10th December, 1931.

PRESENT:


THE COLONIAL SECRETARY (HON. MR. W. T. SOUTHORN, C.M.G.).


THE COLONIAL TREASURER (HON. MR. E. TAYLOR).

HON. MR. H. T. CREASY, C.B.E., (Director of Public Works).


HON. COMMANDER G. F. HOLE, R.N., (Retired) (Harbour Master).

HON. SIR HENRY POLLOCK, KT., K.C.

HON. MR. W. E. L. SHENTON.

HON. MR. R. H. KOTEWALL, C.M.G., LL.D.

HON. MR. S. W. TS'O, O.B.E., LL.D.

HON. MR. C. G. S. MACKIE.

HON. MR. J. J. PATERSON.

HON. MR. T. N. CHAU.

Mr. R. A. C. NORTH (Deputy Clerk of Councils).

ABSENT.

HON. DR. W. B. A. MOORE (Director of Medical and Sanitary Services).

HON. MR. J. P. BRAGA.
MINUTES.

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

NEW MEMBER.

The Hon. Mr. T. N. Chau took the oath of allegiance and his seat as a member of the Council.

RETIREMENT OF Sir SHOU-SON CHOW.

H.E. THE GOVERNOR.—Since we last met in this Chamber, this Council has sustained a serious loss. Sir Shou-son Chow had been a member for a period of ten years, having been appointed originally on the 2nd December, 1921, for six years, and re-appointed on the 2nd December, 1927, for four years. The Secretary of State has ruled that, except in special circumstances, a member shall not serve more than two terms. I should, however, have been ready to submit Sir Shou-son's name for re-appointment, had he not expressed a wish, on account of age, not to seek re-appointment. His ripe wisdom, sage counsel and his consistent loyalty at once to my predecessors and myself, the Government, and the Colony, have been of immense value, and it is somewhat difficult to envisage this Council without him.

The loss, however, is somewhat tempered by the fact that he still remains a member of the Executive Council, having been re-appointed last July for a second period of five years. His advice and counsel will therefore, I am glad to say, still be available to the Government. Speaking personally, although we have not known one another for a very long period, a strong bond of personal friendship has been established between us, for which I need hardly say I have the greatest regard, and I am happy to think that I shall continue to have the benefit of his advice and help.

I take this opportunity of welcoming Sir Henry Pollock back to the Council, and also in tendering a hearty welcome to the new member.

HON. SIR HENRY POLLOCK.—Sir, I must begin by thanking you personally for welcoming me here to-day.

As Senior Unofficial Member I desire to express my great regret, which I am sure is shared by all my unofficial colleagues, at the retirement of Sir Shou-son Chow from this Council.

The ten years during which my honourable friend has sat in this Council have included periods of considerable anxiety and even difficulty, and I consider that not only this Council but the Colony are to be congratulated upon having had the benefit during those troublesome times of the ripe experience and sound judgment of Sir Shou-son Chow.
Personally, I shall very much miss the assistance which has been freely given to me at all times, of such an able, cheerful and loyal colleague, and I rejoice to think that the Colony and the Government will still retain the benefit of Sir Shou-son Chow's services upon the Executive Council.

I take this opportunity of cordially welcoming the co-operation of the new unofficial member, the Honourable Mr. T. N. Chau, whose father, the late Mr. Chau Siu Ki, was for a time a valued colleague of mine on this Council.

HON. MR. KOTEWALL—Sir, with the exception of the honourable senior unofficial member, I have served with the Hon. Sir Shou-son Chow on this Council for a longer period than has any other unofficial member. For the last eight years I have, I believe, associated with him in public work more closely and intimately than has any other individual in the Colony.

Not long after we began this happy collaboration, Sir Shou-son humorously dubbed ourselves 'The Twins'. Although there is a gulf of about twenty years between us, I think that we are twins—in thought, purpose and ideal, in our endeavour to discharge the duties committed to us by the Government.

There have, inevitably, been divergences of opinion during such a long association in work of such a varied nature; but we have, in most cases, been able to reach conclusions which seemed to both of us to be best for the cause we served. For this successful team-work, by far the greater share of the credit must go to the older and senior man.

A more loyal colleague, and a wiser and pleasanter, it has not been my lot to work with. His unrivalled experience of large affairs and his sagacity and good sense have been of immense assistance to the Hon. Dr. Ts'o and myself in the consideration of the many difficult and intricate problems that have confronted us in recent years; while his refreshing humour and unfailing optimism have been, to many, a source of encouragement and stimulation.

