

29th June, 1939.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR (SIR G. A. S. NORTHCOTE, K.C.M.G.).

THE HONOURABLE THE OFFICER COMMANDING THE TROOPS (BRIGADIER T. MACLEOD, C.R.A.).

THE COLONIAL SECRETARY (HON. MR. N. L. SMITH, C.M.G.).

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

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. W. J. CARRIE, *Acting*).

THE FINANCIAL SECRETARY (HON. MR. S. CAINE).

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

HON. DR. P. S. SELWYN-CLARKE, M.C., (Director of Medical Services).

HON. MR. C. G. PERDUE (Acting Commissioner of Police).

HON. MR. A. G. W. TICKLE (Acting Director of Public Works).

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

HON. MR. S. H. DODWELL.

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

HON. MR. LO MAN-KAM.

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

HON. MR. T. E. PEARCE.

HON. MR. W. N. THOMAS TAM.

HON. MR. J. K. BOUSFIELD, M.C.

MR. C. B. BURGESS (Deputy Clerk of Councils).

MINUTES.

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

ANNOUNCEMENT.

THE COLONIAL SECRETARY.—When the Budget for 1939 was introduced last year it was indicated that the exact measures to be taken in the sphere of air raid precautions were still under consideration. A full survey of the requirements was then being made and on its completion a programme covering the essential minimum was submitted to the Secretary of State and his expert advisers.

The necessary measures include the provision of sandbags for the protection of public buildings and structural alterations to such buildings, the addition of supplementary fire appliances and reserve medical stores and the acquisition of respirators for issue to essential services and of protective clothing and equipment for decontamination squads. In addition it is proposed to make grants, on a basis to be agreed, to assist public utility companies for safeguarding essential services. Plans have also been prepared for other measures, including the digging of trenches, which will not be actually put in hand until an emergency arises.

After careful consideration the conclusion has been reached that apart from the enormous expense entailed it is not practicable to attempt any large scale schemes of protection for the general public such as tunnels, steel shelters and the like. Tunnels or other underground shelters could of course be constructed but the configuration of the land renders it impossible to place them so that access could be gained to them from the centres of dense population within the few minutes period of warning which is all that can be expected. The existence of such shelters would therefore be merely a temptation to people to leave the relatively greater safety of their homes. It appears to be certain that in most cases such fugitives would fail to reach their objectives in time. Householders are therefore recommended to take whatever steps they can to strengthen the ground floor of their houses, as advised by the Air Raid Precautions Officer.

As regards protection against gas an organisation is to be set up which will enable civilians to purchase respirators at cost price. The respirators will be kept for the purchaser by Government in an air-conditioned store and issued on demand. A further announcement as to the details of this scheme and as to how applications under it should be made will be published later by the Air Raid Precautions Officer.

The carrying out of this programme has involved and will involve expenditure very substantially in excess of the provision approved in the 1939 Estimates. Apart from the incidental expenses of the Air Raid Precautions Department that provision consisted of the sums

of \$250,000 for all kinds of mobilization stores and \$200,000 for public works, including a new store. The further expenditure this year for which covering authority will now be required exceeds \$1,500,000 and the necessary formal votes will be submitted for the consideration of Finance Committee at this afternoon's meeting. Estimates for further expenditure next year will be included in the ordinary Estimates for 1940/41.

PAPERS.

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

Amendment made by the Governor in Council under section 42 of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table M in the regulations, dated 15th June, 1939.

Amendment made by the Midwives Board under section 4 of the Midwives Ordinance, 1910, Ordinance No. 22 of 1910, to the regulations, dated 22nd June, 1939.

Official Statistics in Hong Kong. A Memorandum on Studies conducted with a view to establishing a Statistical Department.

QUESTIONS.

HON. SIR HENRY POLLOCK asked:—

Has the assessment for the year 1939/1940 been completed? If so, will the Government give the figures of the new rateable values as compared with those for 1938/1939?

