

20th March, 1941.

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. E. GRASETT, C.B., D.S.O., M.C.).

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

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

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

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

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

HON. MR. A. B. PURVES (Director of Public Works).

HON. MR. C. G. PERDUE (Commissioner of Police, *Acting*).

HON. MR. W. J. CARRIE (Chairman of the Urban Council).

HON. MR. J. J. PATERSON.

HON. MR. S. H. DODWELL

HON. MR. LO MAN-KAM.

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

HON. MR. A. L. SHIELDS.

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

HON. MR. T. E. PEARCE.

HON. MR. LI TSE-FONG.

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 command of H.E., the Governor, laid on the table the following papers: —

Amendment made by the Governor in Council under sections 25 (4) and 42 (1) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table M in the Schedule to the said Ordinance, dated 22nd February, 1941.

Amendment made by the Governor in Council under section 3 of the Essential Commodities Reserves Ordinance, 1939, Ordinance No. 38 of 1939, to the Schedule to the said Ordinance, dated 27th February, 1941.

The Director of Supply appointed by the Officer Administering the Government to be a competent authority for the purposes of regulations 50, 50A and 73 of the Defence Regulations, 1940, dated 27th February, 1941.

Additional regulation made by the Officer Administering the Government under the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence Regulations, 1940, dated 27th February, 1941.

Additional regulation made by the Officer Administering the Government under the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence Regulations, 1940, dated 25th February, 1941.

Amendment made by the Officer Administering the Government under the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence Regulations, 1940, dated 24th February, 1941.

The Trading with the Enemy (Specified Territories) (No. 1) Order, 1941, 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 24th February, 1941.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the consent of the Officer Administering the Government, prohibiting the export, except by licence, of firewood, dated 28th February, 1941.

Administration Reports, 1939: —

Part II. —Law and Order: —

Report of the Commissioner of Police.

ESTATE DUTY AMENDMENT BILL, 1941.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend further the Estate Duty Ordinance, 1932, as amended by the Estate Duty Amendment Ordinance, 1936." He said: The effect of the Bill is explained in the Memorandum of Objects and Reasons, but I would like to add that the Bill has not only been approved by the Executive Council, an is usual, but has been referred to the War Taxation Committee which recommends it with the proviso that they desire that the question of returning to the existing rates be considered at the end of the war.

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. This Bill, when passed, will add as a Fourth Schedule to the principal Estate Duty Ordinance a new Schedule of Estate Duty Rates payable on the estates of persons dying on or after the 1st day of April, 1941.

2. The present rates, payable an the estates of persons dying on or after the 1st day of July, 1936, are given in section 4 of Ordinance No. 26 of 1936, and of those who died before that date in the First and Second Schedules to Ordinance No. 3 of 1932. Those rates will not be changed in respect of any deaths before the 1st April, 1941.

3. It will be seen by comparison between the Schedule in Clause 3 of this Bill and the Schedule in section 4 of Ordinance No. 26 of 1936, that where the principal value of the Estate does not exceed \$300,000 there is to be no increase of duty, but then the duty rises by stages of one per cent. until a duty of 27 per cent. is payable on estates not exceeding \$4,000,000; it then rises by two per cent. stages until a duty of 31 per cent. is payable on estates not exceeding \$5,000,000; and thereafter by three per cent. stages until 52 per cent. will be the rate for estates exceeding \$30,000,000. The present maximum is 20 per cent. on estates exceeding \$20,000,000.

4. The reason for the increases is the necessity of finding revenue to meet increasing expenditure.

**TRIBUTES TO LIEUTENANT-GENERAL E. F. NORTON,
C.B., D.S.O., M.C.**

H.E. THE GOVERNOR. — Honourable Members, — Before General Norton leaves the Colony you will, I feel sure, be glad of an opportunity to show your high appreciation of his work here during the past seven months.

General Norton came here on a special mission in August last and he has fulfilled his task to the admiration of all. It was no light or easy duty that he took upon his shoulders in the civil administration of the Colony with the processes of which he was unfamiliar. I know from him that from the outset he has been immensely helped by the steady support given to him in this Council and the whole-hearted co-operation of the Civil Service. From what he has said to me I know that he would like me to mention particularly the debt which he owes to the loyalty and expert ability of the Honourable Mr. N. L. Smith (Applause).

As President of this Council, I invite its members to signify their grateful recognition of General Norton's untiring and successful labours on this Colony's behalf (Applause).

HON. MR. J. J. PATERSON. — Your Excellency, — May I express to you our very great sorrow that General Norton should have suffered so serious an accident and may I also express to you, Sir, our great appreciation of the many things that he has done for us during his stay here, and may I hope too that very speedily he will be completely recovered (Applause).

