

30th May, 1940.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT (MR. N. L. SMITH, C.M.G.).

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS, (MAJOR GENERAL A. E. GRASETT, D.S.O., M.C.).

THE COLONIAL SECRETARY (HON. MR. R. A. C. NORTH, *Acting*).

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

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. W. J. CARRIE, *Acting*).

THE FINANCIAL SECRETARY (HON. MR. H. R. BUTTERS, *Acting*).

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

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

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

HON. MR. H. J. PEARCE, M.C. (Director of Public Works, *Acting*).

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

HON. MR. J. J. PATERSON.

HON. MR. LO MAN-KAM.

HON. MR. S. H. DODWELL.

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

HON. DR. LI SHU-FAN.

HON. MR. A. L. SHIELDS.

HON. MR. W. N. T. TAM.

MR. C. B. BURGESS (Deputy Clerk of Councils).

MINUTES.

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

NEW MEMBER.

The Hon. Mr. H. J. Pearce, M.C. (Director of Public Works, *Acting*) took the Oath of Allegiance and assumed his seat as a member of the Council.

ANNOUNCEMENT.

H.E. THE GENERAL OFFICER COMMANDING.—I feel sure that Honourable Members will not expect me to express any opinion on the situation in Europe. We all realise the gravity of it and there is no doubt that it will require our maximum efforts to defeat our enemies. The situation may deteriorate before it improves, but we now know the task that lies ahead, and we also know that the British and French Nations are at their best when they are up against it.

I feel that Honourable Members will agree that here in Hong Kong it would be prudent for us to examine with care our own arrangements for the protection of the Colony in the light of the experience gained elsewhere during the last few weeks.

There are many young men who are anxious to go home at once and fight, and there is a genuine desire amongst the British and Chinese in the Colony to do everything in their power to help the cause of the Allies. To those who are anxious to go home and take an active part in the war I want to make it clear that the present policy of the Government, as contained in orders which I have received from the War Office, is that all the resources of Hong Kong must be retained in Hong Kong for the defence of the Colony. I am not allowed to send anyone home or to grant leave to a member of the Volunteer Defence Corps except on medical grounds. Therefore for the present there can be no question of permitting anyone to go home and fight. I know that this will disappoint many, but it may be that the policy will be changed and Volunteers will be called for to go home. In any circumstances, therefore, it is important that everyone should train and fit themselves in their respective duties for whatever may come.

Honourable Members will wish to know what further measures are considered necessary for the security of the Colony. These are as follows:—

The age limit for service in the Combatant Group of the Volunteer Defence Corps will be raised from 41 to 46.

The Key-Post and Essential Service Groups will be reviewed, and all those at present allotted to these Groups who are not obviously required to remain in their civil occupations in a serious emergency will be transferred to the Combatant Group. The present Key-Post Group is too large, and I think Honourable Members will agree that an individual should only be classed as a key-man if for reasons of defence he must, in an emergency, continue in his civil employment.

All members of the Key-Post Group will be required to undergo military training in order that they may be able to defend themselves and if necessary assist in the protection of their places of employment.

It is important to guard against the danger of sabotage. There are a number of men over military age who are anxious to give their services to assist in the security of the Colony. It is proposed to call for Volunteers from those who, for reasons of age, are unable to play an active part, but who are prepared and capable of undertaking the static guard duties of vulnerable points. I am glad to say that Mr. A. W. Hughes has consented to organise this body which will form an auxiliary part of the Hong Kong Volunteer Defence Corps. An appeal to volunteers to form this Group will be made shortly. Members of the Group will only be required to carry out a small amount of training to enable them to perform their duties.

I hope very much that this Council will recognise the need for the measures which I have outlined and accept them as being prudent and necessary. We have had ample evidence of German methods and activities, and in my opinion we would be very unwise were we not to take all possible steps to apply here the lessons of the last few months.

Just before lunch to-day I have a telegram from the War Office, and, in my opinion, the news is better than it has been for the last few days. The situation, of course, is still grave, but it is more refreshing, in my opinion, than it has been during the last few days.

