

*25th July, 1940.*

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**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).

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.

**PAPERS.**

THE COLONIAL SECRETARY.—By Your Excellency's command I lay on the table certain papers, copies of which are already in the hands of Honourable Members with one exception—the Ordinances of Hong Kong (1937 Edition), Volume III, 1915-1931, copies of which will be distributed after the meeting.

The papers laid were as follows:—

The Defence Regulations, 1940, made by the Officer Administering the Government under the Emergency Powers (Colonial Defence) Order in Council, 1939, and the Emergency Powers (Colonial Defence) Order in Council, 1940, dated 25th June, 1940.

Amendment made by the Governor in Council under section 16 of the Essential Commodities Reserve Ordinance, 1939, Ordinance No. 38 of 1939, to the Essential Commodities Reserves Regulations, dated 28th June, 1940.

Rescission of Government Notification No. 673 of 1940 made by the Governor in Council under section 7 (2) (a) of the Telecommunication Ordinance, 1936, Ordinance No. 18 of 1936, dated 28th June, 1940.

Resolution made and passed by the Legislative Council on 27th June, 1940, under the Tramway Ordinance, 1902, Ordinance No. 10 of 1902.

Amendments made by the Officer Administering the Government under the Emergency Powers (Defence) Acts, 1939 and 1940, as extended to the Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Ships (Names, tonnage and sailing dates) Regulations, 1939, dated 26th June, 1940.

Amendments made by the General Officer Commanding the Troops, with the approval of the Officer Administering the Government after consultation with the Commandant of the Hong Kong Volunteer Defence Corps, under section 10 of the Volunteer Ordinance, 1933, Ordinance No. 10 of 1933, to the regulations, dated 24th June, 1940.

Order made by the Controller of Food under the Defence Regulations, 1939, with the consent of the Officer Administering the Government, fixing the maximum retail prices for certain articles of food, dated 28th June, 1940.

Amendment made by the Governor in Council under section 2 of the Emergency Regulations Ordinance, 1922, Ordinance No. 5 of 1922, to the regulations, dated 29th June, 1940.

Amendment made by the Officer Administering the Government 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 Holidays Ordinance, 1912, Ordinance No. 5 of 1912, dated 29th June, 1940.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1939, with the consent of the Officer Administering the Government, prohibiting the export of flour, soya beans and soya bean products, dated 1st July, 1940.

Amendment made by the Governor in Council under the Post Office Ordinance, 1926, Ordinance No. 7 of 1926, to the regulations, dated 2nd July, 1940.

Amendment made by the Governor in Council under the Post Office Ordinance, 1926, Ordinance No. 7 of 1926, to the rates of postage, dated 2nd July, 1940.

Amendment made by the Governor in Council under section 3 of the Post Office Ordinance, 1926, Ordinance No. 7 of 1926, to the regulations, dated 2nd July, 1940.

The Dentists Regulations, 1940, made by the Governor in Council under section 25 of the Registration of Dentists Ordinance, 1940, Ordinance No. 1 of 1940, dated 3rd July, 1940.

Amendments made by the Officer Administering the Government 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, as respectively amended by the Emergency Powers (Defence) Act, 1940, and the Emergency Powers (Colonial Defence) Order in Council, 1940, to the Registration of Persons Ordinance, 1939, Ordinance No. 12 of 1939, dated 5th July, 1940.

Amendments made by the Officer Administering the Government under the Emergency Powers (Colonial Defence) Order in Council, 1939, and the Emergency Powers (Colonial Defence) Order in Council, 1940, to the Defence Regulations, 1940, dated 5th July, 1940.

Order made by the Officer Administering the Government under regulation 15 of the Defence Regulations, 1940, dated 5th July, 1940.

Order made by the Officer Administering the Government under regulation 32 of the Defence Regulations, 1940, dated 5th July, 1940.

Order made by the Controller of Food under the Defence Regulations, 1940, with the consent of the Officer Administering the Government, fixing the standard price for certain articles of food, dated 5th July, 1940.

Amendment made by the Officer Administering the Government 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, as respectively amended by the Emergency Powers (Defence) Act, 1940, and the Emergency Powers (Colonial Defence) Order in Council, 1940, to the Buildings Ordinance, 1935, Ordinance No. 18 of 1935, dated 11th July, 1940.

Amendment made by the Officer Administering the Government 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, as respectively amended by the Emergency Powers (Defence) Act, 1940, and the Emergency Powers (Colonial Defence) Order in Council, 1940, to the Hong Kong Corps of Air Raid Wardens Ordinance, 1940, Ordinance No. 6 of 1940, dated 11th July, 1940.

Order made by the Controller of Food under the Defence Regulations, 1940, with the consent of the Officer Administering the Government, fixing the standard price for certain articles of food, dated 12th July, 1940.

Amendment made by the Officer Administering the Government under the Emergency Powers (Colonial Defence) Order in Council, 1939, and the Emergency Powers (Colonial Defence) Order in Council, 1940, to the Defence Regulations, 1940, dated 17th July, 1940.