HON. MR. LO MAN-KAM. — Your Excellency, — On behalf of my Chinese colleagues on this Council, and in the name of the Chinese Community, I desire respectfully to associate myself with the tribute which Your Excellency has just paid to Lieutenant-General Norton.

When the announcement was first received in the Colony that a Military Governor was to be appointed for Hong Kong during the absence on leave of Your Excellency, I must confess that there were many in the Colony—in honesty I include myself—who felt a great deal of apprehension. Would he be too much occupied with the military aspect of Hong Kong to pay adequate heed to the numerous civilian problems of the Colony? Would he try to introduce some dictatorial form of government and ignore the views of the Members of the Executive and Legislative Councils? Would he be somewhat impatient with civilian views and representations? Such were some of the questions which exercised the public mind and gave rise to the apprehension I have mentioned. But such apprehension was speedily dispelled by Lieutenant-General Norton himself.

Soon after Lieutenant-General Norton's arrival it became obvious to the community that he was more than a military officer of distinction;

he was an able administrator, with wide sympathies and understanding. He made the fullest possible use of both Councils. I should like to record the gratitude of the Chinese Members of this Council for the way in which he took us into his confidence on numerous questions with which he had to deal, and the sympathetic manner in which he received representations we felt it our duty to make, as representatives of the Chinese.

I venture to think that the number of functions which Lieutenant-General Norton attended during the short period of his administration must constitute a record. It is a matter of amazement to many of us how he could have found time to study and master so many different and difficult problems, and at the same time to get to know so many individuals in the Colony. He made his inspections frequently at hours when the rest of the Colony was still in bed, and it can truly be said that he never spared himself.

Those who had the privilege of meeting Lieutenant-General Norton socially could not but be struck by his deep culture, broad outlook and rare charm, whilst I myself consider the speech he made at the opening of the new Baptist Church an unconscious but illuminating revelation of his innate kindness and human sympathy, simplicity and understanding.

The whole Colony was shocked and grieved to hear of Lieutenant-General Norton's accident, resulting in injuries which necessitated medical treatment during the last few weeks of his stay in Hong Kong. We all hope that he will soon be completely restored to health.

Sir, the Colony will gratefully remember Lieutenant-General Norton's devoted efforts on behalf of Hong Kong, and we shall all follow with deep personal interest his future career, which we know will be both brilliant and distinguished in whatever sphere of activity to which he may be called in the service of the British Empire. In the name of the Chinese Community I tender to him our gratitude, warm regards and good wishes (Applause).

ADJOURNMENT.

H.E. THE GOVERNOR. —Council stands adjourned to Thursday, March 27 at 2.30 p.m.

FINANCE COMMITTEE.

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

Votes totalling \$519,858 under Estimates 1940-41, were considered.

Item 317. —6, Defence. C. —Air Raid Precautions: —special Expenditure. 22, Medical Stores, \$90,000.

HON. MR. PEARCE. —May we be assured that all these requirements are being carefully and properly shroffed up? In making this observation I would like to say generally that there has been brought to my notice one case at least which I cannot really describe as anything but scandalous extravagance in the way of expenditure. That is the case where a private institution was requested to loan part of its offices out to the Medical Department, or some department. It was asked to have the place blacked out, which they did for the sum of \$87 and yet the allowance for that particular job by the architect of the A.R.P. was \$500. On the face of it, it seems to me ludicrous and that something is missing somewhere. I don't know whether the Financial Secretary has yet heard of the matter but it will come up shortly. I do say most seriously indeed that it does undermine faith when such things can happen. We are now asked to vote this large expenditure and I wonder whether these things are checked over at all.

THE FINANCIAL SECRETARY. —I have heard of it. The manager of the institution referred to is going to forward the accounts in question to Government, and I assure you that the matter will be most fully looked into.

HON. MR. PEARCE. —Can we have the assurance that all these requirements for extra medical stores are properly and carefully shroffed over by some person who knows all about them? These are rather large sums and I am very uneasy, and as a member of this Council I feel that I lost a good deal of confidence when I heard of such things as a job costing only \$87 and yet a cheque for \$500 was actually handed over by the contractor. That is absolutely wrong. You cannot argue any other way. It is pathetic. I am sorry to be rather hot under the collar, but I feel very uneasy about it, and I do hope we can have the assurance that when sums like \$90,000 are asked for somebody has gone over the matter and is satisfied that we are paying the right price.

HON. MR. PATERSON. —I think some explanation of the source of the cheque is required too.

