

14th January, 1948.

PRESENT: —

HIS EXCELLENCY THE GOVERNOR (SIR ALEXANDER 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. D. M. MACDOUGALL, C.M.G.)

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).

DR. HON. J. P. FEHILY, O.B.E. (Chairman, Urban Council).

HON. D. F. LANDALE.

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

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

DR. HON. CHAU SIK-NIN.

HON. LEO D'ALMADA, K.C.

HON. R. D. GILLESPIE.

HON. M. M WATSON.

MR. ALASTAIR TODD (Deputy Clerk of Councils).

MINUTES.

The Minutes of the meeting of the Council held on 29th December, 1947, were confirmed.

ANNOUNCEMENT.

THE COLONIAL SECRETARY: By Your Excellency's command I rise to announce the appointment of the Standing Law Committee for 1948. The following members have been appointed and agree to serve:

The Honourable the Attorney General, Chairman,

The Honourable Chau Tsun-nin, C.B.E.,

The Honourable Lo Man-kam, C.B.E.,

The Honourable Leo D'Almada, K.C.,

The Honourable M. M. Watson.

PAPERS.

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

Sessional Papers, 1948: —

No. 1. — Report of the Salaries Commission.

No. 2. — Notes exchanged between H.E. Dr. Wang Shihchieh and H.M. Ambassador at Nanking, and annexed provisions constituting an agreement on the prevention of smuggling between Hong Kong and Chinese ports.

THE ATTORNEY GENERAL, by command of H.E. the Governor, laid upon the table the following paper: —

Report of the Select Committee appointed to consider a Bill intituled "An Ordinance to provide for the regulation and licensing of the business of banking", with a Bill annexed.

QUESTIONS.

HON. LO MAN-KAM asked: —

With reference to the answers to my question in this Council on the 18th September, 1947, and particularly to the concluding words of such answers— "there are grounds for believing that a final decision will not be long delayed"— has Government any further statement to make on this matter?

THE COLONIAL SECRETARY replied as follows: —

In my reply to your previous question on this subject on 18th September, 1947, I said that various modifications designed to secure a greater degree of uniformity throughout the Far Eastern Colonies were then under consideration. A modified scheme was presented to the Secretary of State for the Colonies towards the end of October and is currently under consideration by him. No decision has yet been communicated.

MOTIONS.

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved that this Council accepts generally the recommendations of the Salaries Commission in so far as they relate to salaries and allowances. He said: Honourable Members have had an opportunity of perusing the Report of the Salaries Commission and will, I am sure, have been impressed with the thoroughness with which the Commission has discharged its task. They have produced a very valuable report and Government owes a debt of gratitude to all the members of the Commission and particularly to the Chairman, Mr. D. J. Sloss.

I do not propose to comment in detail on the Commission's recommendations. It is, I think, generally recognised that a revision of salaries for the staffs of Government departments was long overdue and the approval of the Report by the Secretary of State was awaited with considerable anxiety by members of the Government Service, many of whom have been suffering much hardship as a result of the present inadequate scales of salary. Some relief has now been afforded by the general approval accorded by the Secretary of State, although several points still await final settlement. However, the recommendation of the Commission that the new rates should be made retrospective to the 1st January, 1947, has been approved and it is a matter of major importance that the necessary adjustments should be made and the arrears of salary paid at the earliest possible moment. Approval by this Honourable Council of the resolution now before them will enable this to be done. Besides dealing with salaries, the report of the Commission contains recommendations on other matters, some of administrative detail and some of more consequence, such as pensions, which will come before this Council in due course in the form of draft legislation.

This afternoon I am asking for general approval of the recommendations which relate to salaries and allowances but this is subject to three modifications. The first concerns monthly paid artisans. It will be recollected that a strike took place in the dockyards shortly after the Commission submitted their Report and this later involved certain employees in the Waterworks Department. As a result of that strike, the wage rates of certain grades of daily paid skilled workers were raised. The rates set out in the Commission's report in respect of certain grades of monthly paid employees are, in consequence,

now below those enjoyed by corresponding grades of daily paid workers, both in the Government Service and in private employment. An adjustment has therefore been necessary to bring the rates into line with effect from the date on which the strike was settled. From the 1st January, 1947, up to that date, these monthly paid employees will receive the emoluments recommended by the Commission.

The second modification concerns the rates of expatriation allowance. These have not yet been finally approved by the Secretary of State but it is probable that the final figures will not differ very materially from those recommended by the Commission.

The third modification relates to the rate of cost of living allowance to be paid to officers drawing salaries of \$1,500 a month and over. This also is still the subject of correspondence with the Secretary of State, and if there is any wide departure from the rates recommended by the Commission, this Council will be consulted though it may prove convenient, in order to obviate delay, for this to take the form of an informal discussion. In addition to these three main modifications there will probably be some minor adjustments in some of the time scales.

