

7th August, 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. LO MAN-KAM, C.B.E.

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.

HON. MR. E. DAVIDSON.

MR. R. EDWARDS (Deputy Clerk of Councils).

MINUTES.

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

NEW MEMBERS.

His Excellency Major General C. M. Maltby, M.C., and the Hon. Mr. E. Davidson took the Oath of Allegiance and assumed their seats as members of the Council.

ANNOUNCEMENT.

H.E. THE GOVERNOR. —Since this Council met last the honourable and gallant officer who for more than three years sat as the senior official Member has left the Colony and his successor sits in his place.

His Excellency Major General A. E. Grasett served this Colony notably both within and without this Council. The highly efficient state of the military defences of Hong Kong is very largely due to his great energy and soldierly skill and throughout his service here he gave me most valuable help and advice upon the organization of the civil defences of the Colony and when occasion arose he spoke wisely and forcibly in this Council Chamber. Both as Governor of Hong Kong and as President of this Council I tender to him the Government's and the Council's grateful thanks for, and appreciation of, his unsparing labours in the Colony's interests.

We welcome in his place His Excellency Major General C. M. Maltby in whom I am confident we shall find a worthy successor to Major General Grasett. (Applause).

HON. MR. J. J. PATERSON. —Sir, may I, on behalf of the Unofficials, say how much we all appreciate what Major-General Grasett has done for us and wish him the very best good fortune in his new job, and may we too welcome Major-General Maltby.

HON. MR. LO MAN-KAM. —On behalf of my Chinese colleagues as well as on behalf of myself, I desire respectfully to associate ourselves with the tribute which has fallen from Your Excellency.

H.E. THE GENERAL OFFICER COMMANDING THE TROOPS. —Your Excellency, may I convey what you have said to my predecessor in writing?

H.E. THE GOVERNOR. —Certainly.

PAPERS.

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

Amendment made by the Urban Council under section 5 of the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, on 3rd June, 1941, and approved by the Legislative Council on 3rd July, 1941, to the by-laws under the heading "Food Shops" contained in the Schedule to that Ordinance.

Amendment made by the Urban Council under section 5 of the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, on 3rd June, 1941, and approved by the Legislative Council on 3rd July, 1941, to the by-laws under the heading "Markets" and sub-heading "Market-Stalls" contained in the Schedule to that Ordinance.

The Civil Defence Corps Regulations, 1941, made by the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, dated 1st July, 1941.

Order made by the Governor under regulation 30 of the Defence Regulations, 1940, prohibiting male persons to leave the Colony except with the written permission of the competent authority, dated 4th July, 1941.

Order made by the Director of Supply under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, dated 28th June, 1941.

Order made by the Controller of Food under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, dated 6th July, 1941.

Amendment made by the Governor in Council under section 4 of the Stamp Ordinance, 1921, Ordinance No. 8 of 1921, to heading 36 in the Schedule to that Ordinance, dated 5th July, 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 that Ordinance, dated 9th July, 1941.

Classes of persons exempted by the Colonial Secretary from the order relating to exit permits, dated 18th July, 1941.

Order made by the Governor under regulation 46 of the Defence Regulations, 1940, amending the order relating to ships' manifests, dated 14th July, 1941.

Order made by the Governor in Council under section 12 of the Rope Company's Tramway Ordinance, 1901, Ordinance No. 21 of 1901, dated 22nd July, 1941.

List of authorized auditors published under section 131 (3) of the Companies Ordinance, 1932, Ordinance No. 39 of 1932, dated 23rd July, 1941.

Amendments made by the Governor under the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence Regulations, 1940, dated 21st July, 1941.

Additional regulation made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence (Finance) Regulations, 1940, dated 26th July, 1941.

Order made by the Governor under regulation 2A of the Defence (Finance) Regulations, 1940, dated 26th July, 1941.

Order made by the Governor under regulation 2A of the Defence (Finance) Regulations, 1940, dated 30th July, 1941.

Order made by the Governor under the Defence (Finance) Regulations, 1940, authorizing certain banks to deal in foreign currency, dated 31st July, 1941.