THE CHAIRMAN. —I can give an assurance that this vote in general will be checked up most carefully.

HON. MR. PATERSON. —Do these things come to the Treasury?

THE FINANCIAL SECRETARY. —They do and I don't pass anything I feel doubtful about.

THE CHAIRMAN. —I can only give this assurance—that due note will be taken of what Mr. Pearce has said, especially in regard to this vote. I will go into it myself.

HON. MR. PEARCE. —Thank you. I feel that if we are to vote these large sums of money we should have some assurance that a competent person has checked every item.

HON. MR. SHIELDS. —It is not a question of just how much we spend but on what we spend and whether the price is a correct one.

THE CHAIRMAN. —Quite. Notice will be taken of that. There should be no difficulty in checking that at all.

Item 334. —14, Kowloon Canton Railway: —6, Coal. E-3-1-2-1 Coal for Locomotives, \$9,200.

HON. MR. PATERSON. —I suppose the coal is in sight or coming?

THE FINANCIAL SECRETARY. —The coal is not in sight. The contract has broken down and the manager of the Railway is in touch with the Essential Commodities Board.

HON. MR. PATERSON. —How did the contract break down?

THE FINANCIAL SECRETARY. —The s.s. Chang On has been requisitioned by the Shipping Board.

HON. MR. DODWELL. —Do you remember on what price they have based the estimate for this year in the Budget? If they have based it on \$43 per ton there will be another big supplementary vote coming.

THE FINANCIAL SECRETARY. —It was probably based on the price current at the time when the estimates were framed about last November.

THE CHAIRMAN. —We put up the fares, you may recollect.

THE FINANCIAL SECRETARY. —So far as I can remember the price was based on about \$43 per ton.

HON. MR. PATERSON. —Talking of the Railway and its expenditure, there is one waste of money, or shall I say, loss of fares, and that is that masses of the public cars are plying for hire on the road now. I daresay there you see cars licensed to carry three or seven persons with a vast number more inside. I know the Police are overwhelmed but surely cannot the Imports and Exports Department check the numbers when they stop them to search for opium?

THE CHAIRMAN. —That question has been raised before.

HON. MR. PATERSON. —I raise it periodically. I travelled on that road and it was crowded this morning.

Item 352. —20, Post Office, Wireless and Broadcasting. B. —Wireless: —8, Repairs and Stores, —\$15,000.

HON. MR. LO. —The memorandum on this item states that "the provision made in the Estimates was based on the assumption that recoveries from Cable and Wireless Limited, averaging \$1,500 per month, would be credited to this sub-head. It was ruled early in the year, however, that all such recoveries should be credited to a Revenue Head and the estimated provision is therefore insufficient." What Revenue Head does this refer to?

THE CHAIRMAN. —Message fees I suppose. This does not matter so much now as it used to under the old Military Contribution system.

HON. MR. LO. —Under what head will that be credited?

THE CHAIRMAN. —There is no explanation in this file except that it is an accounting measure. I will find out and let you know.

HON. MR. LO. —Thank you.

All the votes were approved.

NIGHTSOIL REMOVAL DEBATE.

The Chairman of the Urban Council (Hon. Mr. W. J. Carrie) attended by invitation.

THE CHAIRMAN. —At the last meeting of this Committee it was decided, after a very full discussion, to defer a final decision on the question of the removal of nightsoil. I am now directed by His Excellency the Governor to say that this matter has once again been carefully considered by His Excellency and his Executive Council, and that it is the considered view of the Government, particularly from the important aspect of defence, that the proposals of the Urban Council should be adopted without further delay.

I now propose formally that the Chairman of the Urban Council be authorized to incur the expenditure provided in the Estimates for 1941-42 under Head 26, Sanitary Department, in respect of the salaries and rent allowances of 2,000 nightsoil coolies.

THE FINANCIAL SECRETARY seconded.

HON. MR. PATERSON. —I think most of us have reservations. We all have our own views on the subject but we feel that it has to be done. None of us feels very happy about it.

THE CHAIRMAN. —I think it was always agreed that it had to be done. It was a question of whether the time is opportune.

HON. MR. LO. —The general view of the Unofficial Members at the various discussions which we have already had on this question

was that the Urban Council should take steps to enforce the existing law and to supervise the existing coolies. But it would seem that the Urban Council has resolutely made up its mind that these sanitary laws, which have been in existence for such a long time, and as to which we have hitherto heard no complaints as to their inefficiency or inadequacy, cannot be enforced, and that adequate supervision of coolies cannot be devised. I readily admit that in the midst of the prevalence of a serious outbreak of Cholera, and in view of the uncertainty of the political situation, the time is not propitious for making experiments which apparently do not commend themselves to the Urban Council. In these circumstances it seems futile to prolong this discussion or for me to vote against the motion. But I do wish to record my emphatic protest that, on the clear admission of the Chairman of the Urban Council at the last meeting, in answer to a question put by the Hon. Mr. T. E. Pearce, the representations of the Luen Yick Guild were never considered by that Council or, as far as I know, by Government.