But although, as I have indicated, some points are still outstanding, the way is fortunately clear for the payment of the arrears of salary due to the vast majority of locally recruited officers. If the general approval of this Honourable Council is forthcoming this afternoon every effort will be made to expedite the payment of arrears in all cases where the officer is in a position to exercise his option as regards accepting the new terms or remaining on the old ones. It is a matter for regret that it is not at the moment possible to make a start on the calculation of the arrears due in the case of officers recruited overseas. But I will give an undertaking that, so far as this Government is concerned, no effort will be spared to clear up outstanding points so that all officers may receive their arrears with the least possible delay.

The recommendations of the Commission are expected to result in an increase in the expenditure on Personal Emoluments over and above the provision in the current Estimates amounting to some \$12,000,000 per year. The new rates of emoluments will be reflected in the 1948/49 Estimates and details of the excesses caused on various votes as a result of the payment of arrears will go before Finance Committee in due course and will be presented to this Council for final approval in the Schedule of Supplementary Expenditure.

Honourable Members will have noticed from the Gazette that a "Conditions of Service" committee has been appointed under the Chairmanship of Mr. Sloss. This important committee, which consists of Unofficials, though with the addition of the Establishment Officer, will deal with the question of eligibility for expatriation allowance. It will also consider the treatment to be accorded to technical officers who have not the full qualifications required for the new salary scales and it will deal with anomalies generally.

THE COLONIAL SECRETARY seconded, and the motion was carried.

THE ATTORNEY GENERAL moved the following resolution: —

Resolved pursuant to section 3 of the Public Officers (Changes of Style) Ordinance, 1937, that the style of the "Harbour Department" be changed to "Marine Department", that the style of the office of "Harbour Master" be changed to "Director of Marine", that the style of the office of "Deputy Harbour Master" be changed to "Assistant Director of Marine (Port Control)", that the style of the office of "Principal Surveyor of Ships" be changed to "Assistant Director of Marine (Ship Surveys)", that the style of the office of "Chief Boarding Officer" be changed to "Senior Marine Officer", that the style of the office of "Deputy Shipping Master" be changed to "Senior Marine Officer", that the style of the office of "Chief Inspector of Junks and Cargo Boats" be changed to "Senior Marine Officer", that the style of the office of "Boarding Officer" be changed to "Marine Officer", that the style of the office of "Chief Assistant Inspector of Junks and Cargo Boats" be changed to "Marine Officer", that the style of the office of "Assistant Shipping Master" be changed to "Marine Officer", that the style of the office of "Boatswain, Yaumati" be changed to "Marine Officer", that the style of the office of "Assistant Inspector of Junks and Cargo Boats" be changed to "Assistant Marine Officer", that the style of the office of "Inspector of Lighthouses" be changed to "Superintendent of Lights", for all purposes, and that the following additions be made to the Schedule to the said Ordinance: —

OLD STYLE OF OFFICER, OFFICE OR DEPARTMENT.	NEW STYLE OF OFFICER, OFFICE OR DEPARTMENT.
Harbour Department	Marine Department
Harbour Master	Director of Marine
Deputy Harbour Master	Assistant Director of Marine (Port Control)
Principal Surveyor of Ships	Assistant Director of Marine (Ship Surveys)
Chief Boarding Officer	Senior Marine Officer
Deputy Shipping Master	Senior Marine Officer
Chief Inspector of Junks and Cargo Boats	Senior Marine Officer
Boarding Officer	Marine Officer
Chief Assistant Inspector of Junks and Cargo Boats	Marine Officer
Assistant Shipping Master	Marine Officer
Boatswain, Yaumati	Marine Officer
Assistant Inspector of Junks and Cargo Boats	Assistant Marine Officer
Inspector of Lighthouses	Superintendent of Lights

He said: Sir, the purpose of this resolution is to effect under section 3 of the Public Officers (Changes of Style) Ordinance, 1937, a change in the style of the title of the Harbour Department and of the offices and members of such Department. The purpose of such change, Sir, is to bring the nomenclature of the Department and its officers more into conformity with the reality of the position existing to-day whereby the Harbour Department and its officers are concerned with a variety of matters which are additional to or diverse from the description 'Harbour' or 'Harbour Department'.

THE COLONIAL SECRETARY seconded, and the motion carried.