The Trading with the Enemy Ordinance, 1914, Amendment Regulations, 1940, made by the Officer Administering the Government 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, as respectively amended by the Emergency Powers (Defence) Act, 1940, and the Emergency Powers (Colonial Defence) Order in Council, 1940, dated 18th July, 1940.

The Trading with the Enemy (Specified Territories) Order, 1940, made by the Officer Administering the Government under section 2 (1) (e) of the Trading with the Enemy Ordinance, 1914, Ordinance No. 25 of 1914, as amended by regulation 2 of the Trading with the Enemy Ordinance, 1914, Amendment Regulations, 1940, dated 18th July, 1940.

Proclamation No. 5.—Calling out certain members of the Hong Kong Corps of Air Raid Wardens.

Proclamation No. 6.—Colony subject to the provisions of sections 7, 8, 9, 11, 12, 12A and 14 of the Peace Preservation Ordinance, 1886, Ordinance No. 10 of 1886.

Proclamation No. 7.—Calling out certain members of the Hong Kong Corps of Air Raid Wardens.

Administration Reports, 1939:—

Part I.—General Administration:—

Financial Reports.

Regulations made by the Governor in Council under sections 6, 13 (3), (4), 17 (3), 48, 50, 54 (1), 57, 64 and 76 of the Dutiable Commodities Ordinance, 1931, Ordinance No. 36 of 1931.

Ordinances of Hong Kong (1937 Edition), Volume III, 1915-1931.

### QUESTIONS.

HON. MR. LEO D'ALMADA E CASTRO, JNR., asked:—

- (1) Was the recent compulsory evacuation of women and children from the Colony at the order of the Home Government of directed by the Hong Kong Government?
- (2) If the former, was the order in terms that only British women and children of pure European descent should be evacuated?
- (3) If the answer to (2) is in the affirmative, did Government draw the attention of the Home Government to the following:—
  - (a) that there is in the Colony a large number of British women and children who are not of pure European descent?
  - (b) the consequent discrimination involved in the said order?
- (4) If the answer to (1) is that the said evacuation was directed by the Hong Kong Government, will Government state its reasons for limiting it as indicated in (2)?
- (5) Is it not a fact that
  - (a) before September, 1939, a scheme had been drawn up by a Committee appointed by Government, which scheme provided for the evacuation *inter alia* of women and children who are British subjects?

- (b) that the said Committee recommended "selective evacuation" if the available accommodation fell short of requirements and suggested further that a reasonable basis for determining the order of selection would be:—
- (i) Naval and Naval Volunteer families;
  - (ii) Military, R.A.F. and H.K.V.D.C. families;
  - (iii) Civilian families.
- (c) that those to whom the operation of the scheme was entrusted were unequivocally informed that, upon an evacuation, and irrespective of the question of accommodation, the said order of selection or precedence would be observed?
- (d) that before September, 1939, personnel had been recruited for the purpose of putting the scheme into operation when the occasion arose?
- (e) that the said scheme was designed to operate at short notice?
- (f) that as regards the recent evacuation there was no question of short notice?
- (6) If the answers to (5) (a) and (b) are in the affirmative will Government state why the said scheme and order of precedence were abandoned in favour of the evacuation as in fact carried out?
- (7) Who is to bear the cost of the recent evacuation?
- (8) Are wives and families of members of the H.K.V.D.C. who are not of pure European descent to be evacuated?
- (9) If so, when?
- (10) If not, why not?
- (11) Are British women and children who are not of pure European descent to be evacuated?
- (12) If so, when?
- (13) If not, why not?
- (14) If the answers to (8) and/or (11) are in the negative, should not Government have made an early statement accordingly, so that the many concerned might make their own arrangements?
- (15) Has Government any definite policy in regard to evacuation?

(16) If so, will Government make a full and frank statement with regard thereto?

THE COLONIAL SECRETARY replied:—

- (1) As announced in the Press communique issued on 29th June last this action was taken on instructions from the War Cabinet.
- (2) The terms of the order were that this should be done as a first step.
- (3) The answer is in the negative. His Majesty's Government is aware of the position.
- (4) Does not arise.
- (5) The 1939 scheme was drawn up to meet a contingency which has not yet arisen, and it is considered unnecessary to adopt it in present circumstances. Should the situation alter appropriate steps will be taken.
- (6) See my reply to question 5.
- (7) The cost of transport of civilian families will be met from Hong Kong funds. The question of the extent to which maintenance will be provided from the same source is under discussion.
- (8) Yes, if occasion arises and if suitable arrangements can be made.
- (9) When occasion arises.
- (10) See the answer to 13.
- (11) This cannot be guaranteed but what is possible will be done.
- (12) When occasion arises.
- (13) There may be practical difficulties such as lack of shipping or the difficulty of obtaining admission to other territories.
- (14) There has never been any reason why persons who so desire should not make their own arrangements to leave Hong Kong.
- (15) Yes, but this policy must naturally vary according to circumstances.
- (16) The answer must be understood in connection with the reply to question 15. In view of the present world situation it has been considered expedient to remove from the Colony as many as possible of those women

and children who are not normally domiciled here, and can most conveniently be established elsewhere. Should the situation unhappily deteriorate further measures may be advisable. If so, the steps already taken will have greatly simplified the problem.

