

23rd June, 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. MR. T. H. KING, (Inspector General of Police).

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

HON. DR. D. J. VALENTINE, (Director of Medical Services, *Acting*).

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

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).

ABSENT:—

HON. MR. J. J. PATERSON.

MINUTES.

The minutes of the previous meeting were confirmed.

NEW MEMBER.

The Hon. Dr. D. J. Valentine (Acting Director of Medical Services) took the Oath of Allegiance, and assumed his seat as a member 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 to Pension Regulations A and Pension Regulations B made under section 3 (1) of the Pensions Ordinance, 1932, Ordinance No. 21 of 1932, as enacted by the Pensions Amendment Ordinance, 1934, Ordinance No. 12 of 1934, by the Governor-in-Council with the sanction of the Secretary of State, dated 20th May, 1937.

Notice to Aircraft Owners and Ground Engineers—No. 11 of the year 1937, dated 18th May, 1937.

Notice of Aircraft Owners and Ground Engineers—No. 12 of the year 1937, dated 21st May, 1937.

Amendments to the Hong Kong Naval Volunteer Force Regulations made by the Governor under section 10 of the Hong Kong Naval Volunteer Ordinance, 1933, Ordinance No. 30 of 1933, dated 4th June, 1937.

Amendment to the Ferries Regulations made by the Governor-in-Council under section 5 of the Ferries Ordinance, 1917, Ordinance No. 28 of 1917, dated 3rd June, 1937.

Amendment to the Ferries Regulations made by the Governor-in-Council under section 5 of the Ferries Ordinance, 1917, Ordinance No. 28 of 1917, dated 8th June, 1937.

Order made by the Officer Administering the Government under section 5 of the Public Health (Animals and Birds) Ordinance, 1935, Ordinance No. 16 of 1935, prohibiting the importation either by land or by sea or the transhipment in the Colony of equines from Macao and Canton, dated 10th June, 1937.

Increase in fee for a tobacco Retailer's Licence in the New Territories other than New Kowloon made by the Governor-in-Council under sections 4 and 5 of the Tobacco Ordinance, 1931, Ordinance No. 39 of 1931, dated 5th June, 1937.

Order made by the Officer Administering the Government under section 2 of the Prisons Ordinance, 1932, Ordinance No. 38 of 1932, setting apart for the purpose of a prison, the portion of the Queen Mary Hospital known as "The Prison Ward", dated 18th June, 1937.

Proclamation No. 7.—The Defences (Firing Areas) Ordinance, 1936, as amended by the Defences (Firing Areas) Amendment Ordinance, 1936, to come into operation on the 1st day of July, 1937.

Administration Reports, 1936:—

Part I.—General Administration:—

Report on the Finances.

Part II.—Law and Order:—

Report of the Registrar of the Supreme Court, Official Trustee, Official Administrator and Registrar of Companies.

Part VII.—Undertakings of Government:—

Report of the Postmaster General.

QUESTIONS.

HON. MR. M. K. LO asked:—

With reference to the question of compulsory pasteurization of milk:—

1.—Has Government's attention been drawn to a debate which took place in the House of Lords on April 27th, as reported by *The Times* of April 28th, 1937, on the Poole Corporation Bill, which originally contained a clause relating to pasteurization of milk, and in particular to the following observations:—

(Lord Cranworth)—"It was admitted....that the real reason for including this clause in the Bill was the recent outbreak of typhoid fever at Bournemouth. This appeared to be panic legislationThere might be a case for prohibiting the sale of unclean milk unless it has been pasteurized, but there was an equally good case for saying that if clean milk was available it should not be pasteurized at all. It was nowadays easier to get pasteurized milk than non-pasteurized milk."