THE ATTORNEY GENERAL moved the following resolution: —

Resolved pursuant to section 3 of the Public Officers (Changes of Style) Ordinance, 1937, that the style of the office of "Colonial Veterinary Surgeon" be changed to "Senior Veterinary Officer" and that the style of the office of "Veterinary Surgeon" be changed to "Veterinary Officer", for all purposes, and that the following additions be made to the Schedule to the said Ordinance—

OLD STYLE OF OFFICER, OFFICE OR DEPARTMENT.	NEW STYLE OF OFFICER, OFFICE OR DEPARTMENT.
Colonial Veterinary Surgeon	Senior Veterinary Officer
Veterinary Surgeon	Veterinary Officer

He said: Sir, the purpose of this resolution is to effect a change in the style of officers; the Colonial Veterinary Surgeon to that of Senior Veterinary Officer and the style of Veterinary Surgeon to Veterinary Officer. The changes envisaged would make the titles of these appointments conform with the titles most usually and universally employed in regard to such appointments.

THE COLONIAL SECRETARY seconded, and the motion was carried.

THE ATTORNEY GENERAL moved: —

That the additional by-law made by the Urban Council under section 4 of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, on 23rd December, 1947, under the heading "Dangerous and Offensive Trades" set forth in Schedule A to the said Ordinance, be approved. He said: Sir, as Council is aware,

by-laws made by the Urban Council require to be approved by this Council. The purpose of this small amendment, a copy of which is annexed to the Order Paper, is to effect control or to introduce under control wholesale trades in salt fish, since the process involved in the salting, drying and storing of salt fish necessarily involves offensive odours which require to be kept in their proper place.

THE COLONIAL SECRETARY seconded, and the motion was carried.

THE ATTORNEY GENERAL moved that the amendment made by the Board of Inland Revenue under section 86 of the Inland Revenue Ordinance, 1947, Ordinance No. 20 of 1947, on 23rd December, 1947, to the Inland Revenue Rules, 1947, be approved. He said: Sir, as Council is aware, an Inland Revenue Board has been appointed as required under Section 3 of the Inland Revenue Ordinance, 1947. By Section 86 of the Inland Revenue Ordinance the Board is empowered to make rules, which rules are subject to the approval of Legislative Council. Briefly stated, Sir, the purpose of the rules which have so been made, a copy of which is annexed to the Order Paper is this: Section 9 of the Inland Revenue Ordinance charges tax on an annuity, and Section 10(3) of the Ordinance defines an annuity as including any annual payment not being a return of capital. The rule for which approval is now sought lays down the principles on which that portion of an annuity which represents a return of capital and which is thereby exempt from tax shall be computed.

THE COLONIAL SECRETARY seconded, and the motion was carried.

THE ATTORNEY GENERAL moved: —

That the amendment made by the Commissioner of Labour under section 5 of the Factories and Workshops Ordinance, 1937, Ordinance No. 18 of 1937, on 17th December, 1947, to the Regulations in the Schedule to the said Ordinance, be approved. He said: Sir, the existing regulations made under the Factories and Workshops Ordinance preclude any woman or child from being employed in any industrial undertaking between the hours of 8 p.m. and 7 a.m. Owing to the growth in recent times of factories which work on the shift system throughout the period of twenty-four hours, it is considered allowable and necessary that there should be permission for women over the age of eighteen years to work between the hours of 6 a.m. and 10 p.m. This relaxation of the prohibition previously obtaining under Regulation 8 of the regulations will however be subject to the fulfilment of conditions the nature of which are specified in the paragraphs of the new Regulation 8A which has been enacted by the Commissioner of Labour. It is for such new regulation in particular that the approval of this Council is sought.

THE COLONIAL SECRETARY seconded, and the motion was carried.

HONG KONG WAR MEMORIAL FUND AMENDMENT BILL, 1948.

THE ATTORNEY GENERAL moved the First reading of a Bill shortly intituled "An Ordinance to amend the Hong Kong War Memorial Fund Ordinance, 1947". He said: The Hong Kong War Memorial Fund Ordinance, 1947, confines the grant of benefit from the Memorial Fund to the widow and children of an officer or member of organisations specified in the schedules of the principal Ordinance. In practice it has been found, however, that there are cases of dependent parents for whom provision might be made from the Memorial Fund. As the Ordinance stands at present it is not possible for any assistance to be given from the Fund to such dependent parents, because as I have said, such benefit can only accrue under the existing Ordinance to a widow, wife or children. The purpose of this Bill is to amend it so as to enable provision to be made to dependent parents.

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. Section 4 of the Hong Kong War Memorial Fund Ordinance, 1947, (the principal Ordinance) confines the grant of benefit to the widow, wife or children of an officer or member of the organisations or members of the categories specified in the First or Second Schedule to the principal Ordinance. In a number of cases, particularly where a deceased member was unmarried, application has been made for assistance from the Fund by dependent parents of such deceased officers or members.

2. The object of this Bill is to provide by amendment of section 4 of the principal Ordinance that a dependent parent be included within the persons related to an officer or member of an organisation or category specified in the First and Second Schedules to the principal Ordinance who may benefit from the Memorial Fund.