I also had telegrams last night from Tientsin and Shanghai in which it was clear that the Germans at both these places are spreading rumours of the most alarming nature about events in Europe. Their reasons for spreading these rumours are obvious because it is a definite part of their propaganda and war effort to cause the maximum amount of alarm and despondency amongst the Allies and neutrals.

I am sure that Honourable Members of this Council will agree that that we must be on our guard against any outrageous rumours, and I hope very much that those who are in a position to exercise any control over information which is spreading abroad will do their utmost, without disguising the facts or in any way withholding the truth. I also hope that they will recognise that the enemy's methods are what they are, and that it is quite ruthless spreading of false propaganda with a view to causing as much loss of morale and dismay as they can to the Allies. (Applause).

PAPERS.

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

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1939, with the consent of the Governor, prohibiting the importation of motor vehicles and radio receiving sets, dated 24th April, 1940.

Order made by the Controller of Food under the Defence Regulations, 1939, with the consent of the Governor, fixing the standard price for certain articles of food, dated 26th April, 1940.

Order made by the Governor under section 20 of the Trading with the Enemy Ordinance, 1914, Ordinance No. 25 of 1914, dated 26th April, 1940.

Order made by the Governor under regulation 32 of the Defence Regulations, 1939, declaring certain premises to be protected places for the purposes of the said regulations, dated 30th April, 1940.

Order made by the Controller of Food under the Defence Regulations, 1939, with the consent of the Governor, fixing the standard price for certain articles of food, dated 1st May, 1940.

The Compensation (Defence) Regulations, 1940, made by the Governor under the Emergency Powers (Colonial Defence) Order in Council, 1939, dated 8th May, 1940.

Order made by the Controller of Food under the Defence Regulations, 1939, with the consent of the Governor, fixing the standard price for certain articles of food, dated 10th May, 1940.

Order made by the Governor in Council under section 3 of the Importation and Exportation Ordinance, 1915, Ordinance No. 32 of 1915, prohibiting the importation of cargo from Canton by steamer or motor vessel, dated 17th May, 1940.

Amendment made by the Governor under section 1 (2) (d) of the Emergency Powers (Defence) Act, 1939, as applied to this Colony by the Emergency Powers (Colonial Defence) Order in Council, 1939, to the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, and the Merchant Shipping (Aliens Employment) Ordinance, 1922, Ordinance No. 8 of 1922, dated 16th May, 1940.

Order made by the Governor under regulation 4 of the Defence (Finance) Regulations, 1940, and regulation 91 of the Defence Regulations, 1939, revoking Order made under regulation 3A of the Defence (Finance) Regulations, 1939, dated 15th May, 1940.

Order made by the Stores Controller under regulation 50 of the Defence Regulations, 1939, with the consent of the Governor, dated 17th May, 1940.

The Control of Communications Amendment Order, 1940, made by the Governor under the Defence Regulations, 1939, dated 11th May, 1940.

Order made by the Controller of Food under the Defence Regulations, 1939, with the consent of the Governor, fixing the standard price of Sweetened Condensed Milk, Longevity Brand, dated 17th May, 1940.

Order made by the Governor in Council under section 73 (1) of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, authorizing New Kowloon Inland Lot No. 2662 for use as a Roman Catholic Cemetery, dated 22nd May, 1940.

Order made by the Controller of Food under the Defence Regulations, 1939, with the consent of the Governor, fixing the standard price for certain articles of food, dated 23rd May, 1940.

Proclamation No. 3—Registration of Dentists Ordinance, 1940, to come into operation on 1st July, 1940.

Administration Reports, 1939:—

Part III.—Public Health:—

Report of the Chairman of the Urban Council.

Part VII.—Undertakings of Government:—

Report of the General Post Office.

Nutrition in Hong Kong.

MOTIONS.

