

18th September, 1941.

PRESENT: —

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

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS, (MAJOR-GENERAL C. M. MALTBY, M.C.).

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. R. A. C. NORTH).

THE FINANCIAL SECRETARY (HON. MR. R. R. TODD, *Acting*).

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

HON. MR. A. B. PURVES (Director of Public Works).

HON. MR. W. J. CARRIE (Chairman of the Urban Council).

HON. MR. J. P. PENNEFATHER-EVANS (Commissioner of Police).

HON. MR. J. J. PATERSON.

HON. MR. A. L. SHIELDS.

HON. MR. LO MAN-KAM, C.B.E.

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

HON. MR. W. N. T. TAM.

HON. MR. T. E. PEARCE.

HON. MR. LI TSE-FONG.

HON. MR. E. DAVIDSON.

MR. R. EDWARDS (Deputy Clerk of Councils).

MINUTES.

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

APPRECIATION OF SIR GEOFFRY NORTHCOTE.

H.E. THE GOVERNOR. —Honourable Members of the Legislative Council, it will, I am sure, be your wish that to-day's proceedings should include a reference to the services rendered to this Colony, both in the Legislative Council and outside it, by your late President, Sir Geoffrey Northcote. I know well with what ability and with what singleness of purpose Sir Geoffrey devoted himself to the good of the people of this Colony, and I know also with what difficulties he had to contend and how untiringly and how effectively he did contend with them, notwithstanding the ill-health which latterly handicapped him and finally, most regrettably, brought about his retirement.

I must leave it to others to speak with first-hand knowledge of Sir Geoffrey's work here, but I can and do associate myself very fully with what I know to be the feeling of this Council in regard to him, namely, the feeling of genuine appreciation and gratitude for all that he did for Hong Kong. (Applause).

HON. MR. J. J. PATERSON. —Sir, may I, on behalf of the Unofficials, agree with all that Your Excellency has said. Many of us—all of us, I think—had a very real affection for Sir Geoffrey, and were all very sorry to see him go due to ill-health and we are extremely grateful for all that he has done and would like to have done but for ill-health. (Applause).

HON. MR. LO MAN-KAM. —Your Excellency, the sentiments of the Chinese towards His Excellency Sir Geoffrey Northcote and Lady Northcote have been set out in their Address of Farewell. It is my privilege this afternoon, in this Council and by way of record, to say that my Chinese colleagues and I respectfully associate ourselves with Your Excellency's tribute and to express to Sir Geoffrey the gratitude of the Chinese for all that he has done for them in the sphere of Education, Public Health and Hygiene, and Social Welfare; for his initiative and fruitful labours in the cause of relief of distress, and suffering in China; and for his vital contribution to the maintenance and improvement of Sino-British relations.

Sir, in the name of the Chinese Community I tender to Sir Geoffrey and Lady Northcote our best wishes for their health and happiness wherever they may be. (Applause).

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 3 of the Pleasure Grounds and Bathing Places Regulation Ordinance, 1936, Ordinance No. 29 of 1936, to regulation 4 of the regulations under the heading "The Botanic Gardens" in the Second Schedule to that Ordinance, dated 26th July, 1941.

Mr. D. Kelvin-Stark appointed to act under regulation 60 of the Defence Regulations, 1940.

The Vehicles and Traffic Regulation Amendment Regulations, 1941, made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, dated 30th July, 1941.

Order made by the Governor under regulation 32 of the Defence Regulations, 1940, declaring certain premises to be protected places, dated 30th July, 1941.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, dated 31st July, 1941.

The Defence (Enemy Currency) Regulations, 1941, made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, dated 1st August, 1941.

The Enemy Currency Order, 1941, made by the Governor under the Defence (Enemy Currency) Regulations, 1941, dated 1st August, 1941.

Amendment made by the Urban Council under section 5 of the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, to the by-laws under the heading "Slaughter-houses" and sub-heading "General" contained in the Schedule to that Ordinance on 2nd July, 1941, and approved by the Legislative Council on 7th August, 1941.