THE COLONIAL SECRETARY replied:—

The totals of the new valuations for the several divisions of the rating area are shown in the following table, together with comparative figures for the assessment year 1938/1939.

District	Valuation 1938-1939	Valuation 1939-1940
City of Victoria	\$21,346,621	\$24,657,053
Hong Kong Villages	3,828,927	4,279,463
Kowloon	8,118,336	10,085,784
New Kowloon	2,208,738	2,892,772
Total	\$35,502,622	\$41,915,072

MOTIONS.

THE FINANCIAL SECRETARY moved: That the resolution relating to Widows' and Orphans' Pension Fund passed on the 1st day of June, 1938, be rescinded and that the following resolution be substituted therefor:—

It is hereby resolved that the resolution of this Council adopted on the 2nd August, 1902, requiring that pensions paid in England from the Widows' and Orphans' Pensions Fund be paid at the rate of 3/- to the dollar shall not apply to any pension granted on or after the 1st June, 1938, except in special cases where the Governor in Council has deemed it equitable to sanction payment at that rate.

He said: On the 1st June last year this Council adopted a resolution modifying a former resolution of the 2nd August, 1902, laying down the rate of exchange at which pensions under the Widows' and Orphans' Pension Scheme expressed in dollars should be paid in England. It was then the intention to pay all such pensions awarded in future at the current rate of exchange. It has since, however, been represented by certain officers that they have an equitable claim to payment at the conventional rate of 3/- a dollar, on the grounds that the salaries or pensions upon which their contributions to the scheme have been calculated, although nominally expressed in dollars, were actually equivalent to sterling salaries at the fixed rate referred to, owing to the operation of exchange compensation allowances or other special exchange arrangements. Government has recognized that in certain of these cases an equitable claim exists and it is, therefore, desired to have authority to make payment at the special rate in such cases after consideration by the Executive Council. The general position will, however, remain that ordinary dollar pensions under the Widows' and Orphans' Pension Scheme will not be entitled to any rate of exchange other than the current rate, wherever paid.

THE COLONIAL SECRETARY seconded, and the resolution was adopted.

NOTE-ISSUING BANKS EXTENSION OF POWERS BILL, 1939.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to extend for a further period the powers of the Chartered Bank of India, Australia and China, the Hongkong and Shanghai Banking Corporation and the Mercantile Bank of India Limited to make, issue, re-issue and circulate notes." He said: Attached to the Bill is a memorandum of objects and reasons which fully explains its purpose. The proposed new Ordinance is concerned only with the machinery for the issue of notes and will in no way affect the present arrangements for maintaining the exchange value of the Hong Kong dollar by means of the operations of the Exchange Fund. In this connection, I am authorized to read the following statement, copies of which are in the hands of Honourable Members:—

The legal powers of the banks in Hong Kong to issue notes expire on the 12th July, 1939. It will be necessary at a future date to revise the conditions on which notes are issued, but meanwhile it is desired to enable the banks concerned to carry on as at present, and the proposed Ordinance accordingly provides for the extension from time to time to the banks' powers of issue.

The proposed new Ordinance is concerned only with the machinery for the issue of notes and will in no way affect the present arrangements for maintaining the exchange value of the Hong Kong dollar by means of the operations of the Exchange Fund. As recently stated, the Hong Kong Government has no intention of making any change in present policy in that matter or of permitting any variation of the present level of exchange beyond ordinary commercial fluctuations.

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

THE ATTORNEY GENERAL.—I think it is essential to pass this Bill into law before July 12th and as I do not think there is another meeting of the Council before then, I move the suspension of so much of the standing orders as stands in the way of this Bill passing through all its stages to-day.

THE COLONIAL SECRETARY seconded, and this was agreed to.

On the motion of the Attorney General, seconded by the Colonial Secretary, the Bill was then read a second time.

THE ATTORNEY GENERAL.—When Council goes into Committee, I will move that the Bill be considered clause by clause.

Objects and Reasons.