Sir Shou-son's retirement from this Council is, therefore, a grievous loss to us. Fortunately, Your Excellency in your wisdom, has retained his service on the Executive Council, where his ripe experience will still be available for the benefit of the Colony which he serves so unostentatiously and so well.

I cordially join the honourable senior unofficial member in his expression of welcome to the Hon. Mr. T. N. Chau, to whom the Hon. Dr. Ts'o and I pledge close and loyal co-operation.
THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the following papers:—

Order of His Majesty in Council which appeared in the London Gazette of the 14th August, 1931.

Cheung Chau Chinese Christian Cemetery.

Regulations made by the Governor in Council under section 98 of the Public Health and Buildings Ordinance, 1903, on 16th October, 1931.

Rules made by the Governor in Council under section 6A of the New Territories Regulation Ordinance, 1910, on 20th October, 1931.

Regulation made by the Governor in Council under sections 25 (4), 33 (2) and 42 (1) of the Merchant Shipping Ordinance, 1899, on 21st October, 1931.

Regulation made by the Governor in Council under section 42 (1) of the Merchant Shipping Ordinance, 1899, on 21st October, 1931.

Resolution made and passed by the Legislative Council on the 22nd day of October, 1931, under the provisions of section 7 of the Tobacco Ordinance, 1916.

Resolution made and passed by the Legislative Council on the 22nd day of October, 1931, under the provisions of section 7 of the Motor Spirit Ordinance, 1930.

Resolution made and passed by the Legislative Council on the 22nd day of October, 1931, under the provisions of section 41 (1) of the Liquors Consolidation Ordinance, 1911.

Rule made by the Governor in Council under section 6 of the New Territories Regulation Ordinance, 1910, on 20th October, 1931.

Order made by the Governor in Council on the 29th day of October, 1931, under Regulation No. 25 of the Emergency Regulations published in the Government Gazette of the 2nd October, 1931, by Government Notification No. 621.

Rules made by the Governor in Council under section 16 of the Gunpowder and Fireworks Ordinance, 1901, on 29th October, 1931.
Regulation made by the Governor in Council under section 4 of the Money-lenders Ordinance, 1911, on 29th October, 1931.

Regulations made by the General Officer Commanding His Majesty's Regular Forces in the Colony, with the approval of the Governor, under and in accordance with the provisions of section 11 of the Volunteer Ordinance, 1920, on 19th October, 1931.

Stipulation of the Agreement between the United Kingdom and Spain re Treatment of Companies.

Convention between the United Kingdom and Spain re Legal Proceedings in Civil and Commercial matters.

Regulations made by the Governor in Council under section 2 of the Public Places Regulation Ordinance, 1870, on 3rd November, 1931.

Nomination under the provisions of Statute 4 of the Second Schedule of the University Ordinance, 1911.

Ratification of the International Convention for the Amelioration of the Condition of the Wounded and Sick in Armies in the Field.

Ratification of the International Convention relating to the Treatment of Prisoners of War.

Information re the draft Convention concerning forced or Compulsory Labour adopted by the International Labour Conference at Geneva on the 28th of June, 1930.

Regulations re British Nationality and Status of Aliens.

Rescission of the Order of the 10th September, 1931, declaring Shanghai to be an infected place.

Nomination under the provisions of Statute 4 of the Second Schedule of the University Ordinance, 1911.

Information re Pacific Settlement of International Disputes.

Regulation made by the Governor in Council under section 3 of the Dogs Ordinance, 1927, on 23rd November, 1931.

Report on the Census of the Colony of Hong Kong taken on the night of March 7th, 1931 (Sessional Paper No. 5 of 1931).
FINANCE COMMITTEE'S REPORT.

The Colonial Secretary, by command of H.E. the Governor, laid upon the table the report of the Finance Committee, No. 12, of 22nd October, 1931, and moved that it be adopted.

The Colonial Treasurer seconded and this was agreed to.

MOTIONS.

The Colonial Secretary.—With the permission of this Council, Sir, I should like to refer to the first motion standing in my name together with the five motions following. Honourable members will remember that when I had the honour of introducing the Budget, I referred in some detail to the amounts which were to be spent from loan funds on the various works referred to in these six motions, but I do not think that honourable members will wish me to take up their time by repeating now the details which I gave them then.

I have only to add, with regard to the last of these motions referring to the new gaol at Wong Ma Kok, that Your Excellency has since received the approval of the Secretary of State for meeting the expenditure on the new gaol from loan funds. I now move the first motion standing in my name:

"That this Council approves of the expenditure of $411,789 on the Shing Mun Valley Water Supply Scheme First Section during the financial year 1932 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

The Colonial Treasurer seconded.