(Viscount Halifax)—"He agreed that the health of the people must be the first and the last consideration and that the question of vested interests did not arise. But in matters of this sort they must be none the less concerned to see that measures designed to

promote health were wisely devised. In 1934 the Economic Advisory Council's Committee on Cattle Diseases, presided over by Sir Frederick Hopkins, referred to this subject of pasteurization in its report....The Government had reviewed the whole matter, and he was authorised to announce that it was their intention to bring forward long-term legislation dealing with milk policy generally in the near future. In this connection the Government would examine the question of pasteurization in the light of all the evidence that was available with a view to deciding whether or not it would be in the public interests, with due regard to the interests of the milk industry, to include provisions in regard to it in their legislative proposals."

(Viscount Dawson of Penn)—...."He saw no other way of dealing with this vital health question than by having a properly organized and controlled system of pasteurizing milk....He agreed that it would be a change of practice if producer-retailers had to pasteurize their milk, but they could imitate Denmark and go in for co-operation. Or, if necessary, they could be compensated in some way"

2.—Will Government obtain copies of the report of the Committee referred to by Viscount Halifax in the above quotations for the consideration of members of this Council before this Council is called upon to pass and confirm the recent amendment of the bye-law made by the Urban Council in regard to compulsory pasteurization?

3.—Will Government postpone taking any further steps in regard to compulsory pasteurization of milk pending the decision of the Home Government on this question?

Alternatively will Government refer to the Committee recently appointed to report on the question of nutrition in this Colony, etc., by way of further reference, the whole question of compulsory pasteurization of milk in the light of local circumstances, and await the report of the Committee before taking any further steps in regard to compulsory pasteurization?

THE COLONIAL SECRETARY replied:—

1.—The answer is in the affirmative.

2.—The matter has been referred to the Secretary of State for the Colonies and this Council will not in the meanwhile be invited to approve the by-law in question. The Urban Council has been so informed.

3.—It is not proposed to consult the Nutrition Committee at this stage.

HON. MR. M. K. LO asked:—

1.—Within the last 12 months how many armed robberies have taken place—

- (a) On the Island?
- (b) In Kowloon and the Peninsula?

2.—Is it a fact that there have been frequent armed robberies of Chinese goldsmiths shops?

3.—Is it a fact that the last three recent robberies all occurred within the period of a few days?

4.—Is it a fact that Chinese goldsmiths shops have been advised by the Police Authorities to close before their customary closing time, in order to minimise the risk of armed robbery?

5.—Is Government aware that the frequent occurrence of armed robberies, and the circumstances under which they have taken place, have caused anxiety and uneasiness to the community?

6.—Pending the breaking up of the armed robbery gangs, and the restoration of reasonable security from armed robbers in the Colony, can sufficient numbers of the Police Force be diverted from their traffic and/or other comparatively less important duties, such as the control and prosecution of hawkers, so as to enable a greater number being available for continuous patrol, and so that at least one member may become available to be stationed at the end of each street in which there are goldsmiths and other shops which appear to have a special attraction to armed robbers?

THE COLONIAL SECRETARY replied:—

1.—The figures for the twelve months from the 1st June, 1936, to the 31st May, 1937, are:—

- (a) On Hong Kong Island 8
- (b) In the remainder of the Colony 44

2.—There have been seven such cases during the period already referred to.

3.—On the 26th May an armed robbery occurred in Queen's Road, West, and on the 1st June two such robberies occurred in Wellington Street and in Yuen Long respectively.

4.—The Inspector General of Police suggested to certain Chinese goldsmiths who made representations to him in April last that during the Coronation celebrations they should close their establishments at 6 p.m. instead of the usual hour of 8 p.m.

5.—Government is fully aware of this, and is now considering suggestions for dealing with this outbreak of crime.

6.—In view of the fact that goldsmiths' and other shops of this nature are widely scattered over the Colony, the suggestion is not considered practicable. Extra police are however posted in the more important localities temporarily as available.

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. 4) dated 26th May, 1937, and moved that it be adopted.

THE COLONIAL TREASURER seconded, and this was agreed to.

MOTIONS.