Amendments made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence (Finance) Regulations, 1940, dated 31st July, 1941.

Proclamation No. 5. —Calling out all the members of the Hong Kong Naval Volunteer Force for actual service.

Administration Reports, 1939: —

Part VI. —Public Works: —

Report of the Director of Public Works.

Administration Reports, 1940-41: —

Part II. —Law and Order: —

Report of the Commissioner of Prisons.

Part III. —Public Health: —

Report of the Colonial Veterinary Surgeon.

Part IV. —Education: —

Report of the Director of Education.

Telegram from the Secretary of State appreciating Hong Kong Government's decision to bear the cost of four minesweepers for the Admiralty.

QUESTIONS.

HON. MR. J. J. PATERSON asked: —

Will the Government make a statement as to the general policy adopted by the Rice Monopoly which was instituted in accordance with Government Notification No. 617 of 19th May, 1941?

THE FINANCIAL SECRETARY replied: —

In order to give a background to a statement on the general policy adopted by the Rice Monopoly it is perhaps not out of place to review briefly the circumstances which led Government to set up the Monopoly at the beginning of June this year.

The provision of adequate stocks of rice, not only as a defence measure against a possible emergency, but also to meet the daily requirements of the population at reasonable prices, has been the constant concern of Government since the outbreak of the war in September, 1939. Under the machinery set up by the Essential Commodities Reserves Ordinance, No. 38 of 1939, reserve stocks of rice were held by licensed importers whose permits to import required them to hold specified reserve stocks. These permits were due to expire on 31st May, 1941. During the months immediately preceding that date of expiry it became increasingly apparent, in view of, firstly, the uncertainty of supplies from Indo-China and Thailand, the Colony's normal sources of supply, which uncertainty in turn necessitated increasing reliance on Burma, and, secondly, the growing scarcity of shipping, that the maintenance of adequate defence reserves and their turnover to prevent deterioration could not be satisfactorily ensured if importation were left in the hands of private traders who were primarily concerned with their own interests. It was also becoming more difficult, in spite of the fixing of maximum wholesale and retail prices by the Controller of Food, to maintain effective price control of all the grades of this commodity; this difficulty could not be overcome while the import trade remained in the hands of private enterprises who naturally preferred to buy on a rising market. For the above reasons Government decided that it would take over the existing reserve stocks and assume a monopoly of all rice imports and exports as from 1st June, 1941. That decision was endorsed by a Resolution passed by this Council on 8th May, 1941, when it was also announced that arrangements would be made to finance the Monopoly from surplus Government funds, the balance to be made up from moneys advanced by the Hong Kong and Shanghai Banking Corporation.

As announced in Government Notification No. 617 of 19th May, 1941, the Monopoly is controlled by a Board of Directors composed of highly experienced business men under the chairmanship of the Financial Secretary.

The function of the Monopoly is to import rice direct from the sources of supply for two purposes, one being to maintain the emergency reserve stocks in good condition and in prescribed quantities; the other being to sell to the public as directly as is practicable, i.e. through the medium of registered retailers only, a reasonable number of grades of wholesome, palatable rice at prices which are as low as economic conditions permit

The very nature of the undertaking and its vast scope—the feeding of over one and a half million people—necessitate that the Rice Monopoly be run strictly on commercial lines if it is to be successful. But although run on commercial lines the Monopoly is a public institution and not a commercial enterprise, which would seek to make profits in order to pay dividends to shareholders. Properly regarded, the funds with which the Monopoly is financed are public funds, and, while the Monopoly has no desire or intention to make profits from its transactions, it is equally important that it should operate in conformity with sound economic principles.