HON. SIR HENRY POLLOCK.—With reference to the answer to Question 16, I would like to ask a supplementary question. Are the British women who have been sent to Manila confined to British women who are not domiciled here? The answer suggests something about domicile.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.—My statement will cover it.

In view of the widespread criticisms of the Government's evacuation policy expressed in the local Press and elsewhere, I consider that it is desirable that I should make a short statement to supplement the replies just given by the Honourable Colonial Secretary. As he has stated the final decision lay entirely with the War Cabinet in London. It would not be proper for me to discuss the steps which led to that decision, but I can assure this Council that the Secretary of State was kept fully aware of the serious disturbance to the life of this Colony entailed and of all other considerations which presented themselves to me.

The final order to evacuate women and children of pure European descent was received on the afternoon of Friday, 28th June, and a special meeting of the Executive Council on the following morning approved the order for compulsory evacuation, the text of which is on record. As there was a suitable ship available on the following Friday (5th July), the Evacuation Committee at once got to work on the basis of the list of voluntary applicants for evacuation prepared in 1939 and since then kept up to date. As accommodation was not unlimited, the question of compulsory registration of all women was not enforced until 6th July, with a fortnight's grace for all concerned. All exemptions granted by myself on the first list as well as all names now registered for the first time are at present under scrutiny.

As regards the allegation of racial discrimination in the War Cabinet's explicit instruction, it had always been held, in the original 1939 evacuation scheme, that special treatment would be necessary for persons with no real domicile in Asia and it had been hoped that India, Macao, Indo-China and China itself would be the natural destination for all others. Circumstances in recent months have greatly altered in this latter respect; but I can assure this Council that should further evacuation be ordered the fullest consideration will be given to the claims of all races. The evacuation already effected will clearly facilitate such supplementary action.

I should perhaps make it clear that the secret print of the so-called 1939 Evacuation Scheme was in the hands of the Secretary of State for the Colonies many months ago, and was no doubt fully considered

by His Majesty's Government before the present decision was reached. As the Honourable Colonial Secretary has said, that scheme contemplated a much more urgent emergency than now exists; and moreover the recommendation included in that scheme to the effect that priority should be given to the families of all volunteers has evidently not been considered applicable in present circumstances.

HON. MR. A. L. SHIELDS.—I would like, Sir, to express my astonishment that further reference has not been made in your statement, and the answers given by the Colonial Secretary, to the question of expense, which looms very largely with people whose wives and families have been sent away. There are a great many people who cannot bear this expense as they have very little between them and want. Whatever the Government's decision is about the methods of evacuation, I think Government should make a clear statement of what they are going to do for the people who have been evacuated. We are asked in Finance Committee to pass a token vote of \$10,000 which, I believe, is only a start for something very much larger, and there is no information as to what this money is to be spent on. I would like Government to make some sort of statement at an early date that will re-assure people as to what is to happen to those families who have been evacuated, both as regards payments of passage and maintenance while they are away. The question of expenditure may fall either on the Home Government or this Government, and if it should be the Hong Kong Government I think it is fair, in view of the fact that it is part of the war expenditure, it should be taken out of the money raised by war revenue taxation.

HON. MR. J. J. PATERSON.—I understood you to say that the list of 1939 has since been kept up to date. What list is that?

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.—That is the list prepared in the Post Office. We asked about three months ago over the wireless and through the Press that any fresh names or any alterations should be sent in.

As regards your remarks, Mr. Shields, I do not wish to commit myself at the moment, but I can assure you that all the points you raised have been given very careful consideration in the last day or two.

### **MOTIONS.**

THE ATTORNEY GENERAL moved a resolution for the purpose of adding a Supplementary Schedule to the Law Revision Ordinance, 1939. He said: The Schedule in question concerns 80 pages of print, and as copies are in front of Hon. Members I hope you will allow me to take it as read. It consists of the amendments made by Mr. Fraser, editor of the Revised Edition of the Ordinances, in his preparation of Volume 3 of the Ordinances which is being laid on the table to-day and on which he has devoted such unremitting time. It is a very good work and in another resolution I will explain the special features of it. This Schedule is authorised by section 4 of the Law Revision Ordinance, 1939 by resolution of this Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

THE ATTORNEY GENERAL moved the following resolution:—

"Resolved that the Third Volume of the new edition of the Ordinances of the Colony, which has been prepared under the authority of the Ordinances and Regulations of Hong Kong (1937 Edition) Ordinance, 1936, and which has this day been laid before this Council for approval, be approved." He said: The effect of this approval will be to make the Ordinances between 1915 and 1931, as they appear in this book, the sole and only authorised edition of these Ordinances.

THE COLONIAL SECRETARY seconded, and this was agreed to.

