellaneous Services: Expenses of Mui Tsai Commission, \$7,266.

HON. SIR HENRY POLLOCK.—Is it known how much of this sum is due to printing?

THE CHAIRMAN.—I have not got particulars, I am afraid. I can easily provide Honourable Members with them.

HON. SIR HENRY POLLOCK.—I would like to make a general remark here with regard to printing. We get so many of these papers in the Legislative Council that it seems an extravagance to send copies to members beforehand and when we come to the Council Chamber to give us further copies. In Item 193 the considerable increase in the cost of paper is mentioned. A little more economy might be exercised, I think by not giving Members two copies.

HON. MR. PATERSON.—When a paper is of any importance there are not enough copies to go round.

THE CHAIRMAN.—What papers?

HON. MR. PATERSON.—I really forget now.

HON. MR. LO.—I have always understood that printing was the main cost and paper was not much more.

THE CHAIRMAN.—I will go into the whole question. In a small Council like this it would not be a substantial saving to provide Members with only one copy. Besides, we would have to rely on Members not forgetting to bring their copies to the Council.

HON. MR. LO.—Is the \$15,000 the total cost of the Commission or the part the Hong Kong Government has to pay? I understand Singapore is to pay half.

THE CHAIRMAN.—This is the total expense for Hong Kong, surely. It should have said the total proportion for Hong Kong. I do not think it could mean anything else, but I will verify that also.

Item 198.—26, Kowloon-Canton Railway: Special Expenditure.—Repairs to damaged Locomotive and Wagons, \$97.

HON. MR. DODWELL.—Do we have to pay for damage caused by bombing?

THE CHAIRMAN.—This originally came up at the end of last year. We sent in a claim to the Secretary of State and also to Tokyo, and we have heard nothing about it. The first despatch was sent to the Secretary of State and to Tokyo on November 9th, 1937, and according to advices we had here we were advised that the working

agreement between the two sections of the Kowloon-Canton Railway was such that no claim for damages could be sustained against the Chinese section. We suggested that the claim might be made against the Japanese Government and a copy was sent to Tokyo. That claim was for \$18,000. There was a further claim on January 7th for \$7,000 which includes this item. This is a re-vote of part of the second claim.

Item 199.—29, Charitable Services: 4, Alice Memorial and Affiliated Hospitals, \$33,000.

HON. DR. LI.—I understand this is a deserving cause. Is there any time limit on the obligation?

THE FINANCIAL SECRETARY.—I do not think there was any time limit originally. We pay up to \$50,000. The matter has been under discussion with the Hospitals.

THE CHAIRMAN.—I think it says clearly that we agreed to pay up to \$50,000 three years ago. This year we repeated the vote and they satisfied Government that \$33,000 would be raised up to December, 1937, and that we pay dollar for dollar.

HON. DR. LI.—Then Government is still prepared to pay another \$17,000 if that amount is raised by the Hospitals?

THE CHAIRMAN.—Yes.

Item 12.—32, Public Works Department:—Other Charges: 16, Upkeep and Running Expenses of Motor Lorries and Cars, \$16,500.

HON. SIR HENRY POLLOCK.—I notice that this system has proved unsatisfactory.

THE FINANCIAL SECRETARY.—It is an accounting change. Instead of being paid from personal emoluments it is paid through another vote.

HON. MR. PATERSON.—I suppose if you run over people then you are not liable?

THE FINANCIAL SECRETARY.—We had not considered that. I don't think we should repudiate that. The new system gives us better control over the drivers.

Item 14.—34, Public Works Extraordinary:—Kowloon. Buildings. New Wireless Telegraph Station at Hung Hom, \$50,000.

HON. SIR HENRY POLLOCK.—I would like some information on this. It was originally made a loan matter.

THE FINANCIAL SECRETARY.—This has been explained in the Council under the Revised Loan Schedule, 1937-38. It is only an accounting transfer. It was decided that this particular building, as it was not being actually used for the aerodrome wireless station, could not be appropriately charged to loan, although it was originally charged to loan.

Item 15.—10, A.—Harbour Department:—Special Expenditure: Salvaging and reconditioning of *Kau Sing*, \$100,000.

THE CHAIRMAN.—I am authorized to state that the fate of the *Kau Sing* is still under discussion. As Members know, this was debated by the Harbour Advisory Board a month or two ago and it was decided that the most profitable thing to do was to get her off the rocks and into dock at Government's expense. What should be done thereafter has still to be discussed. I am authorized to say that the matter is standing still at the moment and is under consideration. It is almost certain I think, as far as the harbour Advisory Board recommendations are concerned, that she will not be used in her old capacity as a rescue tug.

Item 26.—20, Police Force:—Special Expenditure. Police Telephone Pillar, \$2,010.

HON. SIR HENRY POLLOCK.—What is a Police Telephone Pillar?

THE CHAIRMAN.—It is a sort of small edition of a telephone box made of concrete.

All the votes were approved.

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