

26th May, 1948.

PRESENT: —

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

THE HONOURABLE THE OFFICER COMMANDING THE TROOPS (BRIGADIER H. A. SKONE, D. S. O.)

THE COLONIAL SECRETARY (HON. D. M. MACDOUGALL, C.M.G.)

THE ATTORNEY GENERAL (HON. G. E. STRICKLAND, *Acting*).

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

THE FINANCIAL SECRETARY (HON. A. G. CLARKE, *Acting*).

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

DR. HON. G. H. THOMAS, O.B.E., (Acting Director of Medical Services).

HON. E. HIMSWORTH (Acting Superintendent of Imports and Exports).

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. C. C. ROBERTS.

HON. N. O. C. MARSH.

MR. ALASTAIR TODD (Deputy Clerk of Councils).

### MINUTES.

The Minutes of the meeting of the Council held on 12th May, 1948, were confirmed.

### OATHS.

Brigadier H. A. Skone, D.S.O., Mr. G. E. Strickland and Mr. A. G. Clarke took the Oath of Allegiance and assumed their seats as Members of the Council.

### PAPERS.

THE ACTING FINANCIAL SECRETARY, by command of H.E. the Governor, laid upon the table the following paper: —

Announcement regarding back pay for government servants, Volunteers and members of the Civil Defence Service in respect of the period during which the Colony was under enemy occupation.

### QUESTIONS.

THE HON. LEO D'ALMADA asked: —

With reference to the recent announcement of H.M.G. in regard to the payment of War Losses, will Government answer the following questions —

1. How does Government propose to make use of the "free grant of £ 1,000,000 to assist the Colony in resolving problems arising out of expenditure connected with the War"?

2. On the assumption that the proposals contained in such announcement are to be accepted by Government, is the Colony under any outstanding liability of any kind in respect of any matter arising out of the War?

3. If the answer to the preceding question is in the affirmative, will Government state the nature and extent of such liability, with particular regard to:

(a) Salaries in respect of the occupation period of Government servants who were not interned: and

(b) "Denial" claims on the part of the public.

THE ACTING FINANCIAL SECRETARY replied as follows: —

1. The grant will have to be taken into general revenue in accordance with established accounting procedure.

2. & 3. The following are the known outstanding liabilities in round figures: —

(a) Volunteer pay and pensions .....	\$ 5,750,000
(b) Repatriation passages for non-officials .....	\$ 1,525,000
(c) Payments to Civil Defence Workers .....	\$ 5,686,000
(d) Relief payments and advances made in Australia, Macao & Free China .....	\$ 8,222,000
(e) Reinstatement of Note Security Funds liquidated by the enemy .....	\$10,360,000
(f) Salaries for non-interned officers during the occupation period .....	\$ 9,500,000
(g) Small craft supplied by the Ministry of Transport	\$ 3,187,000
(h) Accounts outstanding in respect of the operation of the Shipping Control Board 1940-41 .....	\$ 3,500,000
(i) Claims in respect of requisitioned material .....	<u>\$25,000,000</u>
Total .....	<u>\$72,730,000</u>

The position regarding these liabilities is as follows—Items (a), (b), (c) and (d) have been met but the total still remains in suspense and, in accordance with an undertaking given to this Council by Sir Mark Young, has not yet been charged to expenditure. The anticipated revenue surplus for 1947/48 of \$30,000,000 will now be increased to \$42,000,000 by the generous gesture of H.M. Government in, *inter alia*, waiving repayment of the advance of £ 750,000. The further gift of £ 1,000,000 will increase the available surplus to \$58,000,000. This will enable all liabilities referred to above to be met from expenditure with the exception of the final item, which is an approximate estimate of a legal liability which this Government must assume. So far as can be seen, liability only exists in the case of requisitioned vessels for damage or loss occurring during the period of requisitioning, and the question of whether U.K. service departments can properly accept charges arising out of such claims can only be shown after examination of the facts in each case and of the existing practice of respective departments. This examination is now taking place in consultation with this Government. In brief, apart from the final item, the Colony can discharge its outstanding liabilities and show a balance of approximately \$10,000,000.

HON. D. F. LANDALE: — May I have your permission to ask a supplementary question, Sir?

H.E. THE GOVERNOR: — Yes.

HON. D. F. LANDALE: — Arising from the answers given to question 3, I notice the item set out make no reference to the claims against the War Supplies Board. Will Government state what the position is about these claims?

THE ACTING FINANCIAL SECRETARY: — With reference to the Honourable Member's question, I regret that without papers I cannot answer the question at the moment, but I will undertake to prepare an answer and circulate to Members.