THE ATTORNEY GENERAL. —Sir, with your permission I wish to move at this point the resolution referred to in item 8 of the Order of Business which I have I am afraid omitted to take in its proper order.

Permission was granted.

THE ATTORNEY GENERAL moved that the Report of the Select Committee to which was referred a Bill intituled "An Ordinance to provide for the regulation and licensing of the business of banking", together with the Bill annexed to such report, be printed and published. He said: Sir, the Report to which reference is made

in this motion has been placed on the table and will there be available for the consideration of members. I move now merely that the Report and the Bill be printed and published. In particular it is necessary that the draft of the Bill recommended by the Report should be published because if ultimately the Report is approved it will be possible, under the provisions of the Standing Orders of this Council, to seek the permission of Council to introduce the redrafted Bill in place of the Bill that is the subject of the Report.

THE COLONIAL SECRETARY seconded, and the motion was carried.

**COMPANIES (RE-CONSTRUCTION OF RECORDS)
(AMENDMENT) BILL, 1948.**

THE ATTORNEY GENERAL said: Sir, I refer to Item 10 on the Order of Business and ask permission of this Council not to proceed with the First reading of the Bill therein mentioned. Only to-day have I become aware of the possible necessity for still further amendments to the Companies (Re-construction of Records) Ordinance, 1947. Such further amendment it seems would not admit properly of introduction into the Bill, as mentioned on the Order paper, at the Committee stage.

Permission was granted.

**WIDOWS' AND ORPHANS' PENSION (AMENDMENT)
BILL, 1948.**

THE ATTORNEY GENERAL moved the First reading of a Bill shortly intitled "An Ordinance to amend the Widows' and Orphans' Pension Ordinance, 1908". He said: Sir, the Objects and Reasons are annexed to the Bill as printed. It will I think suffice for me to say that the Bill is an outcome of the Report of the Salaries Commission. Under Section 3 of the Widows' and Orphans' Pension Ordinance an officer who shall be or may be a contributor under the Widows' and Orphans' Pension Ordinance is a person *inter alia* who is in receipt of a total salary of \$480 a year. A consequence of the Salaries Commission's recommendations would be that a great number of people will be in receipt of salary in excess of such amount. It is not yet possible however to reach decision as to precisely what categories of Government officers may be or shall be contributors under the Ordinance. It is therefore necessary to repeal Section 3 of the principal Ordinance and to provide that the categories of persons who shall in future be contributors under the Ordinance will fall to be determined by regulations to be made with retrospective effect from the 1st January, 1947, in due course and when the decision can be reached, as I have said, as to what categories of Government officers shall fall within the purview of the Widows' and Orphans' Pension Ordinance.

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. In determining who is or may be a contributor within the provisions of the Widows' and Orphans' Pension Ordinance, 1908, the principal Ordinance, the salary of an officer is a factor to be considered by reason of the provisions of Section 3 of such Ordinance, which specifies a minimum salary of \$480 a year as qualification to be a contributor. Section 3 also distinguishes between European and other police officers in the application of the Ordinance.

2. As a consequence of the revision of salary and conditions of service which has recently been effected, the provisions of Section 3 of the principal Ordinance will no longer be applicable. It has not been possible as yet, however, to determine accurately the persons or categories of persons to whom the Ordinance should henceforth be applicable but the retention of the existing provision until such decision is reached would entail delay in effect being given to other aspects of such revision.

3. In these circumstances, it is proposed by this Bill (Clause 2) to provide for the repeal of Section 3 of the principal Ordinance and its replacement to enable the Governor in Council to make regulations which will prescribe the persons to whom the term "officer" i.e. a person who shall or may be a contributor, will apply.

4. The amendment proposed, by reason of Section 12 of the Interpretation Ordinance, 1911, will not affect the eligibility of persons who at the date of the commencement of the Ordinance, proposed to be enacted by this Bill, have been contributors under the principal Ordinance.

HONG KONG & SHANGHAI BANKING CORPORATION (RE-CONSTRUCTION OF RECORDS) BILL, 1948.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to make provision for the Hong Kong and Shanghai Banking Corporation analogous to the provisions of section 14 of the Companies (Reconstruction of Records) Ordinance, 1947, relating to the issue of new share certificates where original certificates have been lost."

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

Council then went into Committee to consider the Bill clause by clause.

Clause 1.

H.E. THE GOVERNOR. —There is one point: should this not now be a 1948 Ordinance?

THE ATTORNEY GENERAL. Yes Sir. I move that the title be amended by the substitution of "1948" for "1947" in the third line.

The amendment was agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Hong Kong & Shanghai Banking Corporation (Re-construction of Records) Bill, 1947, had passed through Committee with one 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. —I suggest the 28th of January, Sir.

H.E. THE GOVERNOR. —Council is adjourned until 2.30 p.m. on 28th January.