THE ATTORNEY GENERAL moved a resolution for the purpose of maintaining under the Dutiable Commodities Ordinance, 1931, the duties and drawbacks, hitherto authorised under the Liquors Ordinance, 1931, the Tobacco Ordinance, 1931, and the Hydrocarbon Oils Ordinance, 1939. He said: This resolution states that duty shall be paid on liquors at the following rates per gallon and then there is a table of the rates; on the second page that duty shall be paid on tobacco at the following rates per pound, and a table of rates follows; and on the third page that duty shall be payable on hydrocarbon oils at the following rates per gallon and there follows a list of the rates. At the foot of page three it is stated that the rate of drawback on duty-paid goods shall be equal to the rate paid on such goods.

The reason for this resolution is to maintain after to-day the same duties that have been in force up to to-day in three different Ordinances. Mr. Fraser has saved much repetition and duplication and has amalgamated the Liquors Ordinance, 1931, the Tobacco Ordinance, 1931, and the two Hydrocarbon Oils Ordinances, 1939, and the new Ordinance appears as Ordinance No. 36 of 1931 in this book. The duties we have listed in this Ordinance are exactly the same as under the previous Ordinances. I mention this because one of the newspapers was misled into thinking that there has been a slight change in the duties on beer. That is not the case. There has been a slight re-arrangement of the tables but the duty is the same.

#### **FIRE AND MARINE INSURANCE COMPANIES DEPOSIT AMENDMENT BILL, 1940.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Fire and Marine Insurance Companies Deposit Ordinance, 1917." He said: The purpose of this Bill is set out in the Memorandum of Objects and Reasons.

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. By section 5 (2) of the Principal Ordinance one half of the deposit required to be made might consist of cash deposit or gilt-edged securities or stock. To cover the remaining portion of the deposit companies often offer mortgages of leasehold property. These are an unsatisfactory form of security in that they are liable to great fluctuation in value, are not readily realizable and cause considerable work to Government in periodical assessing of their value. Moreover, it is not now the practice in England to accept mortgages as securities under such acts as the Assurance Companies Act, 1909, the Trustee Act, 1925, and the Road Traffic Act, 1934, although they are authorized investments under the Trustee Act, 1925. It is considered that the time has come when mortgages should no longer be accepted as security under the Ordinance and existing ones should be replaced.

2. Clause 2 of the Bill, which replaces sub-section 5 (2) sets out the nature of the securities to be deposited. In future only cash or gilt-edged securities will be accepted as deposit. The proviso allows those companies which have already made a deposit a period of three years within which they must comply with the new requirements.

### **LIFE INSURANCE COMPANIES AMENDMENT BILL, 1940.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Life Insurance Companies Ordinance, 1907." He said: The purpose of this Bill is set out in the Memorandum of Objects and Reasons.

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. By section 3 (5) of the principal Ordinance the whole or part of the deposit required to be made might consist of fixed deposits in certain banks. To cover the remaining portion, if any, of the deposit companies often offer mortgages of leasehold property. These are an unsatisfactory form of security in that they are liable to great fluctuation in value, are not readily realizable and cause considerable work to Government in periodical assessing of their value. Moreover, it is not now the practice in England to accept mortgages as securities under such acts as the Assurance Companies Act, 1909, the Trustee Act, 1925, and the Road Traffic Act, 1934, although they are authorized investments under the Trustee Act, 1925. It is considered that the time has come when mortgages should no longer be accepted as security under the Ordinance and existing ones should be replaced.

2. Clause 2 of the Bill, which replaces section 3 (5), sets out the nature of the securities to be deposited. In future only cash or gilt-edged securities will be accepted as deposit. The proviso allows those companies which have already made a deposit a period of three years within which to comply with the new requirements.

3. The amendment in clause 3 is consequential on the repeal of section 3 (5).

**(1939 SUPPLEMENTARY) APPROPRIATION BILL, 1940.**

THE FINANCIAL SECRETARY moved the first reading of a Bill intituled "An Ordinance to authorise the Appropriation of a Supplementary sum of two million four hundred and eighty-four thousand nine hundred and ninety-one dollars and forty-seven cents, to defray the charges of the year 1939, and also to appropriate a sum of eighty thousand three hundred and thirty-one dollars and twenty-five cents from the Waterworks Renewals and Improvements Fund in the said year." He said: Copies of a detailed statement of expenditure and of a Report on the Finances of the Colony for the year 1939 are now before Honourable Members. The various excesses over the estimated and appropriated sums are explained in the detailed statement of expenditure, and these extra appropriations have all received the approval of the Finance Committee and of this Council in the usual way.

In all, supplementary votes for a total of \$6,584,007 were approved by this Council and the Secretary of State. An analysis of these appears in paragraph 3 of the Financial Report, from which it will be seen that they were due largely to Defence and War expenditure, and to the effects of the Sino-Japanese hostilities which swelled the population of the Colony with refugees, resulting in increased expenditure on charitable services and relief works.

About \$4,000,000 of this total was met by savings on the relevant heads of expenditure, or was ultimately not expended, and savings on other heads have resulted in the actual expenditure for the year exceeding the estimate of \$37,757,223 by \$191,893 only.

This is amply covered by the increase of revenue which exceeded the Estimate by \$5,380,727 against an anticipated deficit of \$1,659,898, the actual revenue being \$41,478,052.

