

16th October, 1947.

PRESENT: —

HIS EXCELLENCY THE GOVERNOR (SIR ALEXANDEL WILLIAM GEORGE HERDER GRANTHAM, K. C. M. G.)

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR-GENERAL G. W. E. J. ERSKINE, C. B., D. S. O.)

THE COLONIAL SECRETARY (HON. T. MEGARRY, *Acting*).

THE ATTORNEY GENERAL (HON. J. B. GRIFFIN, K. C.)

THE SECRETARY FOR CHINESE AFFAIRS (HON. R. R. TODD).

THE FINANCIAL SECRETARY (HON. C. G. S. FOLLOWS, C.M.G., *Acting*).

HON. V. KENNIFF (Director of Public Works).

DR. HON. I. NEWTON (Director of Medical Services).

HON. D. F. LANDALE.

HON. CHAU TSUN-NIN, C.B.E.

HON. LO MAN-KAM, C.B.E.

HON. LEO D'ALMADA E CASTRO.

HON. R. D. GILLESPIE.

DR. HON. CHAU SIK-NIN.

HON. M. M. WATSON.

MR. ALASTAIR TODD (Deputy Clerk of Councils).

MINUTES.

The Minutes of the meeting of the Council held on 2nd October, 1947, were confirmed.

QUESTIONS.

HON. LO MAN-KAM asked: —

1. In regard to His Excellency Sir Mark Young's reference in his Council on the 5th September, 1946 to

“the duty that we owe to use every effort to reduce so far as we may, both in extent and in duration of time, our dependence on H.M. Government for financial aid to meet the difference between our revenue and our recurrent expenditure”

will Government state—

(1) What was the nature and extent of the financial aid rendered to the Colony and when it was so rendered;

(2) Whether the duty of the Colony has now been fully discharged, and if not, what is the nature and extent of the financial aid which remains undischarged.

(3) If the answer to the first part of (2) above is in the negative, does this mean that all proposed Hong Kong expenditure, including its Budget, has to be submitted for approval to H.M. Treasury, and if so does such submission involve great delay in practice?

2. With reference to Sir Mark Young's statement and undertaking to this Council on the 27th March, 1947: —

"Many of the items which have already been paid stand in a suspense account pending decision as to the ultimate responsibility for payment. I believe it will go some way towards meeting the wishes of Honourable Members if I undertake, as I readily do, that no future transfers from these suspense accounts to our general expenditure account shall take place without prior reference to this Council."

will Government state—

(1) Had any of the items been transferred to general expenditure prior to Sir Mark Young's undertaking referred to above, and if so what were the items?

(2) What are the items which still remain in the suspense account?

THE COLONIAL SECRETARY replied: —

1. (1) Over the period January, 1944, to March, 1947, His Majesty's Government made advances to the Colony totalling £ 3,250,000.

(2) No repayment has yet been made and there is therefore a contingent liability against this Government for the full £ 3,250,000. No interest has been charged on these advances which were chiefly in respect of expenditure connected with the war.

(3) Although Hong Kong is not at present in receipt of assistance from His Majesty's Government its finances are still subject to general Treasury control. The incidence of the various liabilities connected with the war still has to be finally determined and control is not normally withdrawn in the case of a territory which has been in receipt of Treasury assistance until it has been self-supporting for a period of three successive years from the date on which it last received any grant or loan. All major expenditure, including the budget, accordingly requires Treasury approval. This does not normally result in great delay though some delay is naturally inevitable.

2. (1) Payments made in London before the resumption of Civil Government in respect of pay and allowances and pensions of volunteers and their dependants, repatriation passages for non-officials, maintenance and relief and *ex gratia* grants to Civil Defence workers were charged in some cases to suspense and in others to Hong Kong expenditure through the London Accounts Office. All payments made locally or in London in respect of the above items since the 1st May, 1946, have been charged to suspense and the expenditure incurred in London before the resumption of Civil Government will, of course, be taken into consideration when the allocation of these charges is finally determined.

(2) The items which still remain in suspense are: —

- (a) Payments made locally or in London, Australia or elsewhere since the 1st May, 1946, in respect of pay and allowances and pensions of volunteers and their dependants.
- (b) Payments made locally or in London, Australia or elsewhere since the 1st May, 1946, in respect of repatriation passages of non-officials.
- (c) Certain maintenance and relief payments made in Australia and Macao and elsewhere.
- (d) *Ex gratia* grants to Civil Defence workers.