Amendments made by the Urban Council under section 5 of the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, to the by-laws under the heading "Restaurants, Eating Houses and Food Stalls" contained in the Schedule to that Ordinance on 15th July, 1941, and approved by the Legislative Council on 7th August, 1941.

Order made by the Stores Controller under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, relating to the possession of firewood for the purpose of sale, dated 8th August, 1941.

Order made by the Governor under regulation 50A of the Defence Regulations, 1940, declaring the firewood business to be a controlled undertaking, dated 8th August, 1941.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, controlling the importation of firewood, dated 8th August, 1941.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, controlling the sale and purchase of motor vehicles, dated 7th August, 1941.

Amendment made by the Governor in Council under sections 104 and 166 of the Buildings Ordinance, 1935, Ordinance No. 18 of 1935, to the regulations in schedule J of that Ordinance under the heading "Drainage (including water closets and urinals) Regulations" dated 9th August, 1941.

Amendments made by the Governor in Council under sections 3, 4 and 8 of the Pleasure Grounds and Bathing Places Regulation Ordinance, 1936, Ordinance No. 29 of 1936, to the First and Second Schedules to that Ordinance, dated 13th August, 1941.

Mr. A. C. Meredith, M.C., appointed Controller of Food, with effect from 24th July, 1941.

Mr. P. C. M. Sedgwick authorized to act under paragraph (2) of regulation 81 of the Defence Regulations, 1940.

The Controller of Water Transport appointed to be a Competent authority for the purposes of regulation 50 of the Defence Regulations, 1940.

The Merchant Ships (Defence and Fire Fighting) Order, 1941, made by the Controller of Water Transport under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, dated 15th August, 1941.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, prohibiting the export and re-export of goods to certain countries, dated 18th August, 1941.

Mr. C. G. Perdue appointed Defence Security Officer, with effect from 17th June, 1941.

Amendment made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by

the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence Regulations, 1940, dated 22nd August, 1941.

Order made by the Controller of Food under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, dated 22nd August, 1941.

Amendments made by the Governor in Council under Section 7 (2) (a) of the Telecommunication Ordinance, 1936, Ordinance No. 18 of 1936, to the rates under Regulations 2 (1) (a), 2 (1) (b) and 3, dated 28th August, 1941.

Amendments made by the Governor in Council under section 3 of the Boarding-House Ordinance, 1917, Ordinance No. 23 of 1917, to the rules, dated 20th August, 1941.

Mr. F. C. Barry appointed Rice Controller, with effect from 28th December, 1940.

Mr. B. J. Lacon appointed Metals Controller, with effect from 20th August, 1941.

Powers under regulation 50 (5) of the Defence Regulations, 1940, relating to unmanufactured, semi-manufactured and manufactured metals and alloys, delegated to the Metals Controller.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, prohibiting the export, except by licence, of unmanufactured, semi-manufactured and manufactured metals and alloys, dated 20th August, 1941.

Order made by the Controller of Trade under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, prohibiting the import, except by licence, of unmanufactured, semi-manufactured and manufactured metals and alloy, dated 20th August, 1941.

The Metals (Licensing, Usage and Price) Control Order, 1941, made by the Director of Supply under regulation 50 of the Defence Regulations, 1940, with the approval of the Governor, dated 25th August, 1941.

The One-cent Currency Returns Regulations, 1941, made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, dated 28th August, 1941.

The Dutiable Commodities Ordinance, 1931, Amendment Regulations, 1941, made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, dated 25th August, 1941.

Members of H.B.M.'s diplomatic and consular services exempted by the Governor from the order relating to exit permits, dated 27th August, 1941.

Amendment made by the General Officer Commanding the Troops under section 10 of the Volunteer Ordinance, 1933, Ordinance No. 10 of 1933, with the approval of the Governor after consultation with the Commandant of the Hong Kong Volunteer Defence Corps, to Regulation 3 (1), dated 14th August, 1941.