H.E. THE GOVERNOR: —The Financial Secretary will prepare an answer to the supplementary question and circulate copies to Honourable Members between now and the next meeting and it will be formally answered at the next meeting.

HON. D. F. LANDALE: —Thank you, Sir.

### **REVISED EDITION OF THE LAWS BILL, 1948.**

THE ACTING ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to make provision for the preparation and publication of a revised edition of the law of the Colony". He said: Sir, the Bill provides machinery for a revision of the law of the Colony. In accordance with what is now the approved colonial practice it is proposed that the ordinances and subsidiary legislation will be grouped together by subject matter and not as heretofore in Hongkong chronologically. This should facilitate location of any particular Ordinance or Regulations. The present lack of legal personnel will not, I fear, enable any progress to be made in the near future insofar as regards revision of substance, but it is hoped that a clerk will shortly commence more or less mechanical operations to assemble together the original and amending legislation under a scheme which has already been prepared. The Schedules, particularly the First Schedule, are by no means complete. It should, however, be observed that under Sub-section 2 of Section 5, the Governor has power by proclamation to make amendments to the First Schedule and before the revised edition is produced we may expect the contents of the schedule to be considerably enlarged. A similar power with regard to subsidiary legislation is given by Sub-section 2 of Section 10.

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. Under Ordinance No. 51 of 1936 a revised edition of the laws which was to contain the ordinances and regulations in force on the 1st of January, 1938 was commenced and as a result three volumes of Ordinances and regulations were prepared and published.

2. The volumes in question carried revision down to the beginning of 1932. Further revision is now clearly necessary not only because many new Ordinances have been enacted since that date but also because of the numerous amendments to ordinances and regulations contained in the published volumes of the revised edition.

3. The Bill authorises the preparation of a new revised edition by Commissioners appointed under clause 3 and is modelled on similar Ordinances recently enacted in other Colonies.

4. It is now generally recognised that in preparing a revised edition, the grouping of Ordinances in relation to their subject matter is of more value than arrangement in chronological order. If the Bill is enacted it is proposed that the Commissioners should abandon the chronological method.

### **PENICILLIN BILL, 1948.**

THE ACTING DIRECTOR OF MEDICAL SERVICES moved the First reading of a Bill intituled "An Ordinance to control the sale and supply of penicillin and certain other substances". He said: Sir, penicillin and streptomycin, the products of certain lowly and despised moulds, are now almost household words. Fame had been thrust upon them. They are lauded as sovereign remedies for all diseases of bacterial origin. They are in great demand. There are no restrictions in this Colony at present on their sale and supply and administration by way of treatment.

Penicillin, if used unscientifically in regard to dosage, could do harm in that the infecting germs, instead of being destroyed may become tolerant to its action and reproduce strains resistant to itself and to other substances of a similar nature. If such a state of affairs should ever become world-wide, penicillin would indeed be a misfortune instead of a blessing to mankind.

Streptomycin, though life-saving in many otherwise hopeless diseases, has unfortunately a few serious side-effects and has to be used with fine judgment. Reproduction of resistant strains also could not be ruled out.

This Bill has for its object the control of the sale and supply and use of these two valuable and potent substances. It defines the classes of persons who could sell or supply, or could administer by way of treatment, these substances; it sets out the requirements that must be complied with by persons dispensing prescriptions for these substances and it lays down penalties for contravention of the 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. Penicillin, a substance which has had very beneficent effect, can, if consumed over a long period in small quantities, establish in human or animal organism a resistance whereby its value is lost or greatly reduced. In addition to penicillin, there may be other substances of a similar nature which may necessitate control. One such substance is streptomycin, the effects of which may be definitely harmful unless used under qualified direction.

2. The object of the Bill is, therefore, to control the sale and supply of penicillin and streptomycin as defined in regulations contained in the Schedule to the Bill by providing (clause 4(1)) that such substances may only be sold or supplied—

(a) by a registered medical practitioner, registered dentist or veterinary surgeon for the purpose of treatment in accordance with the directions of such person, or

(b) by a registered pharmacist or authorised seller of poisons under the authority of a medical prescription, and by prohibiting (sub-clause 2) the administration by way of treatment of such substances by any person, except such medical practitioner, dentist or veterinary surgeon. Clause 4(3), however, exempts from the restrictions of sub-clause (1) the sale or supply, by way of wholesale dealing to certain qualified persons, hospitals and institutions.

3. Additionally, (clause 4(4)) sets out the requirements with which compliance must be made by persons dispensing a prescription for a substance to which the Ordinance upon enactment will apply.