Hon. Sir Henry Pollock.—Before this motion is put to the meeting I should like to ask, with reference to the respective motions, whether the amounts voted will complete the work on the Shing Mun Valley first section, the Aberdeen Water Scheme and the filters in connexion with the Shing Mun Valley Scheme.

The Director of Public Works.—Yes.

H.E. The Governor.—The answer is in the affirmative in all three cases?

The Director of Public Works.—Yes.

Hon. Sir Henry Pollock.—I do not know whether it would be possible for Government to make any statement with regard to the future progress of the work on the second section of the Shing Mun Scheme.
H.E. THE GOVERNOR.—The position with regard to the second section is that the scheme has been submitted to the Consulting Engineers, and two members of the firm have been out and have approved of it. The question was referred to the Secretary of State in the first instance, and it was held over temporarily for that report. He expressed some views on the subject as to whether we could afford the total cost. It is a very expensive scheme but I strongly pointed out, in a dispatch which included reference to the gaol, that not only was it an essential work, vital to the Colony, but that I considered our financial position was amply good enough to permit of the scheme being proceeded with at once.

In the telegram in which the Secretary of State approved of the gaol being paid for out of loan funds, he merely stated, with regard to the second section of the Shing Mun scheme, that we must wait a little until he had seen the Consulting Engineers' report. I assume, therefore, from that, if the second report is favourable, we shall be empowered to proceed with it.

HON. SIR HENRY POLLOCK.—Thank you, Sir.

The resolution was carried unanimously.

**KAI TAK AERODROME.**

THE COLONIAL SECRETARY moved:—

"That this Council approves of the expenditure of $34,000 on the Kai Tak Aerodrome hangar during the financial year 1932 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded, and the resolution was carried unanimously.

**ABERDEEN VALLEY WATER SCHEME.**

THE COLONIAL SECRETARY moved:—

"That this Council approves of the expenditure of $347,000 on the Aberdeen Valley Water Scheme during the financial year 1932 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded, and the resolution was carried unanimously.

**SHING MUN VALLEY SCHEME.**

THE COLONIAL SECRETARY moved:—

"That this Council approves of the expenditure of $20,000 on the filters in connection with the Shing Mun Valley Water Supply
Scheme during the financial year 1932 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded, and the resolution was carried unanimously.

**VEHICULAR FERRY.**

THE COLONIAL SECRETARY moved:—

"That this Council approves of the expenditure of $770,000 on the Vehicular Ferry during the financial year 1932 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded, and the resolution was carried unanimously.

**NEW GAOL AT WONG MA KOK.**

THE COLONIAL SECRETARY moved:—

"That this Council approves of the expenditure of $300,000 on the New Gaol at Wong Ma Kok during the financial year 1932 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded, and the resolution was carried unanimously.

**LIQUORS ORDINANCE, 1931.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend and consolidate the law relating to intoxicating liquors." He said.—There is attached at the end of the Bill a table of correspondence which shows how far the Bill is purely of a consolidating nature and how far it has been improved by amendments. The chief new amendment is that licensed warehouses for the storage of intoxicating liquors under the old Ordinance will not be continued, but arrangements will be made by which firms who desire to store liquor may get a special bonded warehouse of their own approved by the Governor-in-Council. There are certain changes in the fees and certain new re-arrangements of the districts to which they apply, as stated in remarks in the schedule on pages 49 and 50.

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:—
This Ordinance consolidates and amends the law relating to intoxicating liquors. The origin of the various sections and the nature of the amendments and deviations is shown in the table of correspondence which is attached.

PUBLIC REVENUE PROTECTION AMENDMENT ORDINANCE, 1931.

The ATTORNEY GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend the Public Revenue Protection Ordinance, 1927." He said.—This adds to the principal Ordinance a new section which is taken from the Finance Act of 1915 as explained in the memorandum.

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 2 of this Ordinance inserts in the principal Ordinance a new section based on section 15 (1) of the Finance Act, (No. 2) 1915, as amended by the Finance Act 1919; but the duration of the order is put at four months instead of three to conform with the provisions of section 4 (2) (d) of the principal Ordinance.

2. Section 3 of this Ordinance amends section 4 (2) (b) of the principal Ordinance so as to make provision for the notification of the withdrawal of any order made under the new section 3A.

REGISTRATION OF UNITED KINGDOM PATENTS AMENDMENT ORDINANCE, 1931.

The ATTORNEY GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend further the registration of United Kingdom Patents Ordinance, 1925." He said.—The amendments effected by this Ordinance have been suggested by the advisers to the Secretary of State and are explained in the memorandum attached to the Bill.