The total of these suspense accounts in the Colony's books up to the 30th September, 1947, was approximately \$15,000,000 but this figure may be increased by further charges through the more recent accounts of the Crown Agents for the Colonies. To this must be added the considerable expenditure incurred in London as indicated in the reply to the first part of this question. This totalled approximately \$30,000,000.

MOTIONS.

HON. D. F. LANDALE: —Your Excellency: In accordance with Order 15 of the Standing Orders of this Council I ask your consent, Sir, to enable me to move a resolution without having given the prescribed notice, to the effect that an allocation be made from public funds for the purchase of a wedding present to be presented by the Colony to Her Royal Highness, Princess Elizabeth.

H.E. THE GOVERNOR: —I grant my permission.

HON. D. F. LANDALE: —Thank you, Sir.

Your Excellency: I now rise to move the following resolution:

Resolved that this Council do approve the allocation from public funds of the sum of \$50,000 for the purchase of a gift to be presented by the Colony for the acceptance of Her Royal Highness the Princess Elizabeth on the occasion of her marriage.

Sir, there is little I need add to the sentiments underlying this resolution and I commend it whole-heartedly for the acceptance of this Council. My Unofficial Colleagues and I have for some time felt that on this auspicious occasion it would only be fitting that the Colony as a whole should make a presentation as a token of good wishes from all the peoples of the Colony. The occasion is made more auspicious by the possibility and the hope that when, in God's good time, Her Royal Highness comes to reign over us, Elizabeth the Second will not do so as a spinster.

From information gleaned from the Press we understand that it is Her Royal Highness' wish that her wedding should be of an austerity nature. We therefore do not propose to organise a public subscription, but anyone in the Colony who desires to make a personal contribution would be welcome to do so, and the amount so contributed would be added to the sum mentioned in the resolution.

We would propose that these personal contributions should be sent to Messrs. Lowe, Bingham & Matthews, who have kindly consented to act as the Honorary Treasurers to this fund.

The general idea that my Unofficial Colleagues and I have in mind, is that out of the sums contributed, articles typically Hong Kong and of a useful nature and a limited value should be purchased, and that any balance should be made available to local charity. When I saw you, Sir, on behalf of my Unofficial Colleagues, I understood from you that this general idea that I have just outlined would be acceptable to Her Royal Highness. I am afraid I cannot be very precise in our suggestions as regards the nature of the gift that should be presented, but I would suggest that this matter be left in the hands of my Unofficial Colleagues who will of course act in consultation with Your Excellency, and of course the public will be informed of the action taken.

As regards the balance we propose should be made available to local charity, our suggestion is that the sum should be handed over to the Social Welfare Officer to be applied by him—again, Sir, in consultation with Your Excellency, —to the interests of juveniles and children of the Colony in such a manner as Your Excellency may see fit.

Sir, the 20th of November will be a day of rejoicing for all peoples of the British Commonwealth, and in asking Your Excellency to accept this motion, and if accepted to present the Colony's gift to Her Royal Highness, my Unofficial Colleagues and I would like to convey to Her Royal Highness the loyal congratulations and best wishes of all the residents of Hong Kong.

HON. CHAU TSUN-NIN: —Your Excellency, as the Senior Chinese Member it is with very great pleasure that I rise to second the motion.

H. E. THE GOVERNOR: —Honourable Members, before I put this motion to the vote I should like to say that Government accepts it whole-heartedly, and I feel sure that the two members who have recently spoken are expressing the sentiments of all the people of this loyal Colony of Hong Kong. As the Senior Unofficial Member has just stated, he came and saw me on behalf of his Unofficial Colleagues with this idea in mind, and asked if I could ascertain through the Secretary of State for the Colonies the wishes of Her Royal Highness in the matter, for, as you know, we have to follow the correct Court and other procedure. I accordingly did so, and I received a telegram in reply from the Secretary of State, in which he informed me that Her Royal Highness was very touched by this proposal and was graciously pleased to accept it. She did however ask, as the Honourable Mover has said, that the sum that was devoted to the personal gift should be limited and that the balance should be devoted to a charitable or welfare purpose, preferably local. Naturally we here gladly accede to the wishes of Her Royal Highness and again, as the Honourable Mover has said, it is not possible to be precise and exact at this moment as to the nature of the gift. The Honourable Mover and his Unofficial Colleagues will endeavour to find something that is not extravagant, that is useful, but that is worthy of the Colony of Hong Kong. The balance will be devoted for the children in which connection the advice of the Social Welfare Advisory Council will be sought. I will now put the motion to the House.

Council unanimously adopted the motion, which was carried.