Clause 3 of the Bill provides for additional appropriation from the Waterworks Renewals and Improvements Fund. As members are aware expenditure from this Fund requires legislative sanction.

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

**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 \$470,673, contained in Message No. 7 from H.E. The Officer Administering The Government, were considered.

Item 90.—5, Charitable Services:—Grant-in-aid to Social Service Centre of the Churches, \$6,000.

HON. MR. PATERSON.—I have not noticed much co-ordination, yet I suppose one hopes for something of the sort.

THE CHAIRMAN.—Yes.

THE FINANCIAL SECRETARY.—That is one of the objects and reasons.

Item 108.—30, Public Works Extraordinary:—Buildings: 12, Western Market—Modernization of South Block, \$110,337.

HON. MR. SHIELDS.—Is that necessary at the present moment?

HON. MR. DODWELL.—If there is any reason for the evacuation why go on with this?

THE CHAIRMAN.—I understand this is a paying proposition.

HON. MR. DODWELL.—Is it going to be a paying proposition if we have all the people away from the Colony?

HON. MR. PATERSON.—I don't think it is going to benefit people who are to be evacuated.

THE CHAIRMAN.—The Finance Committee has already agreed to it.

HON. MR. DODWELL.—Yes, we agreed to it under different circumstances. Is this already put in hand?

THE CHAIRMAN.—The tender has already been accepted.

THE DIRECTOR OF PUBLIC WORKS.—The contract has been let.

THE FINANCIAL SECRETARY.—I think that was done with the previous approval of the Finance Committee.

HON. MR. DODWELL.—I am quite aware of that.

HON. SIR HENRY POLLOCK.—On what date was it approved?

THE CHAIRMAN.—On the 18th of April.

Item 110.—30, Public Works Extraordinary:—Buildings: 17, Leper Settlement.—4 New huts with Lavatories, \$18,000.

HON. DR. LI.—I should like to say a word on this vote. Is it practical to perpetuate an institution of this sort within the confines of the city limit and in close proximity to a vegetable market, slaughter house and so on? The large number of flies is notorious in that district. I wonder whether it is advisable to perpetuate such an institution knowing it houses contagious diseases.

THE CHAIRMAN.—I will refer to the minute by the Director of Medical Services. He agrees that it is an undesirable place to have near a wholesale market. On the other hand, he says, it is necessary to face the fact that the present building is liable to fall down at any moment. There is accommodation there at the moment for 144 lepers and there is no such accommodation available elsewhere. The Director of Medical Services says he went very carefully into the matter and was satisfied that Government would be wise to accept the advice of the Director of Public Works to repair the existing building rather than to put up huts.

THE DIRECTOR OF PUBLIC WORKS.—Huts would not hold enough people and it would mean the destruction of part of the building which still has life for many a year. It is more economical to effect repairs on the old building.

THE CHAIRMAN.—The other alternative will be to build another leper settlement which will cost a great deal more money.

HON. DR. LI.—Can you give us an idea of the number of inmates?

THE CHAIRMAN.—The Director of Medical Services says 144. It is not the perfect solution but the best we can do. If we do not do this we shall have to find a greater sum of money.

HON. DR. LI.—I can see the difficulty, but I hope Government will bear in mind the solution of the eventual question.

THE CHAIRMAN.—Yes, we have solved that to a great extent but we are tied by the circumstances.

Item 111.—31, Fisheries Research Station, \$21,289.

HON. MR. SHIELDS.—We have a provisional estimate for \$160,000 presumably not used, why ask for a supplementary vote?

THE FINANCIAL SECRETARY.—That \$160,000 is subject to receipt of a grant from the Colonial Development Fund, and we decided recently to postpone proceeding with the building. The plans are nearly completed, but owing to present circumstances it was decided

not to

proceed with the building but to function with a nucleus staff attached to the Department of Biology of the University, without incurring any further commitments.

HON. MR. SHIELDS.—Can't you take this out of the \$160,000? After all it is the same thing. Let's spend the money out of that as far as is necessary and let the balance lapse.

THE FINANCIAL SECRETARY.—Originally we were promised a grant from the Colonial Development Fund which was finally reduced by the amount required for the aquarium. So far we have expended nothing except architect's fees which I think are about one per cent. of the total expenditure, and in the present circumstances we shall not go on with it until the horizon is clear.

HON. MR. SHIELDS.—But we are asked to vote \$181,289. We have already provided for \$160,000 in the estimates, which we are probably not going to use. Why can't we take the \$21,289 out of the \$160,000?

THE FINANCIAL SECRETARY.—Because that was to be provided out of the Colonial Development Fund from the Imperial Government. The total vote was \$160,000, which comes to £10,000, of which £2,000 was for the cost of the aquarium. The Colonial Development Fund grant was for the building only and we had intended not to touch that at all.

HON. MR. SHIELDS.—You will not have that \$160,000 then until you have the grants?

THE FINANCIAL SECRETARY.—No.