HON. MR. DODWELL. —I should like to recommend that preference be given to the people at present employed in the trade so that there will be a minimum of antagonism, because I feel it is rather a dangerous experiment to take on now.

HON. MR. PATERSON. —That has also been my worry.

THE CHAIRMAN. —May I leave that to the Chairman of the Urban Council as far as the present people are concerned? I also feel that it may become a serious problem.

THE CHAIRMAN OF THE URBAN COUNCIL. —I can give you the pledge that I will employ as many of the people at present engaged in the trade as possible.

HON. MR. PEARCE. —I am not going to vote against it as I was impressed by many arguments made by the Chairman of the Urban Council. My only disagreement was that they did not give the old system a try under supervision. I would like, however, to ask this question: What is done in regard to those street-sleepers and refugees who have no latrines to go to? What is done? Is that all done by the scavenging department? I cannot help feeling myself that a great deal of our present trouble is caused by these people? You say nightsoil is put down the drains, etc. I have a feeling myself that that is due to this overcrowding and people who do not make use of public latrines.

THE CHAIRMAN OF THE URBAN COUNCIL. —The public latrines are well patronised, but at the same time I must admit that there is a great deal of fouling of scavenging lanes and other places where there is very little traffic. That has to be dealt with by the scavenging coolies.

HON. MR. PEARCE. —Is it done efficiently?

THE CHAIRMAN OF THE URBAN COUNCIL. —I hope so.

HON. MR. PEARCE. —You hope so?

HON. MR. TAM. —The effect of your statement is that further discussion in this Committee will be futile and that, if necessary, the full weight of Government will be brought to bear to ensure adoption.

THE CHAIRMAN. —I didn't say so.

HON. MR. TAM. —But the conclusion is a reasonable one, isn't it?

THE CHAIRMAN. —It is.

HON. MR. TAM. —I am sure that Government would want us to give an honest opinion whether agreeable or otherwise. It is, therefore, from this point of view that I have expressed disagreement with the proposed measure. The aspect of defence has now been raised. I do not intend to argue over this point; although I am confident that with some form of registration a scheme can be evolved whereby the removal of sewage will be dealt with, in an emergency, without actually taking the coolies into Government employ before that emergency has arisen, in the same way as—no doubt—the services of doctors, dentists, nurses and other indispensable workers will be obtained without actually putting them into Government employ now. However, it will be interesting to observe what will happen when the reasons of defence have disappeared.

As my Senior Unofficial colleagues have given their support to the measure, I do not intend to embarrass them in any way by continued opposition. I wish only to dissociate myself from the motion now before the Committee and to refrain from voting.

HON. MR. SHIELDS. —I feel that His Excellency the Governor and the Executive Council have been persuaded that this change is an urgent necessity by some information which has been made available to them but which was not put before the Finance Committee in this discussion. I have no reason to alter my previous opinion, but, under the circumstances, I do not propose to vote for this measure but I will not vote against it. There is also the question of extra taxation to provide for the cost of this and I hope it will not be necessary. I feel it to be a mistake.

THE CHAIRMAN. —I purposely omitted reference to that in my statement.

HON. MR. SHIELDS. —What I would like to have from the Chairman of the Urban Council is some sort of assurance that the

cost of this scheme will not exceed the amount we are asked to vote now. In other words, I hope the amount next year will not be, say, seven or eight lakhe after investigation.

THE CHAIRMAN. —The cost of the coolies will, of course, remain constant from year to year, but I think it is always admitted that there will be additional special expenditure charges when we come to provide up-to-date carriage from the streets.

HON. MR. SHIELDS. —But not recurrent.

THE CHAIRMAN OF THE URBAN COUNCIL. —Recurrent expenditure should not exceed it. The number of coolies will probably be eventually reduced.

THE CHAIRMAN. —If anything, you have over-estimated the number of coolies needed?

THE CHAIRMAN OF THE URBAN COUNCIL. —Yes.

HON. MR. PATERSON. —When the war is over you will have to consider some more reasonable solution to the whole plan such as some water-borne system. You cannot get away from that.

THE CHAIRMAN. —Surely. I am very much obliged to members of this Committee in not opposing the motion.