

29th May, 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. W. J. CARRIE (Chairman of the Urban Council).

HON. MR. J. P. PENNEFATHER-EVANS (Commissioner of Police).

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 upon the table the following papers: —

Amendment made by the Governor in Council under section 32 (2) (b) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table P in the schedule to the said Ordinance, dated 16th May, 1941.

Order made by the Governor in Council under section 6A (2) (a) of the New Territories Regulation Ordinance, 1910, Ordinance No 34 of 1910, approving Lot No. 262 in Demarcation District No. 446, Tsun Wan, to be a permanent cemetery for Chinese, dated 14th May, 1941.

Amendment made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to the Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence Regulations, 1940, dated 13th May, 1941.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the approval of the Governor prohibiting the import of semi-manufactured iron and steel products, dated 14th May, 1941.

Amendment made by the Governor in Council under section 10A of the Defences (Firing Areas) Ordinance, 1936, Ordinance No. 1 of 1936, to the First Schedule to the said Ordinance, dated 20th May, 1941.

Resolution made by the Legislative Council on 22nd May, 1941, under section 3 of the Note-issuing Banks Extension of Powers Ordinance, 1939, Ordinance No. 21 of 1939.

The Public Health (Sanitation) Ordinance, 1935, Amendment Regulations, 1941, made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to the Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, dated 19th May, 1941.

Order made by the Governor under regulation 46 of the Defence Regulations, 1940, amending the Defence (Ship's Stores) Order, 1940, dated 23rd May, 1941.

Order made by the Governor under regulation 50A of the Defence Regulations, 1940, declaring every undertaking for the execution

of any repairs to or on board any ship to be a controlled undertaking, dated 23rd May, 1941.

The Controller of Water Transport appointed by the Governor to be a competent authority for the purposes of regulation 50A of the Defence Regulations, 1940, dated 23rd May, 1941,

List of persons registered under the Registration of Dentists Ordinance, 1940, Ordinance No. 1 of 1940, to whom an annual practising certificate for 1941 has been issued, and published in accordance with section 12 (1) of the said Ordinance, dated 23rd May, 1941.

Sessional Papers, 1941: —

No. 4. —Report of the Reconstituted War Revenue Committee.

QUESTIONS.

HON. MR. J. J. PATERSON asked: —

1. —Will the Government give statistics of the incidence of evacuation on the wives of senior Government Officers, namely—

- (a) wives not in the Colony when the evacuation was ordered,
- (b) wives departed since that date,
- (c) wives recommended for exemption by the Evacuation Advisory Committee,
- (d) cases still pending when further compulsory evacuation was suspended?

2. —In how many cases was the recommendation of the Evacuation Advisory Committee over-ruled by higher authority?

THE COLONIAL SECRETARY replied: —

The replies to these questions are as follows, taking "senior officer" as including the following 22 officers, namely both Judges, all official members of both Councils, all First Class cadets and all other heads of the principal departments of Government, but exclusive of three unmarried officers in those categories: —

1. (a) 5
- (b) 9
- (c) 6
- (d) 2

2. —Nil. No exemptions were granted except the six cases mentioned in 1 (c) above.

HONG KONG'S WAR EFFORT.

H.E. THE GOVERNOR. —Honourable Members, —The laying of the report of the War Revenue Committee gives me an opportunity to address you briefly on a subject which, as correspondence in the local papers from time to time reveals, is on the minds of many others than myself. That subject is the adequacy or otherwise of Hong Kong's war effort.

As you are well aware the economic side of the war is of paramount importance, and with that in view the people of the United Kingdom have accepted so heavy a weight of taxation and have so drastically restricted their consumption of all but the bare necessities of life that the standard of living there is now definitely lower than it was two years ago.

The purposes of these great sacrifices are to save shipping space, to save labour on non-essential goods and to save money. It will not be denied that, in so far as it lies in our power here, we should do likewise.

With this end in view I have recently appointed a committee with wide terms of reference to study the whole of Hong Kong's war effort and to make recommendations for its intensification. One of their principal tasks will be to suggest what reductions can be made in imports and I trust that they will find it possible to make substantial proposals. The problem is one of peculiar difficulty in Hong Kong, which exists mainly on its entrêpot trade though its manufacturing side has largely increased during the last three years. That most important issue will be carefully kept in mind by the committee and by the Government in making its decisions.

The other means whereby Hong Kong can contribute more fully to the war effort is through taxation, and I come at this point to the report of the War Revenue Committee which was laid this afternoon. The committee quite rightly considered the problems before it in the same light as that in which the War Revenue Ordinance was devised, that is to say, the provision of sufficient revenue to cover our war expenditure, including certain gifts to His Majesty's Government. To this end they have produced a series of very valuable recommendations which will strengthen and render more watertight the existing ordinance, and in order to meet the heavier war expenditure of the Colony they have recommended that the basic rates of the various forms of taxation should be raised from the present basic rates to 6% and 12% respectively. In order that this increase should not weigh too heavily on the least well-to-do of those liable to pay Salary Tax they have recommended reasonable increases in the allowances for wife and children.