THE CHAIRMAN.—I suggest the reason why no money was inserted to pay for the staff was because we did not expect to have the building ready until later. Although the building has been postponed, a certain amount of work has been done, and there is an opportunity of getting very suitable people at a very reasonable rate for carrying on this work, which is very important here after all, and it was thought it would be well to start it although we have not got the building.

HON. MR. SHIELDS.—I am all in favour of this Fisheries Research. I want to make that quite clear.

HON. MR. PATERSON.—This is merely personal emoluments?

THE CHAIRMAN.—Yes. We shall not use the \$160,000 unless we get the grant from the Colonial Development Fund.

THE FINANCIAL SECRETARY.—Apart from the question of research, it should benefit the fisheries of the Colony from a utilitarian point of view.

HON. MR. PATERSON.—I think it is very important, though we have done very little in the past.

THE FINANCIAL SECRETARY.—That is one of the reasons we wish to make a start with the staff if nothing else.

Item 112.—32, War Expenditure:—10, Expenses in connexion with evacuation of women and children, \$10,000.

HON. SIR HENRY POLLOCK.—Sir, I regret that I must vote against this item of \$10,000.00 for evacuation expenses, because I do not agree with the Government's evacuation policy.

I am of opinion that, apart from women with children, the Government ought not to evacuate any more British women from this Colony.

I am further of opinion that British married women without children and British single women, who have already been evacuated from the Colony, ought to be given by the Government the option of returning to Hong Kong from Manila, instead of being sent on from Manila to Australia. I cannot see any justification for these two classes of women, provided that they are willing to run the risk of Hong Kong being invaded, being kept in enforced exile for an absolutely indefinite period, which may possibly not terminate until both the European War and the Sino-Japanese hostilities have come to an end.

I am aware of the so-called "clear the decks for action" argument, but it seems to me to lack weight, in view of the sheer impossibility of evacuating the hundreds of thousands of Chinese women and children who live in our midst. Any comparison with fortresses, pure and simple, like Gibraltar or Malta, must, therefore, be fallacious.

The deportation of women from the Colony, against their will, is entirely contrary to those principles of freedom and justice for which we are fighting in Europe, in our struggle against Nazi Germany.

The sooner compulsory evacuation, which has already caused widespread misery and unemployment, is abolished, the better.

HON. MR. LO.—My colleagues and I (as representatives of the Chinese on this Council) have very anxiously considered our position in regard to this vote, and I feel it right that I should make a short statement to explain why we have felt it our duty to vote against it.

This item contains an ominous, but perhaps inevitable, warning that "it is not at present possible to estimate what this expense will amount to; the supplementary vote of \$10,000.00 which is now requested must therefore be regarded as a token vote."

This Council was never consulted on the question of compulsory evacuation. The Finance Committee is now being asked to give a blank cheque in respect of an expenditure which this Council has never approved and for an object which has dumbfounded the Colony and caused universal complaint and criticism.

From certain announcements which have appeared in the Press it would appear that Government is making itself responsible not only for the actual cost of transport to Manila and Australia and return to Hong Kong, but also for the maintenance of the families of those who cannot afford to maintain themselves. The period of evacuation is indefinite. It may be for 3 months, 6 months, or a number of years.

Therefore the position, as it appears to us, is that the tax-payers of this Colony are being made to pay for the evacuation of a very small and selected section of the community and, whenever necessary, for their maintenance and support during an indefinite period leaving some 99.9% of the population uncared for and unprotected when an emergency does come.

I am aware that most if not all of the evacuees did not ask for and did not like the evacuation; that they naturally resent the enforced separation from those near and dear to them, and that their husbands suffer and will continue to suffer great financial burdens and hardship arising from the evacuation. In all sincerity, I keenly sympathise with them. Moreover, I know that many of the evacuees have very bitter tales to tell of what I can only describe as disgraceful discrimination in treatment meted out to them, not by the Manila Authorities and people to whom this Colony owes a great debt of gratitude, but by those charged by the Hong Kong Government to look after their welfare. I hope that these complaints are being fully investigated by Government. I know further that those not compulsorily evacuated have much to be thankful for in the existing circumstances. But the terrible hardships of the evacuees, the financial sacrifices which husbands of the exacuees have to bear, and the advantages at the present time of those not compulsorily evacuated, can have no relevancy on the point of principle that some million and a half people in Hong Kong are made to pay for the evacuation and maintenance of some 5,000 people.

My colleagues and I realise very keenly the difficulties of Government and the last thing we wish to do is to embarrass Government. But as representatives of some 98% of the population for whom Government has as yet not been able to do anything, either for their evacuation or for their protection during an emergency and who bear some 90% of the burden of taxation, we feel it our duty to vote against this item.

HON. MR. D'ALMADA.—I must oppose this vote also and upon the same ground of discrimination. I have not yet had an opportunity of analysing or criticising the answers to the questions I put in Council, but the answers given by you, Sir, to questions 8 and 9 seem rather curious. To both these questions you have answered "if or when the occasion arises," and it is difficult, I think, to understand why the occasion for evacuation should have arisen already for Mrs. A, who may be the wife of a civilian, and not yet for Mrs. B

who happens to be the wife of a Volunteer. In this matter of discrimination, and generally on the question of evacuation, or perhaps as the Hon. Sir Henry Pollock more aptly termed it, deportation, Government, I think, has forfeited to a very great extent the respect and confidence of the community. That, of course, is Government's business. But that is not all. Government has also placed an appreciable strain on the loyalty of a large section of the community, and I am not going to be an accessory after the fact to any measure which has brought that about.