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. This Ordinance amends the principal Ordinance (No. 13 of 1925) as amended by Ordinance No. 10 of 1928, in accordance with the instructions given by the Secretary of State in his despatch of the 12th September, 1931.
2. The effect of the amendment is to add a paragraph to section 8 of the principal Ordinance which will make it clear that the public use in Hong Kong of a United Kingdom Patent by the owner thereof prior to his application for registration will not be a bar to such registration.

3. Rule No. 1 of the Rules made by the Registrar of Patents under section 11 of the principal Ordinance and published in the Government Gazette of the 5th February, 1926, is also being amended for the same purpose as directed by the Secretary of State.

TOBACCO ORDINANCE, 1931.

The Attorney General moved the first reading of a Bill intituled, "An Ordinance to amend and consolidate the law relating to the taxation of tobacco." He said:—This is another consolidation ordinance, and follows the scheme under which it is hoped before long to consolidate all revenue ordinances.

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:—

This Ordinance consolidates and to some extent amends the law relating to the taxation of tobacco. A table of correspondence is attached which indicates the source of the various sections and the nature of the amendments.

BETTING DUTY ORDINANCE, 1931.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled, "An Ordinance to make provision for the taxation of bets on the authorised totalisators or pari-mutuels, and on contributions or subscriptions towards authorised cash sweeps." He said:—Such taxation has been imposed in the Straits Settlements and Federated Malay States, under which a flat rate of five per cent. is charged as duty. Under this Ordinance five per cent. will only be charged in relation to cash sweeps, and three per cent. for tickets on the totalisator and pari-mutuels. The Ordinance contains a schedule giving the regulations with which the Governor-in-Council is hoping to start.

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. The object of this Ordinance is stated in its long title.

2. In the Straits Settlements and Federated Malay States a similar object has been effected by amendment to the Stamp Ordinance and Stamp Enactment respectively. In Ceylon a special Ordinance, the Betting on Horse-racing (Taxation) Ordinance, 1930, has been preferred.

3. Section 2 of this Ordinance replaces section 18 of the Gambling Ordinance, 1891, as enacted by the Gambling Amendment Ordinance, 1930, which dealt with club sweepstakes. In this Ordinance the word "cashesweep" which is the name usually employed in the Colony for subscriptions towards cash prizes to the holders of successful numbers in numbered chances, is used to denote the form of sweeps which are to be subject to the duty and the word "sweepstakes," which is used in section 9 (1), is reserved for the racing term which is used for the subscriptions contributed towards the prizes for the owners of winners and placed horses or ponies in such races as the Hong Kong Derby.

4. Section 3 makes similar provision for totalisator and pari-mutuel betting.

5. Section 4 provides for the allocation of chances in cash-sweeps.

6. Section 5 places certain restrictions on the sale of tickets and advertisements.

7. Section 6 provides for a duty of 5 per cent. on cash sweeps and 3 per cent. on totalisator or pari-mutuel betting and for the persons responsible for the payment thereof.

8. Section 7 provides for regulations for securing the payment of duty and generally for carrying out the provisions of the Ordinance.

9. Section 8 makes provision for penalties and section 9 effects the necessary amendments and repeals in the Gambling Ordinance.

**FULL COURT AMENDMENT ORDINANCE, 1931.**

The ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Full Court Ordinance, 1912."

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

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

Upon Council resuming,
THE ATTORNEY GENERAL reported that the Bill had passed through Committee without amendment and he moved the third reading.

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

**SUITORS' FUNDS AMENDMENT ORDINANCE, 1931.**

THE ATTORNEY GENERAL moved the third reading of a Bill intituled "An Ordinance to amend the Suitors' Funds Ordinance, 1896." He said that the Bill had passed through Committee with amendment at the last meeting of Council.

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

**ADJOURNMENT.**

H.E. THE GOVERNOR.—Council stands adjourned to 17th December.

**FINANCE COMMITTEE.**

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

Votes totalling $150,509 contained in message No. 13 from H.E. the Governor, were considered.

No. 102.

HON. MR. J. J. PATERSON.—It is only a very small amount, $8 for shoes for ponies, but it strikes me as outrageous. I can get a pair of aluminium racing plates put on for less than that, but that is a very ticklish job as it has to be an accurate fit and cold shoeing. A fair price would be about $3. I don't suggest for a moment that the Army is trying to "squeeze" the M.I. but it merely illustrates the fact that when a Government Department tries to cater as civilians it always ends up by charging a great deal more for it.

THE CHAIRMAN.—I take it you will not oppose the vote as it stands.