The Printers and Publishers Ordinance, 1927, Amendment Regulations, 1941, made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, dated 29th August, 1941.

Mr. K. S. Morrison appointed Controller of Trade, with effect from 30th August, 1941.

Amendment made by the Governor under the Emergency Powers (Defence) Acts, 1939 and 1940, as applied to this Colony by the Emergency Powers (Colonial Defence) Orders in Council, 1939 and 1940, to the Defence Regulations, 1940, dated 3rd September, 1941.

Order made by the Governor under regulation 37 of the Defence Regulations, 1940, prohibiting all vessels to anchor within certain area in the waters of the Colony, dated 5th September, 1941.

Order made by the Controller of Food under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, dated 5th September, 1941.

Order made by the Controller of Food under regulation 50 of the Defence Regulations, 1940, with the consent of the Governor, amending the order published as Government Notification No. 1044 in the Gazette of 29th August, 1941, dated 5th September, 1941.

Amendments made by the Governor in Council under section 39 of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table U in the regulations, dated 5th September, 1941.

Order made by the Governor under regulation 46 of the Defence Regulations, 1940, amending the Defence (Ship's Stores) Order, 1940, dated 11th September, 1941.

Proclamation No. 6. —Commission of inquiry into the architectural branch of the Air Raid Precautions Department.

Proclamation No. 7. —Extension and revision of paragraphs (2) and (3) of section A of Proclamation No. 6 of 1941.

Administration Reports, 1940: —

Part III. —Public Health: —

Report of the Director of Medical Services.

FINANCE COMMITTEE'S REPORTS.

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the reports of the Finance Committee (No. 14 of 1940-41 and No. 2 of 1941-42), dated 7th August, 1941, and moved that they be adopted.

THE FINANCIAL SECRETARY seconded, and this was agreed to.

BOARD OF WAR TAXATION RULES.

THE FINANCIAL SECRETARY. —I rise to move that Rules I and II made by the Board of War Taxation under section 70 (1) of the War Revenue Ordinance, 1941, on the 11th day of August, 1941, be approved.

The scale of depreciation laid down by Rule I follows closely the scale laid down in a similar Rule made under the War Revenue Ordinance, 1940. The only differences are the inclusion in the new Rule of a rate of 15% on Written Down Value for Air-Conditioning Plant and an increase in the rate for Fixtures from 7½% to 10% on Written Down Value. The rate for Fixtures is now the same as the rate for Furniture.

Rule II is a re-enactment, without any amendments, of a Rule made under the 1940 War Revenue Ordinance.

These Rules are for the information of the public and the guidance of the Commissioner of War Taxation; they indicate the basis on which profits of the corporations or businesses concerned will be assessed for tax.

RULE I.

The following scale of depreciation is prescribed.

General rate, where no special rate is prescribed	7½%	Written down value		
Air-Conditioning Plant	15 %	”	”	”
Aircraft	30 %	”	”	”
Par Syphon apparatus	25 %	”	”	”
Ricycles	20 %	”	”	”
Brewing P/M	7½%	”	”	”
Boilers	7½%	”	”	”
Buildings on Prime Cost: —				
First Class	2½%	”	”	”
Less substantial	5 %	”	”	”
Wooden Structures	10 %	”	”	”
Cinema and Photographic Processing Equipment	15 %	”	”	”
Copper Stills—Distillery	12½%	”	”	”
Concrete Pipe Moulds	12½%	”	”	”
Fixtures	10 %	”	”	”
Foundry Plant	10 %	”	”	”
Furniture	10 %	”	”	”
Grill Equipment	5 %	”	”	”
Iron Safes	5 %	”	”	”
Linotype Machinery	10 %	”	”	”
Lighters	10 %	”	”	”
Motor Vehicles	25 %	”	”	”
Motor Launches	15 %	”	”	”