THE FINANCIAL SECRETARY.—I rise to move the following resolution:—
"Resolved pursuant to the proviso of section 3 of the Note-issuing Banks Extension of Powers Ordinance, 1939, that this Legislative Council hereby extends the powers of all the note-issuing banks to make, issue, re-issue and circulate notes until and including the 12th day of July, 1941." Ordinance No. 21 of 1939, the Note-issuing Banks Extension of Powers Ordinance, 1939, extended until 12th July, 1940, the legal powers, which expired on 12th July, 1939, of the Chartered Bank of India, Australia and China, the Hong Kong and Shanghai Banking Corporation and the Mercantile Bank of India Limited, to issue notes. That extension was subject to the proviso that this Council may by resolution further extend the powers of any or all of the note-issuing banks for a period or periods not exceeding twelve months at any one time.

This resolution is concerned only with the machinery for the issue of notes and enables the banks concerned to carry on as at present for a further year in accordance with the terms of the Ordinance.

THE COLONIAL SECRETARY seconded, and the motion was carried.

URBAN COUNCIL BY-LAWS.

THE ATTORNEY GENERAL.—I rise to move that the amendments made by the Urban Council under section 5 of the Public Health (Food) Ordinance, 1935, on the 9th day of April, 1940, to the heading "Restaurants and Eating-houses" and the by-laws in the Schedule to that Ordinance be approved. This is a health by-law which requires the approval of this Council. The new by-law will read:—

Except under and in accordance with a licence granted by the Council for a Restaurant or Eating House, or for a Hawkers' Food Stall issued under Ordinance No. 22 of 1935, no person shall sell or expose for sale any article of cooked food for man usually sold or exposed for sale ready for immediate consumption. Such licence shall be in addition to any licence issued under the Liquors Ordinance, 1931.

THE COLONIAL SECRETARY seconded, and the motion was carried.

THE ATTORNEY GENERAL.—I rise to move that the amendment made by the Urban Council under sections 5 and 6 of the Public Health (Food) Ordinance, 1935, on the 23rd day of April, 1940, to the by-laws in the Schedule to that Ordinance under the heading "Food Shops" be approved. This amendment is to By-law 1A by the insertion of the words "warehouse or store or" between the words "no person shall" and "sell" in the third line.

THE COLONIAL SECRETARY seconded, and the motion was carried.

THE ATTORNEY GENERAL.—I rise to move that the amendment made by the Urban Council under section 4 of the Public Health (Sanitation) Ordinance, 1935, on the 7th day of May, 1940, to the by-laws under the heading "Domestic Cleanliness and Prevention of Disease" and the sub-heading "Restrictions on Sale of Certain Food-stuffs" in Schedule A to that Ordinance be approved. This is an amendment to By-law 11 (b) which restricts the sale of certain food-stuffs. The by-law is amended by the insertion of the words "or jellies" after the words "non-aerated drinks" in the fourth line. This will restrict the sale of jellies in connection with Cholera prevention.

THE COLONIAL SECRETARY seconded, and the motion was carried.

TRADE BOARDS BILL, 1940.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to provide machinery for fixing minimum wages, determining normal working hours and fixing overtime rates in trades where the wage standards are unreasonably low." He said: In fulfilment of the obligations of this Colony under Article 421 of the Treaty of Versailles, the Minimum Wages Ordinance, which is to be repealed by this Bill, was passed in 1932. That Ordinance merely provided the power to lay down rates of minimum wages where they seemed to be required, and has never been invoked. This new Ordinance goes a great deal further for it not only gives the power but also contains the machinery under which the power will be exercised by the establishment of Trade Boards and English legislation has been used as a model.

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 Minimum Wage Ordinance, 1932, made provisions for fixing minimum wages in occupations where the wages paid are unreasonably low. It has never been invoked.
2. It is a short and simple ordinance. It does not appear to envisage the fixing of any wage other than a minimum time rate, and it contains no reference to piece rates or hours of employment.
3. For the purpose of necessary inquiry and report it provides for the appointment of a Board of Commissioners consisting of five persons of whom one shall be a judge or magistrate who shall be Chairman of the Board.
4. No machinery is provided for enforcing the payment of any minimum wage fixed under the Ordinance.
5. The present Bill follows closely certain provisions of the Trade Boards Acts 1909 and 1918. Power to fix minimum wages remains with the Governor in Council, but a Trade Board on which employers and employees shall be equally represented together with members of the public is substituted for a Board of Commissioners as the machinery for inquiry and report in each case. In pursuance of the policy of encouraging the organization of responsible trade unions it is considered desirable and feasible that representatives of workers should function as members of these Trade Boards and learn in practice the advantages of conciliation and arbitration.

