

*26th May, 1937.*

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT (MR. N. L. SMITH, C.M.G.).

THE HONOURABLE THE OFFICER COMMANDING THE TROOPS (BRIGADIER H. G. SETH-SMITH, D.S.O.).

THE COLONIAL SECRETARY (HON. MR. R. A. C. NORTH, *Acting*).

THE ATTORNEY GENERAL (HON. MR. C. G. ALABASTER, O.B.E., K.C.).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. R. A. D. FORREST, *Acting*).

THE COLONIAL TREASURER (HON. MR. W. J. CARRIE, *Acting*).

HON. MR. R. M. HENDERSON, (Director of Public Works).

HON. DR. A. R. WELLINGTON, C.M.G., (Director of Medical Services).

HON. MR. T. H. KING, (Inspector General of Police).

HON. COMMANDER J. B. NEWILL, D.S.O., R.N., (Retired) (Harbour Master, *Acting*).

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

HON. MR. J. J. PATERSON.

HON. MR. CHAU TSUN-NIN.

HON. MR. LO MAN-KAM.

HON. MR. LEO D'ALMADA E CASTRO, JNR.

HON. DR. LI SHU-FAN.

HON. MR. M. T. JOHNSON.

HON. MR. E. DAVIDSON.

MR. A. G. CLARKE, (Deputy Clerk of Councils).

**MINUTES.**

The minutes of the previous meeting were confirmed.

**NEW MEMBERS.**

The Honourable the Officer Commanding the Troops (Brigadier H. G. Seth-Smith, D.S.O.), and the Hon. Mr. Edgar Davidson took the Oath of Allegiance, and assumed their seats as Members of the Council.

**PAPERS.**

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

Amendments of the Regulations made by the Governor in Council under section 3 of the Watchmen Ordinance, 1928, Ordinance No. 6 of 1928, as amended by section 2 of the Watchmen Amendment Ordinance, 1937, Ordinance No. 4 of 1937, dated 10th April, 1937.

Exemption of the Babington Hospital and Sanatorium from the operation of the Nursing and Maternity Homes Registration Ordinance, 1936, Ordinance No. 48 of 1936, made by the Governor in Council under section 8 of the said Ordinance, dated 10th April, 1937.

Amendments made by the Governor in Council under section 28 of the Births and Deaths Registration Ordinance, 1934, Ordinance No. 21 of 1934, to the Second Schedule to that Ordinance, dated 14th April, 1937.

Notice to Aircraft Owners and Ground Engineers—No. 10 of the year 1937, dated 17th April, 1937.

Rescission of the Order made by the Governor in Council on the 4th January, 1937, under section 18 of the Quarantine and Prevention of Disease Ordinance, 1936, Ordinance No. 7 of 1936, dated 4th May, 1937.

Amendments to Part II of and Schedule A to the Vehicles and Traffic Regulations made by the Governor in Council under section 3 of the Vehicles and Traffic Regulation Ordinance, 1912, Ordinance No. 40 of 1912, dated 4th May, 1937.

Establishment and closure of markets declared by the Urban Council under the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, dated 14th May, 1937.

Proclamation No. 5.—The British Dollar to cease to be legal tender in Hong Kong as from the first day of August, 1937.

Proclamation No. 6.—Appointing several places as Court-houses.

Administration Reports, 1936:—

Part I.—General Administration:—

Report of the Director of the Royal Observatory, Hong Kong.

Part II.—Law and Order:—

Report of the Land Officer and Registrar of Marriages.

Report of the Superintendent of Prisons.

Report of the University (1937) Committee, dated March, 1937.

### **FINANCE COMMITTEE'S REPORT.**

THE COLONIAL SECRETARY, by command of H.E. The Officer Administering the Government, laid upon the table the Report of the Finance Committee (No. 3) dated 14th April, 1937, and moved that it be adopted.

THE COLONIAL TREASURER seconded, and this was agreed to.