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

1. There are only three note-issuing banks in the Colony.
2. The note-issuing powers of the Chartered Bank of India Australia and China are contained in its Charters as modified by the Currency Ordinances (No. 54 of 1935, No. 44 of 1936 and No. 9 of 1937). The note-issuing powers of the Hongkong and Shanghai Banking Corporation are contained in its special Ordinance, No. 6 of 1929, as so modified, and those of the Mercantile Bank of India Limited are to be found in its special Ordinances, No. 65 of 1911 and No. 11 of 1929, as similarly modified.
3. In the case of all three banks the note-issuing powers expire on the 12th July, 1939, and the object of this Bill is to extend the period for another twelve months, subject to a proviso enabling the Legislative Council to further extend the period by resolution, in the case of any or all of the said banks, for any period or periods not exceeding twelve months at any one time.

4. Clause 2 defining a note-issuing bank is derived from the definition in section 2 of Ordinance No. 54 of 1935.

5. Clauses 3 and 4 are based, *mutatis mutandis*, on sections 2 and 3 of Ordinance No. 11 of 1929. Clause 4 is required by Article XXVII of the Royal Instructions.

6. The Bill is to be introduced into the Legislative Council as a Government measure.

MERCHANT SHIPPING AMENDMENT BILL, 1939.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Merchant Shipping Ordinance, 1899."

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

TELECOMMUNICATION AMENDMENT BILL, 1939.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Telecommunication Ordinance, 1936."

THE COLONIAL SECRETARY seconded.

HON. MR. M. K. LO.—Having studied the provisions of this Bill with some care, I regret to find it my duty to oppose the motion now before the Council. As I understand the provisions, the Postmaster General can authorise any public officer, without any formality or warrant and subject to only one condition to which I shall refer, arrest anyone, search a person, search the property of anyone, search any place and to seize or remove or detain certain articles; and for all these purposes to break open doors, make forcible entry and forcible removal of persons, etc.

As I read these provisions the authority need not even be in writing, and it can be so general that the public officer, invested with these extraordinary powers, can exercise them without any limitation as regards period or occasion.

The condition which I have just referred to seems to be merely this: that that particular officer should merely have reason to suspect and nothing more. In other words, in regard to the arrest of a person for contravening the provisions of the Ordinance, reason to suspect is enough; and as regards seizure he must have reason to suspect that a certain offence has been committed in respect of those goods or articles.

It seems to me that the relevant question to ask is: what are the provisions of this Ordinance and regulations thereunder, the breach of

which would entitle a public officer to exercise these extraordinary powers? The answer to this question is, to my mind, startling, and is contained in Section 36 (1) of the existing Ordinance, which says: "Every omission or neglect to comply with, and every act done or attempted to be done contrary to, this Ordinance or any order, rule or regulation made thereunder, or in breach of condition and restrictions subject to, or upon which any licence has been issued, shall be deemed to be an offence against this Ordinance, and for every such offence not otherwise specially provided for the offender shall, in addition to the forfeiture of any articles seized, be liable on summary conviction to a fine of one thousand dollars or to imprisonment for any term not exceeding twelve months."

Frankly, I have not had the time to go through the whole of the Ordinance, licences or of the conditions under which licences are granted, but quite casually and hurriedly I came across certain provisions which to my mind are absolutely trivial, and I would like to draw the Council's attention to them.

I refer to Regulations 5 and 6 on page 135, which read: "The Licencee shall keep the station, and in particular the headgear receivers thereof in a clean and sanitary condition"; and "The Licencee shall screen all lights emanating from the station and screen or isolate all dangerous parts thereof in such manner as may be necessary to ensure the reasonable comfort and health of operators."

Regulation 14 on page 141 says: "Any alterations to the addresses specified in this licence must be notified to the licencing authority and the licence presented for correction. No fee is payable for this."