The price at which rice can be sold by the Monopoly is governed by several considerations, one of the most important being the price at which it can be replaced; and the factors which determine replacement cost are unfortunately to a large extent beyond the control of the Monopoly. In addition to its overhead expenses, which are comparatively small, the Monopoly has to meet interest charges and to prepare for the day when, the war having come to an end, it would have to dispose of its remainder stocks: consequently, in order to avoid a heavy ultimate loss falling on the taxpayer, it is necessary throughout the Monopoly's life gradually to reduce the value at which stocks stand on its books to the figure which it is estimated will then be the market price. In order that this may be achieved in due course it is essential that a margin should now be made between buying and selling. It should also be borne in mind that the cost of holding the large reserve of rice, which is considered necessary as a defence measure, is a direct charge on the income of the Monopoly and affects the price at which it can dispose of its stocks.

In arriving at that price it is the concern of the Board to import rice at the lowest possible cost and to handle and dispose of its stocks with all due economy. Administration in accordance with that policy should mean that rice is put upon the local market at the lowest prices consonant with commercial practice, except that no profit is sought. It is not the concern of the Board if those prices are beyond the means of a section of the population;

and indeed they would be acting beyond their instructions were they to take that issue into consideration. That is a matter for the Board's employer, the Government. If in the opinion of Government it is necessary to subsidize the food supplies of a part or the whole of the community the right way of doing so would be to vote revenue for the purpose.

Criticism of the Board on the score of the sale-prices set by it is justifiable only if for reasons within the Board's control the Board's costs are higher than is necessary. On that point Government is satisfied not only that the Board's sale-prices are in no way excessive but also that they are considerably lower than would be the case were rice importation in these abnormal times to be in private hands.

HON. MR. LI TSE-FONG asked: —

With regard to the new Grant and Subsidy Codes for schools which have been recently approved by the Secretary of State, will Government take steps to make the necessary financial provisions to bring them into effect from 1st September, 1941?

THE FINANCIAL SECRETARY replied: —

Consequent upon the receipt of the Secretary of State's general approval of the new Grant and Subsidy Codes, which was telegraphed on 25th June, 1941, the Board of Education has already on the 18th of July recommended action on the lines of the Honourable Member's present question.

As regards the Subsidies for Vernacular Schools this presents no difficulty as the appropriate financial provision had been made in the current Estimates and this has already received the Government's approval.

The question of Grants-in-Aid is a less simple one. As far as can be estimated at present the implementation of the new Code as from 1st September, 1941, will involve a Supplementary Vote of considerably more than \$400,000 and the Government cannot assume at the present stage the concurrence of the Finance Committee of this Council for such an expenditure and cannot therefore give an affirmative reply to the Honourable Member's question in this respect. The matter will, however, be further examined without delay.

URBAN COUNCIL BY-LAWS.

THE ATTORNEY GENERAL. —I rise to move that the amendment made by the Urban Council under section 5 of the Public Health (Food) Ordinance, 1935, on the 2nd day of July, 1941, to the by-laws under the heading "Slaughter Houses" and sub-heading "General"

contained in the Schedule to that Ordinance be approved. The new by-law is to the following effect—"No person shall cause the introduction into the tissues of the carcass of any animal or bird usually used as food for man, by injection or any other means, of water or any other fluid, or air or any other gas or gaseous mixture." Two precisely similar by-laws relating to market stalls and food shops were approved at a meeting of this Council on July 3. This is an entirely similar one for slaughter houses.

THE COLONIAL SECRETARY seconded, and the motion was approved.

THE ATTORNEY GENERAL. —I rise to move that the amendment made by the Urban Council under section 5 of the Public Health (Food) Ordinance, 1935, on the 15th day of July, 1941, to the by-laws under the heading "Restaurants, Eating Houses and Food Stalls" contained in the Schedule to that Ordinance be approved. There are two special by-laws affected. By-law 7 (2) is rescinded and the following substituted therefor—"7 (2). Adequate kitchen, food preparation, food storage and scullery accommodation shall be provided to the satisfaction of the Council and the walls of the accommodation so provided shall be imperviously surfaced to a minimum height of eight feet." The previous by-law merely provides that the kitchen accommodation should be imperviously surfaced. The new by-law requires that kitchen accommodation should be adequate and that food preparation, food storage and scullery accommodation should be provided to the satisfaction of the Council. The second part of the by-law is Paragraph 3 which is entirely new and which provides: "Unless already provided under by-law 2, plans showing the layout of premises, as approved by Council, shall be submitted for retention by the Council. Except with the consent of the Council there shall be no deviation from the arrangements for kitchen, food preparation, food storage, scullery, seating, latrine or any other accommodation required or approved of by the Council on the issue of a licence."