HON. MR. DODWELL.—I also oppose this vote on the ground raised by the Hon. Sir Henry Pollock. The evacuation was ordered by the Home Government and I think it should be paid for by the Home Government. If we are to pay for it out of our war revenue we shall have nothing to send Home. Surely, the evacuation will be very expensive, amounting to well over £100,000 before we are finished with it. In my opinion by evacuating 4,000 or 5,000 women and children and leaving, say from 500,000 to 700,000 Chinese women in the Colony, you cannot convert it into the status of a fortress which, I suppose, is the idea. Therefore, I think this Colony should be treated under special circumstances which should have been stated, and if evacuation was necessary—and we have yet to learn whether there is any real reason for it—it should have been confined to wives and families of the fighting services.

THE CHAIRMAN.—You suggest we should have refused to obey the instructions of the Home Government?

HON. MR. DODWELL.—I suppose you cannot refuse to obey.

HON. SIR HENRY POLLOCK.—I should say "yes" to that question because the War Cabinet is a long way from us and as far as I know they do not form any integral part of the constitution of this Colony. We have no means of questioning them on their motives in this Council or in any other Council. It seems to me that Government, by their answer in this Council to-day to one of the questions, have, in effect, stated that they do not take any responsibility as regards this evacuation, but leave the entire responsibility to that body which is outside our Constitution and which we cannot call to account in any way at all.

THE CHAIRMAN.—After all they are responsible for the defence of the Empire. I rather doubt whether you would expect me to make any sort of statement at this point or on this occasion. If what I and His Excellency have said is not sufficient then the question must be raised again.

HON. MR. PATERSON.—I oppose the vote, not so much because I think that we should have gone contrary to the War Cabinet; but one of my reasons is that I think the whole of the evacuation scheme has been very badly handled by Government. I don't agree that there

was an effective list ready, and I believe that in the past—at any rate—evacuation, as far as Government is concerned, has been in the hands of most ineffectual people. I think we are getting to the point where Government's waste matter should not be paid for by this Colony in the present or the future. Every concern, including the military, finds it necessary to prohibit this in the present. This waste matter is accumulating and we have to deal with it. We also have to pay for its pension yet.

HON. MR. LO.—The opposition of my colleagues and myself to this vote, will not be lessened but will be increased if it will be paid out of the War Revenue Contribution. The whole community agreed loyally to subscribe and pay to raise a fund for England's war effort, but these people did not agree to pay and do not in fact want to pay for the evacuation of a few selected persons. My objection to payment out of the general revenue is therefore increased if Government tries to pay out of the War Revenue Contribution.

HON. MR. SHIELDS.—I am entirely in accordance with the views expressed by the Hon. Mr. Lo and the Hon. Mr. D'Almada about discrimination. I think it is entirely wrong, but what I feel is that if Government is not going to be responsible for reasonable maintenance of people, irrespective of nationality or race, sent out of the Colony, we ought to be told so right away. If Government is going to do it then it should say so. If Chinese women are to be sent away there should be a cut and dried scheme. Similarly, in the case of the Portuguese, and on the same scale as anyone else. But Government must have a policy. You just can't ask for this vote without saying anything. We don't know what this money is for. It is not fair to put it before the Finance Committee and ask for a blank cheque like this.

THE FINANCIAL SECRETARY.—Certain bills have come in already.

HON. MR. SHIELDS.—What are they for?

THE FINANCIAL SECRETARY.—For the transport of baggage and so on.

THE CHAIRMAN.—There are certain items for monetary assistance to people in financial difficulties. At the request of the Special Committee in charge we agreed to meet them.

HON. MR. PATERSON.—All right. Give us the details and we will pass them.

HON. MR. DODWELL.—I don't see why we must pay. I say the Home Government should pay.

THE CHAIRMAN.—Though I do not agree with what has been said, I do not propose to continue the debate on this item. What I propose to do is to hold a meeting in private after this meeting so that we can speak freely. It is very difficult for me to speak to you in public. At that meeting I shall put forward what the Government's proposals are with regard to the maintenance of the people sent away. I have been hauled over the coals for not making any statement and the reason for this is because I cannot do so until I know the views of the Finance Committee.

HON. MR. SHIELDS.—I propose we do not pass this vote until we have our explanation and have discussed the whole matter.

THE CHAIRMAN.—Then it had better be done in full Council.

HON. MR. SHIELDS.—I agree.

THE CHAIRMAN.—We cannot put forward the full vote until we know what the expenses will be and the views of the Finance Committee.

HON. MR. SHIELDS.—I don't think this Council would be niggardly in the way of maintenance, but I do think there should be no discrimination.

THE CHAIRMAN.—You mean if we get an agreement on the question of policy then expenditure must be met?