I also refer to regulation 2 on page 142: "The licensee shall not allow the portable set to be worked by any person other than himself, or a member of his household, and this licence, or a duplicate, shall be carried by the person working the portable set." Under this regulation, I take it that an honoured guest in a house working a portable set is committing an offence, and I suppose the public officer can exercise his powers in relation thereto.

As I tried to point out, a public officer, authorized by the Postmaster General, can arrest any person whom he suspects of having contravened any of these regulations. I can quite anticipate the Honourable Attorney General's retort in this respect—"Of course, you must expect a public officer to exercise his powers in a reasonable way"—but surely that is not the question before the Council at all. The question is not how the powers will be exercised but the limit and the extent of the powers actually conferred on a public officer through the Postmaster General.

The next point which I think should be borne in mind by this Council is Section 36 (2) which seems to my mind to contemplate quite clearly that the Postmaster General or any deputy appointed by him is to be prosecutor under this Ordinance. The Section referred to says:

"In the case of a conviction involving a fine the Magistrate inflicting such fine may direct, on the application of the Postmaster General or other officer conducting the prosecution, that any part not exceeding one half thereof shall be paid to any person who has given such information as has led to the conviction of the offender or offenders, or if there are more than one such person may direct such part to be divided amongst them in such proportion as he may direct."

It seems quite clear that under the Telecommunication Ordinance it is contemplated that the Postmaster General himself or an officer appointed by him, shall be the prosecutor in judicial proceedings before a Magistrate.

If the Council will bear with me, can we ask ourselves this question: What was the provision or what were the provisions which the present provisions are to amend? The present section which is to be repealed is Section 31 and Section 31 (1) says this: "If a Magistrate is satisfied by information on oath that there is ground for believing that a radiocommunication station has been established or is being maintained, or that any apparatus for radiocommunication is being used or is in the possession of any person, without a valid licence under this Ordinance, he may grant a search warrant to any police officer or wireless inspector to enter the place or ship (not having the status of a ship of war) where it is believed that the radiocommunication station has been established or is being maintained or that apparatus for radiocommunication is being used or is in the possession of some person, and to search such place or ship, and to seize any apparatus which appears to him to have been established or maintained or used, or to be in possession of any person, in contravention of this Part, and also to seize any book or document found in such place or ship which may appear to such officer likely to be or to contain evidence of any contravention of this Part."

Surely when the Postmaster General or his representative applies to the Magistrate to issue a warrant the Magistrate has to decide fairly between him and the general member of the public as to whether a case has been made out for the issue of the warrant. Can a person be the judge as well as the prosecutor at the same time?

In this case, there is no judge at all, for under the provision of the Ordinance all the powers are conferred on the Postmaster General or his representative, and therefore there is no one, to my mind, to adjudicate upon the nature of the information at stake. The information may be of the most trivial nature, but there is no check and the harm is done.

I feel very strongly that it is an impossible position for the Postmaster General or his representative to be judge and prosecutor at the same time, and that the powers to apply and to issue a warrant be combined in one person.

I submit that reading this Bill with a fresh mind one must conclude that the powers to be conferred on the Postmaster General are very extraordinary, and whatever reason might have been put before the Executive Council which prompted the Government to introduce it, we, as members of the Legislative Council, must consider the objects and reasons put forward for such a measure. I have seldom come across the objects so inadequately stated and reasons so imperfectly given as those set out for this measure.

Clause I of the Objects and Reasons given states: "The object of this Bill is to substitute for section 31 of the Telecommunication Ordinance, 1936 a new section, the first four sub-sections of which follow generally the lines of section 13 of the Dangerous Drugs Ordinance, No. 35 of 1935, with a fifth sub-section re-enacting subsection (2) of Section 31 of the Telecommunication Ordinance."

That may be very interesting. I was not a party to any of these Ordinances but I cannot see any reason why the amendment should follow the same lines as the Dangerous Drugs Ordinance.