### **APPRECIATION OF SIR ANDREW CALDECOTT.**

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— Gentlemen,—This is the first meeting of Legislative Council called for the transaction of ordinary business since the departure of Sir Andrew Caldecott and I think that it will be the desire of Honourable Members that to-day's proceedings should contain some record of our appreciation of his great services to the Colony of Hong Kong. It will be within the recollection of all in this Chamber that it was Sir Andrew's express desire that the customary valedictory speeches should not be made here before his departure and that the proceedings at his final appearance in Legislative Council should be rigidly confined to his own speech of farewell.

It is a matter of public record that a telegram of farewell was sent to Sir Andrew immediately after my own swearing-in on the day of his departure, and it would be superfluous to repeat what was said on that occasion in praise of his administration and of his personal characteristics. But in order that the records of this Council may not be silent in this respect I have now the honour to move the following resolution:—

"That this Council desires to express its hearty appreciation of the eminent services rendered for the good of the Colony by Sir Andrew Caldecott, K.C.M.G., C.B.E., during the period of his Administration, and instructs the Clerk to communicate the terms of this resolution to Sir Andrew."

HON. SIR HENRY POLLOCK.—Your Excellency, As senior Unofficial Member I have much pleasure in seconding the resolution.

The profound admiration which the residents of this Colony feel for Sir Andrew Caldecott, both as a man and as an administrator, was fully expressed in the farewell addresses to him, to which I have nothing to add.

HON. MR. T. N. CHAU.—The esteem and respect in which Sir Andrew Caldecott is held by the entire Chinese community in the Colony and our appreciation of the eminent services rendered by Sir Andrew during his short term of office had been so fully and ably expressed by the Hon. Dr. Kotewall at the presentation of Farewell Addresses, at which we were all present, that it would be superfluous for me to say anything more here to-day than that as the senior Chinese member of this Council, I very heartily support the motion which has been put by Your Excellency.

The resolution was carried with acclamation.

### MOTIONS.

THE COLONIAL TREASURER.—Your Excellency,—Six items of the Schedule to the Hong Kong Dollar Loan Ordinance No. 11 of 1934, as amended by the resolutions of this Council of 16th May, 1935, and 19th March, 1936, now require further amendment, and as Your Excellency has directed under Section 3 (2) of the Ordinance that certain sums not now required for a purpose specified in the original Schedule shall be appropriated and applied to another purpose therein specified, the resolution I am about to move is now submitted for the approval of Council.

A preliminary estimate of these works has already appeared in Appendix VI (*b*), p. 117 of the Estimates for 1937, but a revised estimate has now been prepared. This has received the approval of the Secretary of State. The alterations required to the Schedule are as follows:—

Item 2. Shing Mun Valley Water Scheme is now reduced from \$10,443,530 to \$9,941,877.98. A further saving of \$425,000 has been made on the Gorge Dam and the 2nd Cross Harbour Pipe cost \$76,652 less than the estimate.

Item 3. Vehicular Ferry is reduced from \$1,930,000 to \$1,915,603.80.

Item 4. New Gaol at Stanley is reduced from \$4,500,000 to \$4,000,000. The work is nearly completed.

Item 5. Tytam Tuk Catchwaters is reduced from \$720,000 to \$689,386.55. The work has been completed.

Item 6. Air Port Development is increased from \$975,486 to \$1,007,485.92. This is due to the increased cost of the Wireless Telegraph Station at the Aerodrome.

Item 8. Other Public Works is increased from \$10,338 to \$1,025,000. The various sums saved from other items are transferred to this. It is intended to include under this item a new Central Market and a Wholesale Market at Kennedy Town. The revised estimate for these two works is \$1,100,000. The balance of \$75,000 would have had to be met from revenue in a Public Works Extraordinary vote in a later year but since these estimates were prepared it transpires that a further saving of about \$97,000 is to be expected on the Gaol.