THE COLONIAL SECRETARY seconded, and the motion was approved.

MOTIONS.

HON. MR. LO MAN-KAM. —I rise to move the following resolution: That, in the opinion of this Council, in view of the great importance of the hawker question in relation to the hawkers themselves as well as to the general public, Government should appoint a Committee to investigate, consider and report on this question generally with special reference to the following points: —

1. To what extent in the system of hawkers necessary in the interests of the poorer sections of the community.

2. Under what safeguards can hawkers of food be permitted to continue to trade without prejudice to public health.

3. If considerations of public health demand the abolition of food hawking either in whole or in part, how such abolition can best be carried out without inflicting undue hardship on existing hawkers.

4. As regards hawkers rendered unemployed as the result of such abolition of food hawking, what provision should be made for absorbing them in other trades or industries, or what provisions should be made for their relief.

5. Having regard to the existing personnel and duties of the Police Force, how can such abolition of food hawking be carried out effectively.

6. What further legislative measures are necessary to carry out the recommendations of the Committee.

Sir, —As the result of innumerable representations made to us by hawkers, and after considering the matter in all its aspects, my colleagues and I feel that the time has now arrived when the whole question of the hawking system should be considered by a committee: hence the Motion standing in my name.

May I, Sir, at the very outset, say quite clearly that in bringing this matter before this Council we have not the slightest desire to show any disrespect to the Urban Council. We do so because we feel that the hawker problem involves serious questions of economics and policy, and should be a matter for the Government of the Colony rather than for a statutory body charged with certain statutory duties.

I observe from the Press report of the recent meeting of the Urban Council held on the 17th June, 1941 that my Honourable friend Mr. W. J. Carrie, as Chairman of that Council, urged the meeting "to approach this matter solely from the point of view of custodians of public health." This exhortation, admirable as it is from the point of view of the Urban Council, emphasises the plea I now make that the matter should be considered by a committee which can look at the problem, not only from the point of view of public health, but from other important aspects of this question.

As I understand it, the Urban Council has decided that as from the 1st September, 1941 there shall be no further licences for the sale of cooked food by itinerant hawkers, and that as regards cooked food stalls, licences for these are to be reduced by 20% each year for the next five years, bringing a total abolition of cooked food stalls at the end of five years.

I gather from the Press that the Chairman of the Urban Council is considering the question of establishing Government eating houses, to be staffed by ex-hawkers, but that in any case such a scheme cannot be brought into operation until next year. What is going to happen to the hawkers between 1st September, 1941 and the

inauguration of these Government eating houses has not been made clear. But, in any case, any such scheme is surely a matter for Government. At this stage I abstain from commenting on this scheme. But I submit that the mere fact that such a scheme has been suggested as a partial solution of the problem of unemployed hawkers shows the complexity of the whole question, and emphasises the desirability of appointing a committee.

As the objection of the Urban Council to food hawkers is based solely on public health I readily admit my incompetence in making any expert contribution to the discussion of this matter. But I do venture to make a few general observations from the point of view of a layman. Admittedly, the sale of some kinds of food must be totally prohibited. This has already been done. As the Chairman of the Urban Council observed at the meeting above referred to "the exposure for sale of cut or peeled fruit is definitely prohibited under special anti-cholera bye-laws, and though we must also take action against those who offend, we need not include them in the present discussion." We can therefore confine ourselves to other types of food such as congee, tea and cakes, puddings, bean curd and other cooked foods.

I feel that it should be remembered that the people who buy articles from hawkers generally occupy such houses, cubicles, bedspaces and surroundings in which the hygienic ideal aimed at by a body like the Urban Council cannot be attained. Would the problem be solved if it could be ensured that food is bought in a clean shop, when in fact it is kept, cooked and eaten in a place in which contaminated water, dust, dirt and flies abound? Is there really a substantial danger to public health by the *sale* of such articles to the particular class of persons who patronise hawkers? In any case could not such danger be safeguarded by proper supervision?