The next clause of the Objects and Reasons given says: "It has been found by experience that the swifter means of effecting searches, seizures and arrests which the substituted provisions will permit are as necessary for the due enforcement of the Telecommunication Ordinance as they are in the case of the Dangerous Drugs Ordinance, especially where illicit apparatus is in question."

Nothing has been placed before this Council on which this statement of fact is based, and when you come to see the concluding part of the sentence where the Government is chiefly concerned with illicit apparatus, I cannot see why the existing machinery is not sufficient. Why should it be difficult for anyone to apply to the Magistrates for a warrant which could be issued in favour of a police officer or a wireless inspector? There are about half a dozen Magistrates available to the authorities at all times.

Nothing is placed before this Council to enable us to judge that experience really does in fact justify these extraordinary powers. I am not impressed by any of the objects or reasons given. When one of the two objects and reasons says there is a precedent for this, and that it follows the line of Section 13 of the Dangerous Drugs Ordinance, I had a look at that section and found that this in turn was based on some other Ordinances. There is a marginal note relating to an Act in Parliament, and I suppose the intention of this is to convey the impression that these provisions are based on the English provisions. So I took the trouble to look up the English Act which is called the Dangerous Drugs Act, 1920 (George V, Chapter 46) and Section 10 reads:—

"(1) Any constable or other person authorised in that behalf by any general or special order of a Secretary of State shall, for the

purposes of the execution of this Act, have power to enter the premises of any person carrying on the business of a producer, manufacturer, seller or distributor of any drugs to which this Act applies, and to demand the production of and to inspect any books relating to dealings in any such drugs and to inspect any stocks of any such drugs.

(2) If any person wilfully delays or obstructs any person in the exercise of his powers under this section or fails to produce, or conceals, or attempts to conceal any such books or stocks as aforesaid, he shall be guilty of an offence against this Act."

I may say here that no possible objection can be made to such a provision: in fact, the substance of this is contained in 31 (1) (e) of the Bill and this is the only one which is acceptable to me. However, there is no suggestion that any of the other amendments is based in any form or shape on Section 10 of this Act, and the only other authority which is relied on in Hong Kong for this kind of legislation is Section 14, which reads as follows:—

"Any constable may arrest without warrant any person who has committed, or attempted to commit, or is reasonably suspected by the constable of having committed or attempted to commit, an offence against this Act, if he has reasonable ground for believing that that person will abscond unless arrested, or if the name and address of that person are unknown to, and cannot be ascertained by him."

I speak without fear of contradiction that if this were the provision which the Hong Kong Legislature wants to copy, we shall be only too pleased, because the Hong Kong Police Force has infinitely greater powers than those mentioned therein. The provisions in the English Act merely empower a constable in London to arrest a person on certain conditions, whereas in Hong Kong the Police have greater powers than that under Sections 18, 20 and 21 of the Hong Kong Police Force Ordinance.

Therefore, I hope it will be appreciated that the objections I have ventured to raise against the Section are not directed to the present occupant of the post of Postmaster General, his predecessors or successors. So far as the present occupant is concerned, he has presided with great ability and dignity on the bench both in Hong Kong and Kowloon, but I do submit most earnestly that this legislature should not pass an Ordinance which confers on the Postmaster General the impossible position of having to be prosecutor and judge at the same time and which also entitles a public officer to do things which in any well conceived jurisprudence and democratic country in the world could only be allowed after the Magistrate has considered the application and granted the warrant.

For these reasons, I oppose the second reading of the Bill and if the Government wishes to adjourn this matter in order to consider it further, I shall be only too glad to agree.

THE ATTORNEY GENERAL.—Mr. Lo has pointed out that police constables in this Colony have greater powers than those in the United Kingdom: any constable in Hong Kong can arrest on reasonable suspicion of any offence.

I need not therefore go into that matter, but I would like to give a little more of the history of the Bill and a little more of the reasons which underlie the amendment.