6. Provision is made for the fixing of time rates, piece rates, and overtime rates. Payment by piece rates is common in local industries.

7. Following the Home Acts, adequate provision is made for the enforcement of approved minimum rates, but the Labour Officer's consent to prosecution is required.

8. This Bill has been prepared by the Labour Officer, Mr. H. R. Butters.

ADVERTISEMENTS REGULATION AMENDMENT BILL, 1940.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Advertisements Regulation Ordinance, 1912." He said: It is felt that the powers given to the Governor in Council under the 1912 Ordinance could be exercised more appropriately by the Urban Council, and this Bill will have that effect.

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. Under the existing law every application for a licence to erect any sky sign or similar advertisement has to be considered by the Governor in Council who is the licensing authority. It is undesirable that the Governor and members of Council should be troubled with the examination of the numerous points of detail arising out of such applications. Moreover the control of advertisements which in some cases affect injuriously the amenities of the locality is work eminently suitable for control by a body such as the Urban Council.

2. The amendments introduced by clauses 2, 3, 4 and 5 of the Bill transfer from the Governor in Council to the Urban Council the power to issue licences and to make by-laws for the control of advertisements.

3. The Chairman of the Urban Council replaces both the Director of Public Works and the Commissioner of Police as the authority to authorize the removal of advertisements which do not comply with the law.

4. The power of appeal granted under clause 6 is similar to that possessed by aggrieved persons under sections 84, 85 and 86 of the Public Health (Sanitation) Ordinance, No. 15 of 1935, and under sections 161, 162 and 163 of the Buildings Ordinance, No. 18 of 1935. It is considered expedient to extend this right of appeal to the present Ordinance.

NEW TERRITORIES REGULATION AMENDMENT BILL, 1940.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the New Territories Regulation Ordinance, 1910." He said: The objects and reasons for this Bill are explained in the memorandum attached.

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. It is considered that the time has now come for the manufacture and sale of food in the New Territories to be subject to some manner of control on the lines of that exercised by the Urban Council in Hong Kong, Kowloon and New Kowloon. It is not, however, practicable at present to apply in rural areas the same laws and regulations as apply to the urban areas.

2. Section 2 of Ordinance No. 18 of 1938, which replaced section 6A (1) of Ordinance No. 34 of 1910, empowered the Governor in Council to lay down for the New Territories simple general rules for the prevention of nuisances and for dealing with matters with regard to which the Urban Council had power to make by-laws under the Public Health (Sanitation) Ordinance, 1935, and the Buildings Ordinance, 1935.

3. Clause 2 of this Bill, by providing for the inclusion of the Public Health (Food) Ordinance, 1935, in section 6A (1) of the principal Ordinance, enables the Governor in Council to make rules for the maintenance of public health in relation to food in the New Territories.

DEFENCES (SKETCHING PREVENTION) AMENDMENT BILL, 1940.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Defence (Sketching Prevention) Ordinance, 1895." He said: The effect of this Bill is fully set out in the memorandum, and merely brings the old ordinance up to date to meet modern conditions.

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:—

The object of this amending Bill is to bring the Defences (Sketching Prevention) Ordinance up to date by applying it to air force premises as well as to naval or military premises, to His Majesty's aircraft as well as to His Majesty's ships, to the field of fire from batteries, to landing, firing, bombing or minefield areas as well as to anchorages and to give to commissioned or non-commissioned officers in the air forces the same powers of arrest as are given to the like officers in the naval or military forces.

PREVENTION OF EVICTION AMENDMENT BILL, 1940.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Prevention of Eviction Consolidation and Amendment Ordinance, 1939." He said: A Bill of a similar title was read a first time on April 18th. That Bill will not be proceeded with, this and another Bill replacing it.