As a layman I must confess to some doubt as to whether the sale of such cooked food does constitute a danger to public health: I have on doubt that any such danger can be avoided by efficient supervision and control, especially with co-operation from licensed hawkers. I may say that full co-operation has been earnestly promised by the hawkers, and that I am satisfied that they will do their utmost to co-operate.

In point of fact are there not hawkers of food in Britain and America—and in their large cities?

But public health is only one aspect of this matter. In the course of the Memorandum prepared by my Honourable friend Mr. R. R. Todd, the then Chairman, of the Urban Council, which was referred to in appreciative terms by my Honourable friend Mr. Carrie at the meeting of the Urban Council on June 17th last, Mr. Todd advanced five arguments against (of which one only was based on public health), and three for itinerant hawkers. The Honourable Mr. R. R. Todd certainly appreciated that the problem was a complex one, and I submit

that it should not be looked at "solely from the point of view of custodians of public health."

The Hon. Mr. W. J. Carrie, at the same meeting of the Urban Council, referred to an interview which he had with the Chinese Members of Councils. Frankly I have no recollection of the details or result of the interview, for I kept no notes. I do not think any one can reasonably object to any scheme aimed at the gradual reduction and ultimate abolition of food hawking, if such a scheme could be carried out without involving serious injury to the hawkers. But I have on my file copy of a Memorandum which I prepared, in answer to the Hon. Mr. Todd's Memorandum of the 27th July, 1936, and copy of a letter which I addressed to the Hon. the Secretary for Chinese Affairs dated the 10th March, 1938, (enclosing a copy of my Memorandum), stating that it had been seen by my colleagues the Hon. Sir Robert (then Dr. R. H.) Kotewall, Hon. Mr. T. N. Chau and Hon. Dr. Li Shu-fan, and that I was authorised by them to state that they concurred in the views expressed in my Memorandum. In my Memorandum I set out in detail my observations on and criticisms of the Hon. Mr. Todd's Memorandum. I do not desire to weary this Council with my humble views as set out in that Memorandum, but I should like to quote the concluding paragraph thereof: —

"24. My present opinion is that there should be no restriction whatever in regard to the existing classes of hawking and that applications for licences should be considered from the point of view that the hawking system is a substitute for Poor Law, i.e. licences should be issued only to people who, by reason of age, infirmity, absence of support, etc., have no alternative of earning a living other than by hawking, but with the important proviso of a definite residence qualification in the Colony for a minimum period. For reasons already indicated I cannot believe that there is any real or serious objection to the hawking of food, even under the new class 7. But the Urban Council will of course take such special measures as may be necessary in respect of the hawking of special classes of food during periods of epidemics or threatened epidemics, as it has done in the past."

There are, however, two further questions in my Memorandum which I feel I must mention to-day. The first is the economic one of supply and demand. My own conviction is that when the hawking market has reached a saturation point I doubt whether there will be many new applications for licences. If the saturation point has not been reached I have no doubt that hawkers, licensed or unlicensed, will respond to the call of economic demand: in other words, can hawking be effectively abolished? I doubt it. In this connection I would like to refer to a minute addressed by one of the Urban Council's officials to the Chairman of the Urban Council in April 1937, in which he observed that the reduction of the hawker licences was a matter for congratulation "were it not that my work in another sphere has convinced me that all we have done is to add two thousand or so to

the ranks of unlicensed food stuff hawkers, where they no more harm than before while paying nothing to Government.”

The wholesale bribery and squeeze in regard to hawkers are well known to every member of this Council; we have seen various prosecutions in the Police Courts, but these prosecutions—or even convictions—only touch the fringe of the problem. Is it sound policy to drive a man to unlicensed hawking, or to even worse forms of crime, which must be the inevitable concomitant of any drastic reduction or abolition of licences?

The other question is a much more serious one, and it goes to the root of the statutory competence of the Urban Council in regard to the policy it has adopted.