THE COLONIAL TREASURER. — Your Excellency, — The Levy on Salaries Ordinance, No. 2 of 1937, provides that in respect of the months of July to December inclusive, 1937, or of any of them, this Council may by resolution continue, reduce or abandon the percentage deductions specified in the Ordinance which have been in force since 1st January this year.

As Honourable Members are aware the levy on salaries of all Government officers was originally imposed on 1st January, 1936. The reasons for it and the savings effected by it last year are fully set out in paragraph 22 of the Report on the Finances for the Colony for the year 1936 which is now in your hands.

At the time of framing the Estimates for 1937 the financial outlook was still obscure and it was found necessary to budget for a deficit of nearly 3½ million dollars. It was, therefore, decided with great reluctance, which was shared by the Secretary of State, that the levy should be continued at least for another six months, but in a slightly modified form, estimated to produce a saving of about \$450,000 per annum.

The financial position has considerably improved. At the end of the 24th week, that is nearly half way through the year, revenue has exceeded the proportionate fraction of the year's estimate by \$1,232,870, and is \$1,334,996 more than the revenue collected in the same period last year. Revenue is higher than it has been since the year 1933 and I see no reason to expect that this higher level will not be maintained. Even if the total Expenditure is not less than the Estimate, and it frequently is, I do not expect that a serious deficit will emerge at the end of this year or that our balance of assets over liabilities will be greatly reduced.

The modified levy is now, as I have indicated, a comparatively unimportant factor in the Colony's expenditure and its continuance is felt to be a hindrance to the recruitment of new officers and a bad advertisement of the Colony's financial standing.

Further so long as the levy continues it is not easy to justify any policy of expansion in public works, and such expansion is becoming urgently necessary.

It is not proposed to alter at present the special conversion rate for sterling salaries of \$16=£1 as provided in section 2(5) of the Ordinance which represents a saving at the present exchange rate of the dollar of about \$60,000 a year.

I now move the following resolution:—

Resolved pursuant to sections 2 (3) and 3 (3) of the Hong Kong Government Service (Levy on Salaries) Ordinance, 1937, that the percentage deductions specified in sections 2 (2) and 3 (2) of the said Ordinance be abandoned in respect of the months of July to December, inclusive, 1937.

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

(1936 SUPPLEMENTARY) APPROPRIATION ORDINANCE, 1937.

THE COLONIAL TREASURER moved the first reading of a Bill intituled "An Ordinance to authorise the Appropriation of a Supplementary Sum of Seven hundred and eighty two thousand three hundred and ten Dollars and eight Cents to defray the Charges of the year 1936." He said: Your Excellency,—Copies of the detailed Statement of Expenditure and of the Report on the Finances of the Colony for the year 1936 have already been furnished to Honourable Members. Wherever there has been an excess over the estimated and appropriated sum a full explanation has from time to time been given and these extra appropriations have received the approval of Finance Committee and of this Council in the usual way.

The sum of \$782,310.08 represents the total of the supplementary appropriation required, no deduction being made for under-expenditure in other Departments and on other heads of the Estimates. In fact, however, there were large savings on many subheads so that the total expenditure was actually \$84,628 less than the estimate.

Ordinary expenditure during 1936 amounted to \$26,460,621 as compared with \$25,030,568 in 1935 an increase of just over \$1,430,000. The increase over the estimate of \$26,390,588 was, however, only \$70,033. Expenditure on Public Works Extraordinary amounted to \$3,052,900 being \$250,980 greater than in 1935 but \$154,660 less than the estimate.

Revenue for the year amounted to \$30,042,984 being \$1,612,434 over the sum collected in 1935 and \$3,371,139 in excess of the estimate.

We had budgetted for a deficit of \$2,926,303 but this was eventually turned into a surplus of \$529,464. The reasons for this increase in revenue have been fully set out in the Report on the Finances of the Colony for the year 1936.

The rate of exchange adopted when compiling the Estimates of Expenditure for the year 1936 was 1s./8d. to the Dollar. This seems almost fantastic at this date but I would remind Members that the work of preparing the estimates commences in May each year and in May 1935 the dollar was as high as 2s./6d. Subsequent events falsified all these estimates and something drastic had to be done if the deficit already expected of nearly \$3 millions was not to become very much greater.