THE FINANCIAL SECRETARY moved that the Supplementary Provision for the second quarter ended 30th September, 1947, Schedule No. 2 of 1947/48 be approved.

He said: The Special Warrants set out in this Schedule have all been approved by Finance Committee and it is now necessary to obtain by resolution the formal sanction of the whole Council

for this expenditure. The Schedule covers expenditure totalling \$2,682,797. There are a number of small items but six large items together account for over two and a quarter million of this expenditure.

There is additional provision to the extent of one million to cover the Government dollar for dollar contribution to the War Memorial Fund. As I explained when presenting the Schedule for the First Quarter, only a token provision of \$250,000 was inserted in the Estimates but donations on a particularly generous scale from some of the principal business houses in the Colony soon made it necessary for the Government to supplement its original provision in a very extensive manner.

Another large item arose from the necessity for Government to purchase some conveniently situated property at East Point Terrace in order to provide some much needed accommodation for Police inspectors. A sum of \$570,000 was paid for this property but the total cost per flat worked out at a lower figure than would have been the case if the Government had built equivalent accommodation itself. There was also the advantage that the accommodation became available now when it was most needed instead of perhaps, in two years' time.

The remaining large items which between them were responsible for \$698,520 include the repair of typhoon damage, a contribution towards the Kwangtung Flood Relief Fund, the purchase of anti-piracy launches and the provision of special equipment for the Police.

There will, of course, be considerable savings in other directions owing to delays in the delivery of equipment and for other reasons. It is therefore probable that in spite of this supplementary vote the total expenditure figure contained in the 1947-48 Estimates will not be exceeded.

THE COLONIAL SECRETARY seconded, and the motion was carried.

CO-OPERATIVE SOCIETIES BILL, 1947.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to provide for the formation and to regulate the operation of co-operative societies."

He said: In so doing, I wish to say that at the proper stage I propose to move certain minor amendments to 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.

Clause 34.

THE ATTORNEY GENERAL. —I move that the sub-clause (1) of clause 34 be amended by the insertion of the words "After deduction of any tax which may have been charged on such society in accordance with the provisions of the Inland Revenue Ordinance, 1947," between the word "rules" and the word "the" in the fifth line of the sub-clause and by replacement of the word "The" with a capital "T" appearing in such line by the word "the". I also move that in the margin reference be placed to Ordinance No. 20 of 1947.

THE COLONIAL SECRETARY seconded.

H.E. THE GOVERNOR. —Will the Honourable Member give us some explanation of this?

THE ATTORNEY GENERAL. —I beg your pardon, Sir. The purpose of the amendments is to make it clear that the profits of co-operative societies will not be exempt from the payment of tax under the Inland Revenue Ordinance, in cases where their profits become liable to tax.

The amendments were agreed to.

Clause 40.

THE ATTORNEY GENERAL. —I move the insertion of a marginal note in the following way, "Effect of Cancellation" in the margin of this clause.

The amendment was agreed to.

Clause 51.

THE ATTORNEY GENERAL. —I move the amendment of Clause 51, sub-clause (1) by the insertion of the words "in Council" after the word "Governor" occurring in the first line of the sub-clause. Similarly, I move the insertion of the words "in Council" after the word "Governor" in the penultimate line of sub-clause (3) of this clause.

The purpose of the amendments I have proposed is to bring rule-making powers in conformity with that appearing in other legislation of this Colony wherein rule-making powers are normally vested in the Governor-in-Council.

The amendments were agreed to.

Schedule.

THE ATTORNEY GENERAL. —I rise to move that in the Schedule sub-rule (1) of Rule 31 be amended by the insertion of the word "or" between the words "annually" and "convened" appearing

in line 2 of such sub-rule. The reason for this proposal is that in the absence of the word "or" which was omitted in error, a society will be required to hold two annual general meetings, one convened by its committee under rule 23 and one by the registrar under rule 31.

The amendment was agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Co-operative Societies Bill, 1947, had passed through Committee with some minor amendments and moved the Third reading.

THE COLONIAL SECRETARY seconded, and the Bill was read a Third time and passed into law.

FACTORIES AND WORKSHOPS AMENDMENT BILL, 1947.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance further to amend the Factories and Workshops Ordinance, 1937."

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.

Council then resumed.

THE ATTORNEY GENERAL reported that the Factories and Workshops Amendment Bill, 1947, 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 into law.

ADJOURNMENT.

H.E. THE GOVERNOR. —That concludes the business, Gentlemen. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL. —Sir, I understand that business may require that it should be seven days hence.

H.E. THE GOVERNOR. —Council will adjourn until this day week.