HON. MR. SHIELDS.—Yes.

HON. MR. PATERSON.—I want some assurance that things will be properly run in future before I agree to any vote.

HON. MR. LO.—You say you cannot make a statement. Can you now, in the presence of the Press, say whether Government has or has not received any complaints? I have indirect complaints of disgraceful discrimination meted out to some of the evacuees in Manila.

THE CHAIRMAN.—I made a statement to the Press yesterday.

HON. MR. LO.—Will a thorough investigation be made? I think Government should make a proper investigation and punish the people responsible. I don't remember noticing the statement you made.

THE CHAIRMAN.—I said that I had received complaints—extracts from letters—and that we had sent a telegram to Manila asking for the matter to be investigated. I also said the officials sent by Government had, so far as I know, nothing to do with the allocation of accommodation in Manila.

HON. MR. LO.—That is where I feel an investigation should be made, and I do not regard it as a fair investigation unless the people who complained have a chance to give evidence. My

information is that people were weeded out deliberately by Government officials on the

advice of two ladies and sent to places which were not fit places to accommodate anyone. I don't think you can call it an investigation by simply sending a telegram to Manila and getting a reply that they don't think there is anything in it. People who complained should be brought before the inquiry and evidence taken.

HON. SIR HENRY POLLOCK.—Can you tell us whether the ladies are likely to come back shortly?

THE CHAIRMAN.—They have been given a chance to come back.

HON. SIR HENRY POLLOCK.—I consider the whole scheme as wrong, and I heartily agree with Hon. Mr. Dodwell that the money ought to be paid for out of the British Treasury. In fact, it seems the only source from which you can get the money.

HON. MR. D'ALMADA.—Are these ladies allowed to come back merely because of their complaints?

THE CHAIRMAN.—No.

HON. MR. SHIELDS.—Does that mean that evacuation will be stopped?

THE CHAIRMAN.—No, because the instructions we received were that women and children of European race should be evacuated. But, for what reason we do not know—a number of women and children of non-European race were sent to Manila, and in the circumstances it seems logical that if they do not wish to go to Australia they should be sent back again.

HON. MR. D'ALMADA.—You may find a lot of ladies now claiming they are not of pure British descent!

HON. MR. SHIELDS.—So the option of coming back is not extended to everyone?

THE CHAIRMAN.—No.

HON. SIR HENRY POLLOCK.—Does Government really and seriously wash its hands of all question of policy in this matter? If that is so what's the use of having a Government at all?

HON. MR. PATERSON.—I often wonder! Can't we have a proper inquiry into the whole thing?

THE CHAIRMAN.—May I offer you my chair?

HON. SIR HENRY POLLOCK.—I am senior member. Do you think I shall get your salary if I occupy your position! (Laughter).

THE CHAIRMAN.—I don't know if we can get on further with this. If you are prepared to go into the matter confidentially I will tell you what Government is prepared to do with regard to the question of maintenance. I do not like to make a public statement at this moment because I may raise expectations which might not eventuate.

HON. MR. PATERSON.—That is all right. But I do want some inquiry made publicly. As I said just now the whole thing was handled very badly.

HON. MR. D'ALMADA.—The Hon. Mr. Lo does not urge inquiries lightly, and he must have good grounds for raising points like this. If some of these women are being allowed to come back, it seems to me there is an opportunity for such an investigation. Can Government say a very full public inquiry will be held? First there was discrimination in sending people and then sub-discrimination among the people sent.

THE CHAIRMAN.—You should be sure of your facts before asking for a public inquiry, because there are different interpretations to the facts. If a Government official is concerned, then the solution is easy.

THE FINANCIAL SECRETARY.—Are the two ladies evacuees themselves?

HON. MR. LO.—I have read the papers sent to me and copies of which, I understand, have been sent to the Attorney General.

THE FINANCIAL SECRETARY.—You are not criticising the people in Manila?

HON. MR. LO.—I refer only to Hong Kong ladies. The papers were sent to me by people I know. I have been told that the women were weeded out by Dean Wilson and Mr. Houston on the advice of two ladies from Hong Kong.

HON. SIR HENRY POLLOCK.—I think some inquiry should be made why this Colony was committed to a huge scheme of expenditure without the Finance Committee having been consulted in advance, before the expenditure was incurred.

HON. MR. PATERSON.—I suppose the answer is the War Cabinet over-rides everything.

HON. SIR HENRY POLLOCK.—Then let them start a subscription list among themselves to meet the expenses.

THE CHAIRMAN.—I think this is not a subject for discussion in relation to the item in question. We realise at least some expenditure will be necessary, but on the question of general policy you would like to have this matter debated?

HON. MR. PATERSON.—Yes. In the meantime, the money spent in taking the baggage to ships and debts like that should be itemised and passed after submission to the Committee. It is the principle on which we are arguing.

HON. SIR HENRY POLLOCK.—On the question of principle we should have an inquiry. I say there should not have been compulsory evacuation.

THE CHAIRMAN.—We shall leave the vote unpassed for further discussion.

All the votes, with the exception of Item 112, were approved.

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