First of all I would like to refer to the form it takes. As set out in the first paragraph of the Memorandum of Objects and Reasons, this new section is to replace the old section dealing with the ordinary method of finding out and seizing illicit apparatus. The ordinary method is to apply to a Magistrate for a search warrant and to obtain his order authorising the person mentioned to enter the premises. This is the section the new section will replace by a provision of a special character following generally the lines of section 13 of the Dangerous Drugs Ordinance, 1935.

The new section allows the Postmaster General to authorize any person to exercise these powers without the intervention of the Magistrate.

I am not going to rely on the fact that the Postmaster General has been a Magistrate or that his successor would probably have been one also.

The point is that the Postmaster General is an officer responsible for issuing licences. In the ordinary way, if we were only dealing with offences such as my friend has enumerated—even with illicit receiving sets which may deprive the Financial Secretary of some revenue—I would not suggest and don't think anyone would suggest that there is any need for such special powers. But as stated in the second paragraph of the Objects and Reasons given it has been found by experience that swifter means of effecting searches, seizures and arrests are necessary, and there are three or four main reasons for this.

It is not receiving sets that we are watchful of, though we have to see that revenue is protected. What we have to watch in the existing conditions are transmitting sets. There are several reasons for specially prohibiting unauthorized transmitting sets in this Colony, and one of them is commercial. The monopoly of Telecommunication in this Colony is vested in the Government and its licensees and the Government has granted the monopoly of radio commercial communication to Cable and Wireless, Ltd. Therefore if the Government were to permit any commercial institution or bank or other large financial concern to run its own private and secret wireless transmitting station, thereby saving the fees which it will have to pay to Cable and Wireless, this would not be fair to the latter company and would also be in derogation of the Government's grant. It is necessary to prevent such illicit commercial sets, and it is the duty of the Government to see that they do not exist.

The second reason has an international aspect which particularly touches the present situation of this Colony which is neutral in an area

of hostility and belligerency. Article 3 of the Hague Convention No. 5 of 1907 forbids any belligerent to erect in neutral territory any wireless telegraphy station or any apparatus for communication with naval and military forces outside that neutral territory and it is specially incumbent on this Government to see that its neutral attitude is not compromised by the existence of any secret set of that nature.

The third reason is the fact that this Colony is a fortress. I do not want to go into any methods of detection, but it must be obvious to everyone that there are such things as telegraphic sets which guide ships and aircraft on their course, and it is highly important in the event of war for this Colony, being a fortress, that no secret illicit set should be set up which could be of any possible use in guiding enemy ships or aircraft.

The fourth reason is that the form of the provision is not a new one. It is copied almost word for word from not only the present Dangerous Drugs Ordinance but also from all the provisions of all the other Dangerous Drugs Ordinances. The 1935 Ordinance was copied in this respect from Ordinance No. 31 of 1932, which in turn was copied from Section 7 of Ordinance No. 22 of 1923. The Dangerous Drugs Ordinance of that year was drafted by Sir Joseph Kemp and he was also responsible for the marginal note, the function of which I will explain. The marginal note is only for the purpose of reference to the nearest British Act. These provisions were based partly on the Dangerous Drugs Act of 1923 and partly on Section 8 of the Importation and Exportation Ordinance, No. 32 of 1915, which was also drafted by Sir Joseph Kemp, and under which the power to issue a special search warrant to a public officer was given to the Superintendent of Imports and Exports.

The necessity for such powers is because of the urgency. There may be big financial interests behind an illicit transmitting set and these big interests are quite capable of locking the set behind doors. There has been at least one case which led to this Bill being adumbrated in which the few hours that were necessary to obtain a search warrant under the existing section were sufficient to enable whoever had the set in question to get away with it and destroy all traces. Though only a few hours had elapsed it was enough to prevent the seizure. It is highly important that whoever acts should act immediately and whoever acts must act with knowledge.

I have been informed by the Postmaster General that he contemplates the authorization, for the purposes of the Ordinance when necessary, of only four men, all of whom are inspectors or sub-inspectors of wireless, and as such, experts who are able to tell whether certain parts of machinery are, in fact, a wireless set dismantled. Two of the officers in question will not be authorized to act without superior authority and in the case of all four men there will be that knowledge which is so necessary.