On April 18th when I introduced the former Bill, I stated that it was made to implement the undertaking given by the Financial Secretary on the introduction of the War Revenue Bill with regard to the passing on of the Property Tax. I then said that the Bill in that form may not be the best way of attaining that object. The Bill was considered by a Special Committee, consisting of the Financial Secretary, the Hon. Sir Henry Pollock and the Hon. Mr. M. K. Lo. The Committee recommended that, instead of dealing with the passing on of the War Property Tax entirely by amending the Prevention of Eviction Ordinance, which had been the original proposal, it was better to deal with it mainly in a special Ordinance. But at the same time, the Committee recommended that the Prevention of Eviction Ordinance be amended in those sections which deal with the fixing of fair rent, and also that the final section under which the previous Ordinance expires this year be amended so that it could be extended for another year. This Bill proposed by the Committee has been approved by the Government, and it is intended to pass it through all stages to-day because the principal Ordinance is due to expire in the next two days.

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:—

Clauses 2, 3 and 4 of this Bill amend sections 3, 4 and 6 of the principal Ordinance so as to make it clearer that the fair and reasonable rent contemplated by those sections is not to be enhanced by the passing on of the property tax which by section 5 of Ordinance No. 13 of 1940 is to be borne by the owner.

Clause 5 continues the principal Ordinance for another year.

THE PREVENTION OF PASSING ON OF WAR PROPERTY TAX BILL, 1940.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to Prevent the Passing On of War Property Tax." He said: This is the companion Bill drafted by the Committee and it is not intended to take it through all its stages to-day. In fact certain small amendments have been suggested and when the Bill is in Committee those amendments will be introduced. It has been suggested that in Clause 2, (1) (b), the word "tenement" be substituted for "dwelling-house" as the final word; in Clause 2 (1) (e) the word "Governor" be substituted for "Government" in the second line; and that Clause 6 be amended. Clause 6 as it stands only provides for applications to the Court of Summary Jurisdiction by tenants. It is proposed to amend that so that the Clause will read:—

6. Where a notice of increase of rent in respect of any tenement has been given by the landlord, such landlord and tenant, notwithstanding anything contained in the Supreme Court (Summary Jurisdiction) Ordinance, 1873, may apply in a summary way to a judge in Chambers in the Summary Jurisdiction to decide whether the proposed increase of rent is fair and reasonable, and on such application the judge may give such directions in the matter as he thinks proper. The decision of a judge under this section shall be final as between the landlord and the tenant.

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:—

This Bill was drafted by a Committee of members of the Legislative Council to implement the requirement of section 5 of the War Revenue Ordinance, 1940, (Ordinance No. 13 of 1940) that Property Tax should be charged on and borne by the owner. The Committee considered that so long as this result was secured it was just both to landlords and to tenants to allow the former fair and reasonable rent.

PREVENTION OF EVICTION AMENDMENT BILL, 1940.

THE ATTORNEY GENERAL.—I rise to move the suspension of so much of the Standing Orders as stands in the way of taking the Bill to amend the Prevention of Eviction Consolidation Amendment Ordinance, 1939, through all its stages to-day.

THE COLONIAL SECRETARY seconded and this was agreed to.

THE ATTORNEY GENERAL.—I rise to move the second reading of a Bill intituled "An Ordinance to amend the Prevention of Eviction Consolidation and Amendment Ordinance, 1939."

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

Council then 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.

ADJOURNMENT.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.—Council stands adjourned *sine die*.

FINANCE COMMITTEE.

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

Votes totalling \$845,536, contained in Message No. 5 from H.E. The Officer Administering The Government, were considered.

Item 79.—21, Prisons Department:—Special Expenditure: 2 Printing Machines, \$390.

HON. MR. PATERSON.—I thought the Prison was giving up printing. There was something in the Press about it.

THE FINANCIAL SECRETARY.—That is so. This is in respect of last year.

HON. MR. DODWELL.—These machines will be taken over.

All the votes were approved.