The first thing that was done was the Levy on the Salaries of all Government Officers. It is difficult to make an accurate estimate of the saving thus made but it was in the neighbourhood of \$1,150,000.

The most rigid economy was exercised in every department. Lower exchange naturally increased the sum required for Personal Emoluments in every department; the sum of \$11,457,821 was provided and \$11,779,501 was required, an increase of \$321,680. But for the Levy on Salaries, the increase would have been over \$1,450,000. The fact that we have to-day to supplement the total provision on only 19 out of the 34 Heads of Expenditure shows that considerable savings were made. Posts were kept vacant and the purchase of stores &c. kept as low as possible. \$4,103,941 was provided under Other Charges while \$3,742,653 was expended—a reduction of \$361,288.

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

FORESTRY ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to consolidate and amend the law relating to forests and plants." He said: This Bill, which has been drafted by Mr. E. H. Williams, consolidates five Ordinances into one and makes further amendments which are referred to in the Memorandum of Objects and Reasons and the Table of Correspondence.

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 Bill consolidates the law dealing with the protection of forests, trees and plants and the powers possessed by Officers of the Forestry and Botanical Department in enforcing such protective measures. This law is contained in the following Ordinances which are repealed by the Bill:—the Forest Fires Prevention Ordinance, No. 5 of 1917, the

Crown Lands Preservation Ordinance, No. 6 of 1917, the Plants Ordinance, No. 11 of 1920, the Forest Officers Ordinance, No. 32 of 1923, and the Prohibited Areas Ordinance, No. 12 of 1927.

2. Certain minor amendments and additions have been made. The only addition of importance in the Bill is sec. 19 which gives a limited power of search and arrest considered necessary in combatting the activities of wood-stealers particularly in the more isolated parts of the Colony.

3. The Regulations are contained in the First Schedule.

4. The Second Schedule follows closely the Schedule published in G.N. No. 573 of the 25th August, 1933 as amended by the Schedule to the Larceny Ordinance No. 32 of 1935. Owing to the incorporation of Ordinances No. 5 of 1917, No. 11 of 1920 and No. 12 of 1927 in the Bill and their subsequent repeal reference to them in the Second Schedule is no longer necessary.

5. A Table of Correspondence is attached showing the nature of the consolidation and the amendments.

PRINTERS AND PUBLISHERS AMENDMENT ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend further the Printers and Publishers Ordinance, 1927." He said: The Object of this Bill is to enable the Registrar to insist on the payment of a deposit even in cases in which he has previously taken a bond.

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 13 of the Printers and Publishers Ordinance, 1886 (No. 4 of 1886) required that the printer or publisher of every newspaper should enter into a bond, conditioned for the payment of any fine or penalty imposed on any conviction for libel, and further conditioned for the payment of any damages and costs in any action for libel published in the newspaper.

2. The 1886 Ordinance was repealed and replaced by the Printers and Publishers Ordinance, 1927 (No. 25 of 1927) which however did not reproduce the provisions of section 13 of the repealed Ordinance or any equivalent therefor, with the result (see Hong Kong Hansard for 1929 p. 316) that a number of irresponsible newspapers with libellous and blackmailing tendencies appeared, disappearing again upon the sign of any trouble.

3. Consequently by Ordinance No. 1 of 1930 (since amended by Ordinance No. 3 of 1933) a new section 4A was introduced into the 1927 Ordinance requiring a deposit of \$3,000 unless the Registrar was prepared to accept a bond in lieu thereof.

4. Since then bonds have usually been accepted but, with the daily ebb and flow of population across the Colony's borders, such bonds are difficult to enforce especially in the cases in which it is most necessary to enforce them.

5. The Object of this Bill is to enable the Registrar in his discretion to demand a deposit even where a bond has been previously accepted.