I have, however, discussed the report with the Executive Council in the light of what I have said already about the general intensification of our war effort, and I have recommended to them, and have obtained their concurrence with, the general increase of the present basic rates to 7% and 14%. So far as the salary tax is concerned I am giving close personal attention to the question whether this further increase will re-act harshly on lower-salaried residents who have to maintain a family elsewhere than in Hong Kong, having regard to the very considerable increases that are being made in the allowances for wives and children. That must be avoided. The Attorney General will in due course inform you in detail of these proposed amendments.

Before leaving this subject I offer to the organizers of the South China Morning Post Bomber Fund my very hearty congratulations on having passed the two million dollar mark: I feel sure that the Council will fully join their congratulations to mine. (Applause). I trust that what I have said this afternoon about the Colony's war-effort will not be taken as derogatory to their energetic patriotism or to the public spirited munificence of the many individuals and firms who have contributed to that fine total. My remarks have, of course, a very different bearing.

I confidently hope that what I have said regarding the closer approximation of Hong Kong's war effort to that being made in the home country will you're your full approval. (Applause).

FINANCE COMMITTEE'S REPORTS.

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the reports of the Finance Committee (No. 13 of 1940-41) and (No. 1 of 1941-42) dated 22nd May, 1941, and moved that they be adopted.

THE FINANCIAL SECRETARY seconded, and this was agreed to.

BUILDINGS AMENDMENT BILL, 1941.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Buildings Ordinance, 1935." He said: Under Section 116 of the principal Ordinance, the Building Authority issues occupation permits to a building which has been certified by an authorised architect as safe. It has hitherto been the practice of the Building Authority to issue domestic and non-domestic permits for buildings intended to be used respectively as domestic or non-domestic buildings; and the object of the amendment is to give the Building Authority power to issue a permit with respect to any building appropriate to the use or occupation of such building as a domestic or a non-domestic building.

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

Objects and Reasons.

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

Section 116 (1) of the Buildings Ordinance, 1935, is as follows: —

No new building shall be occupied or used in any way, except by caretakers only not exceeding two in number, until an authorized architect shall have certified in writing according to the form contained in Schedule K to the Building Authority that such building complies in all respects with the provisions of this Ordinance, and is structurally safe, nor until the owner shall have received a written permit to occupy such building.

The object of the Bill is to give the Building Authority power to issue a permit with respect to any building appropriate to the use or occupation of such building as a domestic or a non-domestic building.

It has hitherto been the practice of the Building Authority to issue domestic and non-domestic permits, for buildings intended to be used respectively as domestic or non-domestic buildings.

As there is some doubt as to whether the Building Authority has power to issue such permits it has been considered advisable to enable the Building Authority to issue permits appropriate to the use and occupation of buildings as domestic or as non-domestic buildings.

The matter being one which primarily concerns the Health Authorities it has been provided that nuisances arising under section 116 (as amended) should be dealt with by the Chairman of the Urban Council or any person deputed by him on that behalf.

ONE-CENT CURRENCY NOTES BILL, 1941.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to provide for the issue by the Financial Secretary of one-cent legal tender currency notes." He said: The reasons for this Bill are stated in the memorandum attached.

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

THE ATTORNEY GENERAL. —I rise to move the suspension of so much of the Standing Orders of this Council as stands in the way of this Bill being carried through all its stages to-day.

THE COLONIAL SECRETARY seconded, and this was agreed to.

THE ATTORNEY GENERAL. —I now move the second reading of the Bill.

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

On the motion of the Attorney General, seconded by the Colonial Secretary, Council then went into Committee to consider the Bill clause by clause.

Upon Council resuming,

THE ATTORNEY GENERAL reported that the One-Cent Currency Notes Bill, 1941, 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.

Objects and Reasons.

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

1. Owing to the shortage of one-cent copper coins and the delay in arrival of such coins on order it has been found necessary, as a temporary measure, to issue one-cent currency notes.

2. This Bill follows generally the lines of Ordinance No. 42 of 1935, which authorized the issue of legal tender one-dollar notes and established a Fund for their redemption.

3. This Bill makes the new notes legal tender for the payment of any amount not exceeding one dollar.

PREVENTION OF EVICTION AMENDMENT BILL, 1941.

THE ATTORNEY GENERAL moved 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.

On the motion of the Attorney General, seconded by the Colonial Secretary, Council then went into Committee to consider the Bill clause by clause.

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Prevention of Eviction Amendment Bill, 1941, 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 GOVERNOR. — Council stands adjourned *sine dis*.