4. Penalties upon summary conviction for a contravention of the Ordinance are included (clause 5).

5. It will be seen from the comparative table annexed to these Objects and Reasons that the Bill is in the main modelled on the Penicillin Act, 1947, 10 and 11 Geo. 6, which has provided legislation in the United Kingdom for the reasons above summarised.

#### **ESTATE DUTY (AMENDMENT) BILL, 1948.**

THE ACTING FINANCIAL SECRETARY moved the Second reading of a Bill intituled "An Ordinance to amend the Estate Duty Ordinance, 1932."

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

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

Council then resumed.

THE ACTING FINANCIAL SECRETARY reported that the Estate Duty (Amendment) Bill, 1948 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,

#### **BIRTHS AND DEATHS REGISTRATION BILL, 1948.**

THE ACTING DIRECTOR OF MEDICAL SERVICES moved the Second reading of a Bill intituled "An Ordinance to provide for an additional type of birth certificate".

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

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

Council then resumed.

THE ACTING DIRECTOR OF MEDICAL SERVICES reported that the Births and Deaths Registration Bill, 1948 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.

### **PUBLIC HEALTH (FOOD) AMENDMENT BILL, 1948.**

THE ACTING ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Public Health (Food) Ordinance, 1935".

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

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

Council then resumed.

THE ACTING ATTORNEY GENERAL reported that the Public Health (Food) Amendment Bill, 1948 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.

### **HONG KONG CHINESE CHRISTIAN CHURCHES UNION INCORPORATION BILL, 1948.**

THE HON. LO MAN-KAM moved the First reading of a Bill intituled "An Ordinance to provide for the incorporation of The Hongkong Chinese Christian Churches Union". He said: Sir, this Bill contains provisions which are usual in Bills of incorporation and I do not think that I can usefully add to what is stated in the Objects and Reasons which are printed with this Bill.

DR. HON. CHAU SIK-NIN seconded, and the Bill was read a First time.

#### **Objects and Reasons.**

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

For the purpose of promoting in common the undertakings and aims of Chinese Christian Churches in the Colony it is proposed to form an association to be named the Hong Kong Chinese Christian

Churches Union, and it is desired to give to such association a corporate entity.

2. The Object of this Bill is therefore to provide for the incorporation of the association by Ordinance.

3. The Bill follows the model of legislation of similar character already enacted in the Colony for the incorporation of religious and charitable organisations, in particular Ordinances No. 18 of 1902 and 6 of 1925.

4. The Bill (clause 8) contains provision saving the rights of the Crown as required, in the case of private Bills, by Article XXVII of the Royal Instructions.

### **THE CANTON TRUST COMPANY LIMITED (CAPITAL CONVERSION) BILL, 1948.**

THE HON. LEO D'ALMADA moved the First reading of a Bill intituled "An Ordinance to authorise The Canton Trust Company Limited to convert the currency of its capital". He said: Sir, I do not think I can usefully add anything to what is stated in the Objects and Reasons appended to the Bill.

THE HON. C. C. ROBERTS seconded, and the Bill was read a First time.

#### **Objects and Reasons.**

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

1. The Canton Trust Company Limited was incorporated on the 19th day of October 1931 under the Companies Ordinance, 1911-1930, with its registered office situate in Hong Kong. The Company was so registered in 1941. The main business of the Company is that of banking.

2. The capital of the Company is expressed in Canton Dollars and the Company desires to be given the necessary authority to convert the currency of its capital in the same manner as is afforded by the Registration of China Companies Regulations, 1947, to former "China Companies", which have obtained a registration in accordance with Proclamation No. 27 (Emergency Registration of China Companies). The issued capital of the Company consists solely of ordinary shares.

3. To effect such conversion necessitates the enactment of legislation as in this Bill which follows the precedent of the appropriate provisions of the Registration of China Companies Regulations, 1947.

4. Clauses 1 and 2 of the Bill comprise the short title and interpretation clauses.

5. Clause 3 of the Bill contains provision for the conversion of the capital of the Company similar to those contained in regulations 9 and 10 of the Registration of China Companies Regulations, 1947.

6. Clause 4 provides for the issue of a fresh certificate of incorporation showing the capital of the Company after such conversion.

7. Clause 5 of the Bill contains provisions saving the rights of the Crown as required, in the case of private Bills, by Article XXVII of the Royal Instructions.

### **ADJOURNMENT.**

H.E. THE GOVERNOR: — That concludes the business, Gentlemen. When is it your pleasure that we should meet again? I understand that it is the intention of Government at the next meeting of the Council to take the First reading of the Debtors and Creditors Bill. As there has been a long delay over this matter, I suggest that we adjourn one week instead of two weeks. Council is adjourned until this day week.