STONECUTTERS ISLAND AMENDMENT ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Stonecutters Island Ordinance 1889, as amended by the Stonecutters Island Amendment Ordinance, 1936." He said: As explained in the Objects and Reasons, this Bill will increase the powers of arrest of unauthorised persons approaching Stonecutters Island.

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 Stonecutters Island Ordinance, 1889, as enacted by the amending Ordinance of 1936 gave guards and the Royal Naval Yard Police powers to arrest persons who were on the island without authority contrary to section 3 of the Ordinance but did not enable them to arrest offenders against section 5.

2. Moreover section 5 (1) forbade the unauthorised anchoring or making fast of vessels within one hundred yards of the shore, but did not forbid the approach of vessels within that distance if they did not anchor or make fast.

3. The object of this Bill is to repair both these defects in the Ordinance of 1889 as amended in 1936.

MOTOR SPIRIT AMENDMENT ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Motor Spirit Ordinance, 1930." He said: The object of this Bill is to enable the Governor-in-Council to make regulations implementing any international Convention for the exemption of aircraft from duties on oils; and also to make other slight amendments in the Ordinance to make it clearer that it applies to aircraft as well as to ships and other vessels.

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 Bill will enable the Governor-in-Council to make regulations for the purpose of implementing any International Agreement for the reciprocal exemption of Aircraft from duties on oils used in air traffic.

2. The Motor Spirit Ordinance, 1930, refers specifically to aircraft in section 14 (1). The object of clauses 3, 4, 6, and 7 is to make other sections of the Ordinance specifically applicable to aircraft.

3. Section 30 of the Motor Spirit Ordinance, 1930, provides that no person shall import any light oils for sale except under and in accordance with an importer's licence. Clause 5 of this Bill deletes the words "for sale" and thus enables the Superintendent of Imports and Exports to control all importations of light oil.

4. Section 43 (2) of Ordinance No. 4 of 1930 as amended by section 5 of Ordinance No. 32 of 1930 provided that every person arrested shall, together with the light oils found in his possession, be taken to a police station in order that he may be brought before a Magistrate to be dealt with according to law or to the office of the Superintendent for directions. It is often impracticable to transport large quantities of seized goods from the place where they are found together with the person arrested. Clause 8 inserts the words "if practicable," after the word "together" in order to meet such cases.

CURRENCY AMENDMENT ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the second 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."

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 meeting.

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

RETIREMENT OF DR. A. R. WELLINGTON, C.M.G.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— Gentlemen,— Since the last meeting of this Council the Colony has lost by retirement a distinguished public servant who in the brief space of eight years has accomplished more for its good than many perhaps can claim to have done in twenty. Dr. Wellington came to us from Malaya in 1929 with a big reputation and lost no time in laying the foundations of his schemes for reforming our health system. That those foundations were well and truly laid is sufficiently proved by the satisfaction with which this Council two months ago received his account of what has now been accomplished, which was printed as Sessional Paper No. 4 of 1937.

Gifted apparently with the secret of eternal youth Dr. Wellington was never one to brook opposition, but the whole Colony was delighted when he received in the New Year Honours of 1934 a decoration such as is rarely bestowed upon members of the Colonial Medical Service.

There would be something inappropriate in wishing Dr. Wellington, even at the age of sixty, a "well-earned retirement" in the usual form. Instead I am sure that this Council will join me in hoping that for him and Mrs. Wellington there will remain very many years of vigorous usefulness in some other sphere.

HON. SIR HENRY POLLOCK.—Your Excellency,—As Senior Unofficial Member of this Council, I should like to endorse what you have just said with regard to Dr. Wellington. One of the objects to which Dr. Wellington paid particular attention was the promotion of anti-malarial measures, and I venture now to ask that Government, in its Budget for 1938, make ample provision for anti-malarial measures.

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 \$65,510 under Estimates 1937, contained in Message No. 5 from H.E. The Officer Administering the Government were considered.

All the votes were approved.