At the same meeting of the Urban Council, already referred to so many times, the Hon. Mr. Carrie paid a well-deserved tribute to my friend Dr. Li Shu-fan as the proposer of the Resolutions which resulted in the Hawkers Ordinance of 1935 being passed, by which the licensing and control of hawkers was transferred from the Police Department to the Urban Council.

The wording of the 1934 Resolution, proposed by Dr. Li Shu-fan, is of great importance. It is as follows: —

"(a) That it is the opinion of this Board, that, in the interest of public health and with the view to the prevention of disease, it is desirable: —

- (i) that restaurants, eating stalls, stalls for the sale of cooked food, premises for the sale of cooked meat and cooked meat hawkers, should be licensed by a sole Licensing Authority....
- (ii) that for the purpose of unified control and proper sanitary supervision, such sole Licensing Authority should be the Sanitary Board....

(b) That a copy of this Motion be forwarded to the Government with the request that the necessary legislation be passed in order to give effect to this Motion." Section 2 of the Hawkers Ordinance says: "The Urban Council may make bye-laws with respect to the regulation and control by registration, licensing or otherwise of persons hawking any kind of commodity other than cigars, cigarettes and tobacco."

It will thus be seen that having obtained statutory authority, on the ground of public health, to license "meat hawkers," and on the plea of "unified control and proper sanitary provision" to license all hawkers, the Urban Council has decided as a matter of policy not to issue any new licences at all for a particular class of hawking. I cannot see how such a policy, adopted and carried into effect under such circumstances, can be supported. The Hon. Mr. W. J. Carrie, at the

meeting of the Urban Council in June this year, stated: "I feel it is impossible to control either the licensed or unlicensed from the point of view of cleanliness." Well, the Urban Council obtained the statutory authority on the ground that it wished to exercise, and presumably that it could effectively exercise, unified control and proper sanitary provision. If the Urban Council cannot exercise control and supervision it should ask Government to be relieved of its responsibilities as the sole Licensing Authority.

May I remind Honourable Members of this Council that when the Hawkers' Bill came before this Council it was not debated at all? And why was there no debate I submit it was because of the Resolutions of the Urban Council (the then Sanitary Board) of May 1934, and because of the express terms of the Objects and Reasons, which stated that the object of the Bill was to transfer the Licensing Authority from the Police Department to the Urban Council. Surely this Council had every reason to assume that the effect of the legislation was a mere transfer of licensing authority, without any change in fundamental policy.

Sir, I have purposely refrained from entering into detailed arguments for or against the Hawker System, because it seems to my colleagues and myself that all the complicated factors affecting this question should be considered by a committee. I have, I hope, said sufficient to show that a case is made out for the appointment of a committee to inquire into this matter.

I accordingly move the Motion standing in my name.

HON. MR. W. N. T. TAM. —Sir, I beg to second the motion. As the views which have been expressed by the Hon. Mr. Lo include those which are held by other Chinese members, I have nothing to add, except to stress two points.

First, the abolition of licences for food hawkers will have one sure effect, that is the loss of livelihood for a number of persons; although the object desired, namely, a material reduction in intestinal disease may or may not be attained.

What therefore has been suggested as a solution to a health matter becomes immediately an economic problem for which another solution has, in turn, to be found.

This economic aspect has to be dealt with; but the Urban Council has consistently declared that questions of economic import lie outside its province and that its primary function is to view every subject from the angle of public health.

Secondly, however deep may be our personal convictions regarding the merits of the hawker system, I doubt whether there is a single supporter of this motion who would maintain that the system must be preserved at all costs.

If the Committee which is suggested should, after considering the tenets of modern hygiene and the realities of everyday life, be unable to find an alternative solution, but that this system should be abolished, then I am sure every one of us would be content to abide by that decision.

If the members of the Urban Council, who are concerned only with the best interests of the Colony would also view the matter in the same light, then I am confident that they too would welcome the appointment of such a Committee.