I submit that it is absolutely necessary for the reasons I have given that the law be strengthened as proposed.

H.E. THE GOVERNOR.—I cannot add anything to what the Attorney General has said, except to point out that it is extremely desirable from the point of view of the safety of this Colony that this Ordinance should be passed in the form in which it has been drafted.

HON. MR. M. K. LO asked for a division. This was taken by the Deputy Clerk of Councils, by command of His Excellency the Governor, and with the exception of Mr. Lo, all the members agreed that the Bill be read a second time.

STERLING SALARIES CONVERSION AMENDMENT BILL, 1939.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to continue and amend the Sterling Salaries Conversion Ordinance, 1937."

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

NAVAL VOLUNTEER AND DEFENCE BILL, 1939.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Naval Volunteer Ordinance, 1933, and provide for Naval Defence."

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

RATING AMENDMENT BILL, 1939.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Rating Ordinance, 1901."

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

DANGEROUS GOODS AMENDMENT BILL, 1939.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Dangerous Goods Ordinance, 1873."

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

PENSIONS AMENDMENT BILL, 1939.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Pensions Ordinance, 1932."

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

On the motion of the Attorney General, seconded by the Colonial Secretary, Council then went into committee to consider the following Bills clause by clause:—

NOTE-ISSUING BANKS EXTENSION OF POWERS BILL, 1939;

MERCHANT SHIPPING AMENDMENT BILL, 1939;

TELECOMMUNICATION AMENDMENT BILL, 1939;

STERLING SALARIES CONVERSION AMENDMENT BILL, 1939;

NAVAL VOLUNTEER AND DEFENCE BILL, 1939;

RATING AMENDMENT BILL, 1939;

DANGEROUS GOODS AMENDMENT BILL, 1939;

PENSIONS AMENDMENT BILL, 1939.

When the Telecommunication Amendment Bill, 1939, was about to be considered, Hon. Mr. Lo said: In view of the remarks which the Attorney General has made, to the effect that the Bill is really directed against offences relating to transmitting sets, I should like to know whether the Attorney General would accept an amendment which would make the position clear. I would like to suggest that after section 31 (1) (a) the following words should be added: "in respect of any transmitting apparatus."

THE ATTORNEY GENERAL.—I cannot accept the suggestion because, although I have said that the intention of those powers was to look for transmitting sets, if the officer conducting the search found anything else contravening the provisions it would be his duty to take proper action in respect thereof.

HON. MR. M. K. LO.—If the Government would not accept my suggestion, I have nothing more to say. It is merely a suggestion.

H.E. THE GOVERNOR.—If you wish to move any amendment

HON. MR. M. K. LO.—If the Government would not accept it is a waste of time. No use wasting time.

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Note-issuing Banks Extension of Powers 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.

THE ATTORNEY GENERAL reported that the Merchant Shipping Amendment 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.

THE ATTORNEY GENERAL reported that the Telecommunication Amendment 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.

THE ATTORNEY GENERAL reported that the Sterling Salaries Conversion Amendment 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.

THE ATTORNEY GENERAL reported that the Naval Volunteer and Defence 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.

THE ATTORNEY GENERAL reported that the Rating Amendment 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.

THE ATTORNEY GENERAL reported that the Dangerous Goods Amendment 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.

THE ATTORNEY GENERAL reported that the Pensions Amendment 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 GOVERNOR.—Council stands adjourned *sine die*.

FINANCE COMMITTEE.

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

THE CHAIRMAN.—These proceedings are split into two separate messages as the second one, which concerns Air Raid Precautions, cannot be made until after the announcement which I delivered at the Council meeting about half an hour ago.

Votes totalling \$181,360 under Estimates 1939, contained in Message No. 5 from His Excellency the Governor, were then considered.