The new Loan Schedule will then stand as follows:—

Item No.	1.	-----	\$2,555,702.78
	2.	-----	9,941,877.98
	3.	-----	1,915,603.80
	4.	-----	4,000,000.00
	5.	-----	689,386.55
	6.	-----	1,007,485.92
	7.	-----	3,864,942.97
	8.	-----	1,025,000.00
			-----
			\$25,000,000.00
			-----

I now move the following resolution:—

That this Council approves under Section 3 (2) of the Hong Kong Dollar Loan Ordinance No. 11 of 1934 of the following transfers in the Schedule.

Item 2. Shing Mun Valley Water Scheme to be reduced from \$10,443,530 to \$9,941,877.98.

Item 3. Vehicular Ferry to be reduced from \$1,930,000 to \$1,915,603.80.

Item 4. New Gaol at Stanley to be reduced from \$4,500,000 to \$4,000,000.

Item 5. Tytam Tuk Catchwaters to be reduced from \$720,000 to \$689,386.55.

Item 6. Air Port Development to be increased from \$975,486 to \$1,007,485.92.

Item 8. Other Public Works to be increased from \$10,338 to \$1,025,000.

THE COLONIAL SECRETARY seconded, and the motion was agreed to.

THE COLONIAL TREASURER.—Your Excellency,—The second resolution standing in my name relates to the expenditure during the year 1937, which must be approved by Council, on the Loan Works which have just been included in the Schedule to the Hong Kong Dollar Loan Ordinance.

A preliminary estimate appeared as Appendix VI (b) to the Estimates of Expenditure for 1937 but this requires some amendment.

The Gorge Dam has been completed ahead of time and the balance required in 1937 is \$62,769.28.

For the 2nd 24" Trunk Main and the 3rd Rapid Gravity Filters the sums required are \$109,285.56 and \$95,330.01.

Similarly the balance on the estimate for the Vehicular Ferry is \$7,636.86.

For the Gaol at Stanley the estimate has been reduced from \$4,500,000 to \$4,000,000. A sum of \$3,534,930.96 was spent up to December 31 and \$465,069.04 is required in 1937.

For the Airport and Seaplane Slipway the balance on the estimate of \$860,000 is \$105,813.41 and this sum will be required in 1937. The estimate for the Wireless Telegraph Station has been increased from \$95,000 to \$127,000. \$64,172.79 was spent in 1936 and \$62,827.21 will be required this year.

Two new items, the Central Market and the new Wholesale Market at Kennedy Town, have been entered under item 8 "Other Public Works." The estimate for the first is \$900,000 and for the second \$200,000. Sums of \$300,000 and \$190,000 will be required in 1937.

I now move:—That this Council approves of the expenditure of \$1,398,731.37 on the various items of Loan Works as specified below during the financial year 1937, which sum shall be met from surplus balances pending the issue of the remainder of the Loan authorised under Ordinance No. 11 of 1934.

Head 2, Shing Mun Valley Water Schemes.

(b) Second Section:—

(3) Gorge Dam -----	\$ 62,769.28
(5) 2nd 24" Trunk Main-----	109,285.56
(6) 3rd Rapid Gravity Filters -----	95,330.01

Head 3, Vehicular Ferry -----7,636.86

Head 4, New Gaol at Stanley-----465,069.04

Head 6, Airport.

(b) Airport and Seaplane Slipway-----	105,813.41
(c) Wireless Telegraph Station-----	62,827.21

Head 8, Other Public Works.

(a) Central Market-----	300,000.00
(b) Wholesale Market-----	190,000.00

-----\$1,398,731.37

THE COLONIAL SECRETARY seconded, and the motion was agreed to.

### **CURRENCY AMENDMENT ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Currency Ordinance, 1935, as amended by the Currency Amendment Ordinance, 1936, and the Currency (No. 2) Amendment Ordinance, 1936." He said:—This Bill will affect two amendments in the previous Ordinances. The first amendment will make it clear that the security which the note-issuing banks will have to hold against their Hong Kong note-issues must be held in certificates of indebtedness. The second amendment abolishes the necessity of surrendering bullion and British dollars, but substitutes a new section which makes it optional for anyone holding Hong Kong dollars to surrender them up to the end of July, after which they will be demonetized.