THE COLONIAL SECRETARY. —Sir, The Government appreciates the public spirit of the Honourable Member in bringing this important matter to the notice of this Council, but does not think that any really useful purpose would be served by accepting the proposal that a special investigating committee should be set up for the purpose in view.

The whole control of hawking (with the exception of tobacco hawking) has been by section 2 of Ordinance No. 22 of 1935 specifically entrusted to the Urban Council.

That Council, as honourable members are well aware, has an unofficial majority, partly elected, with strong Chinese representation, while the Health Services, the Police, the Public Works and the Chinese Secretariat furnish, in addition to its administrative Chairman, a very powerful official element. It possesses, moreover, a large trained and qualified staff of health and sanitary officers which are at its service in investigating and reporting on the actual conditions under which hawkers pursue their calling.

In view of this it is in the opinion of the Government difficult to think of any independent committee, such as the motion now before the Council contemplates, which would be better fitted than the existing Urban Council to deal with this difficult problem or to advise on the points raised in that motion.

I am, however, to say that the question raised by the Honourable Member in his motion are being referred back to the Urban Council for further consideration of the whole matter as it is felt that some more constructive scheme for the feeding of the poorer sections of the population might be evolved.

The By-laws made by the Urban Council on 2nd July, 1941, will therefore not be submitted to the Legislative Council until such further consideration has been given.

HON. MR. LO MAN-KAM. —The remarks of the Colonial Secretary are certainly a relief to my colleagues and myself in the sense that they convey the attitude of the Government that the intended summary abolition of hawking licences as from September 1 would not be carried out without further consideration. I would, Sir, be much happier to

accept Government's attitude as enunciated by the Colonial Secretary if, from actual experience, I did not have the feeling that the Urban Council has never broached this question of hawking from an unbiased, fresh-minded, point of view. They have had so many files and so many meetings that already I fear they will not be able to see the wood for the trees. There is no constitutional objection to the appointment of a Committee. I feel that an independent Committee would be able to look at this matter in a much more satisfactory way. Therefore, Your Excellency, I feel I have no alternative but to press this matter and as it is of great Importance to a large section of the Chinese community, I have the honour to ask, Sir, that a division may be taken.

H.E. THE GOVERNOR. —Although, for the reasons which the Colonial Secretary has stated, Government is not disposed to accept this motion at the present time, I should like to express my appreciation of the action of the Hon. Mr. Lo and his seconder, the Hon. Mr. Tam, in bringing the matter forward and putting the points as they did so clearly and effectively. The reason why the motion is not acceptable to the Government is, I feel—that I feel it all the more in view of what Mr. Lo has said—that the whole question of food hawkers should be referred back to the Urban Council for a report on the subject with their recommendations. I don't think it will be sufficient merely to refer the points which are mentioned in this motion, important as they are, and I should like to see the whole question covered by a report from the Urban Council. If that report meets with the concurrence of this Council, then I feel no further action will be necessary than to implement it; if, on the other hand, that is not the outcome, I think a case would very likely then have been established for the creation of a Committee such as the Honourable Mover has always suggested, but in the first place I think the Urban Council should have the whole question referred to them for a report and that is why, at the present moment, I am not disposed to accept the motion. I agree with Mr. Lo that there is no Constitutional objection whatever to such a Committee being appointed by Government.

HON. MR. LO MAN-KAM. —Sir, in view of what you have said and seeing that this reconsidered report will be before the Council when we would have the opportunity of considering it, I think no useful purpose will be served by pressing for a division, and therefore I am quite willing to withdraw my request for a division.

H.E. THE GOVERNOR. —I am glad the Honourable Member sees it in that way. There are two or three points raised by the Honourable Member on which I would like to touch, with some of which I fully agree with him. I speak without the book nor have I got the terms of reference of the Urban Council before me, but I fully agree with the Honourable Mover that this is not a question to be discussed solely from the public health point of view. This question touches on economics in a good number of aspects and the Urban Council should not confine itself solely to public health. If it is a case that the Urban Council cannot go outside its scope of public health

in their consideration, I can only say that the Ordinance which governs their activities should be amended. The Honourable and learned member the Attorney General will correct me if I am wrong.