Item 101.—5, Charitable Services:—21, Transport and Subsistence of Lunatics, \$1,100.

HON. MR. CHAU.—Why should there be some third class fares and some second class?

THE CHAIRMAN.—I will let you have an answer to that later. We will pass a memo round.

103.—9, Education Department:—23, Transport, \$500.

HON. MR. BOUSFIELD.—Is that for swimming?

THE CHAIRMAN.—Yes.

HON. MR. BOUSFIELD.—Doesn't it seem absurd that the Government, while sending round notices to the public, through the Director of Medical Services, asking them not to swim within the harbour limits, should make such a grant to enable schoolboys to swim at North Point, which is within the harbour limits?

THE CHAIRMAN.—I cannot speak for the Director of Medical Services, but I will make inquiries into it. According to the minutes of the Director of Education, the only suitable site for swimming is North Point and that it is necessary for the Government to give assistance to these schools as regards swimming, this being part of their regular P.T. instructions.

HON. MR. PEARCE.—Although it is a small sum, should the Government put up the money?

HON. MR. BOUSFIELD.—If Government takes the stand that it is not safe to swim within the harbour limits, it is not justified in granting this sum.

THE CHAIRMAN.—Perhaps we might pass this vote provisionally. I will undertake to make inquiries, firstly, about infection and, secondly, why we should grant this money at all.

106.—17, Medical Department:—19, Notification Fees, Infectious diseases, \$3,000.

HON. MR. TAM.—This payment is authorised by Ordinance?

THE CHAIRMAN.—I think it is actually a bye-law of the Urban Council.

HON. MR. TAM.—Perhaps the time has come for these fees to be abolished and to rely on the penalty clauses compelling medical practitioners to report.

THE CHAIRMAN.—The D.M.S. thinks that in order to get the necessary statistics, we should have to pay some of the expenses. But I certainly take the view that the policy should be changed.

117.—17, Medical Department:—18, Medicines and Instruments, \$70,000.

HON. SIR HENRY POLLOCK.—Does an increase of 25 per cent. in patients justify a supplementary vote of \$70,000?

THE FINANCIAL SECRETARY.—In addition to that increase, there are many persons in refugee camps requiring medicine. Further-more, there has been an increase in prices of supplies.

All the votes were approved.

THE CHAIRMAN.—Now we come to the votes for Air Raid Precautions which are contained in Message No. 6 and which in fact form part of Message No. 5. In connection with some of these provisions, the original idea was to spread them over long period but as the cash for them are available Government wants to use it now.

HON. MR. LO.—In connection with these items, I would like to say this. I hope the public will appreciate from your announcement in Council that in the opinion of the Government nothing can be done and nothing will be done so far as affording shelters to the general public is concerned.

I have heard that Government has obtained advice from various committees in regard to the whole of the A.R.P. matters affecting Hong Kong. As I have no knowledge of this I really cannot say how far the decision made by Government is in fact correct. For instance, I am not satisfied that some kind of gas protection to the very poor

in the very densely populated districts is not feasible, but nothing has been placed before this Council to show whether this is feasible or not, apart from the announcement.

Therefore, if the public feel dissatisfied and wish this matter to be pursued I should like to say that it is probable that some kind of motion will be brought in Council in connection with it. In any case I do not know whether you will consider it possible to make some comprehensive statement in future on A.R.P. measures actually taken, including such vital matters as provision of food supplies, etc. What I mean to say is that although both of us have heard of the work of this committee and that committee, nothing of a comprehensive nature has been placed before this Council to show how well or ill-prepared the Colony is to meet an actual emergency, should it arise. I feel sure such an announcement would be appreciated.

I cannot help feeling that something can be done in the way of shelters at no excessive cost to the Colony.

THE CHAIRMAN.—I think your attitude is perfectly correct and not unexpected, but it is not strictly relevant to the votes just taken, being more in connection with the announcement made in Council.

All the votes, totalling \$1,777,780, were approved.