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. Clause 2 of this amending Bill repeals section 5 (5) of the principal Currency Ordinance (No. 54 of 1935 as amended by No. 44 of 1936) and replaces it by a sub-section which re-enacts it with the substitution of the words "shall be held" for the words "may be held" and with the omission of the word "silver" before the words "coin" and "bullion."
2. Clause 3 repeals section 7 of the principal Ordinance (No. 54 of 1935 as amended by No. 57 of 1936) and replaces it by another which no longer equires the surrender of silver coin or silver bullion, which under the repealed section the Treasurer was required to pay for in Hong Kong currency at face value for the coin and at a fixed rate for the bullion.
3. The new section 7 enables holders of British Dollars to exchange them for Hong Kong currency before the 1st August, 1937, after which date they will be demonetized by the Proclamation in the Hong Kong Government Gazette of the 30th April, 1937, under the Hong Kong (Coinage) Order, 1936, which was published in the Gazette of the 8th January, 1937.
4. Clause 4 of the Bill repeals section 9 of the principal Ordinance (No. 54 of 1935) which is no longer required.

### **DEPORTATION (BRITISH SUBJECTS) AMENDMENT ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Deportation (British Subjects) Ordinance, 1936.

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

Council then 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 moved the third reading.

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

**ADVERTISEMENTS REGULATION AMENDMENT  
ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Advertisements Regulation Ordinance, 1912."

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

Council then 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 moved the third reading.

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

**PUBLIC HEALTH (SANITATION) AMENDMENT  
ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Public Health (Sanitation) 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.

Upon Council resuming,



THE ATTORNEY GENERAL reported that the Bill 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.

### **PHARMACY AND POISONS ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the law relating to poisons and the registration of pharmaceutical chemists."

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

Council then 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 moved the third reading.

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

### **ADJOURNMENT.**

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— Council stands adjourned *sine die*.

### **FINANCE COMMITTEE.**

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

Votes totalling \$354,314 under Estimates 1937, contained in Message No. 4 from H.E. The Officer Administering the Government were considered.

24.—25, Education Department:—35, Tools and Equipment, \$5,339.

HON. MR. LO.—I do not quite follow the wording in this item. As I understand, this vote is for second-hand machinery and yet you talk about delivery from the manufacturers. I cannot quite reconcile these two statements. That is my first point. The second point is, when Mr. White was authorised to spend up to £1,500, was this Finance Committee consulted?

THE CHAIRMAN.—Provision was made in the Estimates for 1936.

HON. MR. LO.—I was wondering whether this had been referred to the Finance Committee. If it had been, I do not see that it is necessary to come before us again now.

THE COLONIAL TREASURER.—A sum of \$19,500 is provided this year only, whereas something like \$29,000 was provided last year under Special Expenditure and the balance of \$5,578 was not expended. I do not think Mr. White was tied down to any amount.

HON. MR. LO.—All I wanted to know was the buying of this second-hand equipment in England authorised.

THE CHAIRMAN.—It was authorised in the Estimates.

THE COLONIAL TREASURER.—Advantage was taken of Mr. White going on leave to supervise the purchasing.

THE CHAIRMAN.—The idea of buying second-hand equipment was that he could get it more cheaply than otherwise.

HON. MR. LO.—I pass from the question of policy. I do not understand how you get second-hand equipment by delivery from manufacturers.

THE CHAIRMAN.—It was not all second-hand. Some was second-hand and some was bought from the Crown agents.

HON. MR. LO.—I do not think you can say you have taken delivery from manufacturers for second-hand stuff. Perhaps it was not very happily expressed.

THE CHAIRMAN.—You may get it from the manufacturers.

THE COLONIAL TREASURER.—It may have been sent back to them for re-conditioning.

All the votes were approved.

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