THE ATTORNEY GENERAL. —I think that, in considering any by-laws, the Urban Council must consider all aspects of the case. I would like to point out that anything the Urban Council decided on in the form of by-laws has to come before this Council for approval.

H.E. THE GOVERNOR. —In the second place, while I disagree with the Honourable Mover that hawking is the best substitute for the Poor Law, I do agree with him in this respect—that the present substitute for Poor Law should not be abolished until another and better substitute has been found. Thirdly, I agree with him that it is better to have licensed hawkers than unlicensed hawkers—if the contention is correct that you cannot get rid of hawkers, then surely it is better that hawkers should be licensed. I presume that you do not wish to withdraw your motion, Mr Lo?

HON. MR. LO MAN-KAM. —No.

H.E. THE GOVERNOR. —Then I will put the motion.

The motion was lost

ADJOURNMENT.

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

FINANCE COMMITTEE.

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

Votes totalling \$6,385,698 under Estimates, 1940-41, and \$1,120,864 under Estimates, 1941-42, were considered.

Item 393. — 6, Air Raid Precautions: 17, Respirators for Essential Services, \$162,933.

HON. MR. PEARCE. —Have any of these respirators been sold, and if so, how many? There was some talk that they were never sold.

THE CHAIRMAN. —They were to be sold in advance; and you can bring your receipt and get it.

THE FINANCIAL SECRETARY. —I don't know the number sold but I think there was a very small response.

THE CHAIRMAN. —I will look into the matter and circulate the information.

Item 404. —17, Miscellaneous Services: —Harbour Inquiry, \$68,769.

HON. MR. SHIELDS. —To whom was this money paid, as I understand Sir David Owen came out for no salary?

THE CHAIRMAN. —His passage and upkeep had to be paid as also the salary of his assistant.

HON. MR. SHIELDS. —Is this the total figure?

THE CHAIRMAN. —Yes.

Item 413. —20, Wireless and Broadcasting: —Special Expenditure: Radio Review, \$15,341.

HON. MR. LO. —Is it intended to go on with it in view of the lack of support?

THE CHAIRMAN. —It is being stopped at the end of this month.

Item 422. —42, War Expenditure: —4, Censorship, \$121,034.

HON. MR. D'ALMADA. —I see that salaries come to \$414,163.87. Is that for one year?

THE FINANCIAL SECRETARY. —Fifteen months.

HON. MR. D'ALMADA. —That makes about \$27,000 a month, doesn't it?

THE FINANCIAL SECRETARY. —If you look into this year's Estimates you will get some idea of the number of persons employed by the Censorship.

Item 425. —32, War Expenditure: —8, Food Control \$2,939,168.

HON. MR. PEARCE. —Can we have some report regarding the reserve stocks that are being kept—if there has been any deterioration, if there has been any severe loss, or if there has been a profit?

THE CHAIRMAN. —Yes, I will see that you have that.

HON. MR. PEARCE. —One has been given to understand that there has been a certain amount of deterioration and I think a detailed report would be of interest.

HON. MR. LO. —What we really want, I think, is more particulars on the losses, if any.

Item 432. —33, Immigration Department \$181,537.

THE FINANCIAL SECRETARY. —The revenue during the financial year 1940-1941 from the Immigration Department was about \$412,000.

Item 50. —24, Public Works Recurrent & Water Works: —Maintenance: 10, Typhoon and Rainstorm Damages, \$60,000.

HON. MR. SHIELDS. —Are we getting any nearer towards finishing all these repairs?

THE DIRECTOR OF PUBLIC WORKS. —There has been more damage this month. We have had a very heavy period of rainfall, and since June last year the rainfall was 160 inches. The catchments go through very bad country and there is nothing to stop the damage.

HON. MR. SHIELDS. —Do you think the design is entirely suitable to this type of country? I have been along there and saw stream after stream running into the catchments but at the reservoir there was only a trickle.

THE DIRECTOR OF PUBLIC WORKS. —That was due to the damage, but the reservoir is full now.

All the votes were approved.