HON. MR. PATERSON.—No.

THE CHAIRMAN.—I will cause enquiries to be made about this charge.
No. 105.

HON. SIR HENRY POLLOCK.—I notice we are asked to vote $7,100. That sum is made up by including in the figures the cost of works already approved and/or awaiting approval. It seems rather to imply that we are going to approve of something we have not already approved of. Can you tell us the cost of the work already awaiting approval?

THE COLONIAL TREASURER.—It is very difficult to say.

THE DIRECTOR OF PUBLIC WORKS.—These are typhoon damages, and the typhoon which occurred on September 2 resulted in a great deal of damage to piers which had to be repaired immediately.

HON. SIR HENRY POLLOCK.—But how much of the $54,000 has not yet been approved.

HON. MR. PATERSON.—There is quite a lot of work still not finished, but I do not think that can be blamed on the P.W.D., because the contract appears to have been given to the lowest tenderer who is extremely slow. I live out at Sheung Shui and I pass certain typhoon damage which has not yet been repaired. It was done in the first typhoon, a good long time ago and, incidentally, one gentleman, who repairs the road, puts a few stones down and a great deal of red earth, and the red earth comes out all over the road and the work has to be done again.

THE DIRECTOR OF PUBLIC WORKS.—I think you are referring to a contractor who has been taken off the list. We have had to take the work out of his hands.

HON. MR. PATERSON.—I am glad of that.

HON. SIR HENRY POLLOCK.—I want to know how much of the $54,000 represents work, the cost of which is awaiting approval.

THE CHAIRMAN.—The $54,000 has been approved.

THE DIRECTOR OF PUBLIC WORKS.—The first portion of $25,000 was in the estimates and the second was approved in Message No. 10.

HON. SIR HENRY POLLOCK.—Then it has all been approved? This has all been sanctioned by the Council?

THE DIRECTOR OF PUBLIC WORKS.—Yes.

No. 120.

HON. SIR HENRY POLLOCK.—Will the $48,000 complete the work?
THE DIRECTOR OF PUBLIC WORKS.—Yes, it will complete the work. The work is
to be finished in February.

THE CHAIRMAN.—Yes, but there is $71,000 to go in next year.

THE DIRECTOR OF PUBLIC WORKS.—The gaol will be ready to be opened in
February, but what additional items remain to be done I do not know.

THE COLONIAL TREASURER.—I think they got on with the work quicker than was
anticipated.

THE DIRECTOR OF PUBLIC WORKS.—We shall require $71,000 for next year. The
$48,000 is the balance we shall require this year and $71,000 next year. As the Colonial
Treasurer has said we have got on more quickly and we shall require the money in 1931.

HON. SIR HENRY POLLOCK.—The work will be finished in April?

THE DIRECTOR OF PUBLIC WORKS.—No, February.

No. 126.

HON. MR. R. H. KOTEWALL.—It is stated that salaries and the cost of printing the
report are not included in the sum of $35,202 now asked for. Can you tell us for whom were
the salaries paid and the total amount?

THE CHAIRMAN.—The salaries were not charged to this Government. We do not
know what they are. We only know that they have not charged us for them.

THE COLONIAL TREASURER.—The cost of printing the report is borne by the
Home Government and also the salaries. We are not paying.

HON. MR. KOTEWALL.—Arising out of this item, can Government, at an early date,
make a statement of its intentions with regard to the recommendations of the Commission?

THE CHAIRMAN.—It will make a statement as early as possible but I cannot tell you
when that will be.

HON. MR. KOTEWALL.—But a statement will be made?

THE CHAIRMAN.—Certainly, ultimately, but I cannot tell you when it will be made, as
it will certainly have to go to England first.

HON. MR. MACKIE.—Have you asked for the views of the Chamber of Commerce and
the Banking Association?
THE CHAIRMAN.—Yes, but the replies have not yet been received.

No. 127.

HON. SIR HENRY POLLOCK.—Why is it necessary to pay this additional $2,000 as a supplementary vote to meet anticipated expenditure?

THE DIRECTOR OF PUBLIC WORKS.—The sum of $28,000 was originally asked for but it was cut down to $26,000. The control of this vote is not now in the hands of any one particular department, and it is estimated that we shall want another $2,000 to complete the charges for the year.

HON. MR. KOTEWALL.—In other words, the vote was underestimated?

THE CHAIRMAN.—Yes.

HON. SIR HENRY POLLOCK.—The vote was cut down and now you find you want another $2,000?

THE DIRECTOR OF PUBLIC WORKS.—Yes.

All the votes were approved.