Office Equipment	12 %	Written down value		
Oil Tanks	6 %	”	”	”
Pumps and Motors	10 %	”	”	”
Pipe Lines	10 %	”	”	”
Refrigerating Plant	12 %	”	”	”
Sailing Vessels	3 %	on Prime Cost		
Scales and Gears	6 %	Written down value		
Show Cases	7½%	”	”	”
Ships	4 %	on Prime Cost		
Sprinklers	5 %	Written down value		
Steam Launches	10 %	”	”	”
Steam Winches	7½%	”	”	”
Tank Lorries	25 %	”	”	”
Tractors	25 %	”	”	”
Trailers	5 %	”	”	”
Tugs	4 %	on Prime Cost		
Type Casting Machinery	10 %	Written down value		
Type and Blocks	25 %	”	”	”

RULE II.

Method of ascertainment and determination of profits of Hong Kong branches of banks whose head office is outside this Colony.

1. In this rule unless the context otherwise requires —"Banker" means any person carrying on the business of a bank; "Bank" means any bank whose head office is outside this Colony; "Hong Kong branch" means the business carried on in Hong Kong by any such bank; "Other branch" means the business carried on by a bank in any place outside Hong Kong, including that carried on at its principal place of business.

2. Where any accounts prepared by a bank for its own purposes disclose, in the opinion of the Commissioner, the true profits of the Hong Kong branch, the profits of the Hong Kong branch shall, for the

purposes of assessment, be computed on the basis of such accounts. Where no accounts are prepared which in the opinion of the Commissioner disclose the true profits of the Hong Kong branch, the following provisions shall apply to the determination of such profits—

(a) the same proportion of the total profits of the bank as the assets of the Hong Kong branch bear to the total assets of the bank shall be treated as profits made from transactions in this Colony and shall be assessed accordingly;

(b) when the said total profits have been computed on a basis which differs materially from that prescribed in the Ordinance, the ratio of profits shall be adjusted so as to correspond as nearly as possible to the ratio which would have been arrived at if the total profits had been computed in accordance with the provisions of the Ordinance:

Where it appears expedient to the Commissioner he may, in relation to any exchange transaction, instead of acting under the provisions of sub-paragraphs (a) and (b) of this paragraph, estimate the amount of the profits from the transaction and assess such profits accordingly.

Made by the Board of War Taxation this 11th day of August, 1941.

Approved by the Legislative Council this 18th day of September, 1941.

Deputy Clerk of Councils.

NOTES.

RULE II.

This rule applies to non-resident banks operating in Hong Kong.

Paragraph 2. —It is expected that the accounts of the Hong Kong branches of banks will be sufficiently accurate for the computation of the profits of the branch to be based upon them.

Where, however, either no branch accounts are prepared, or the Hong Kong branch accounts are so merged with the account of other branches as to make it difficult to compute the true profits provision is made for the profits to be ascertained by apportioning the total profits of the bank in the ratio of the Hong Kong assets to total assets.

THE COLONIAL SECRETARY seconded, and the motion was approved.

PUBLIC HEALTH (SANITATION) AMENDMENT BILL, 1941.

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

Ordinance, 1935." He said: As explained in the "Objects and Reasons" this Bill is to provide a statutory means of recovering fees payable for the removal of nightsoil by the Government Department Which has now undertaken this service.

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: —

Resulting from the recent decision of Government whereby the Urban Council has organized a departmental system for the collection of nightsoil, it is necessary to make provision for the recovery by the Council of payment of the fees charged by the Council for such collection and which are set out in Government Notification No. 787 of 27th June, 1941.

Clause 2 of the Bill makes the necessary provision. It is practically identical with that made under section 33 of the Rating Ordinance, 1931, for the recovery of rates.

Clause 3 is consequential on clause 2.

MIDWIVES AMENDMENT BILL, 1941.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Midwives Ordinance, 1910." He said: This Bill is fully explained in the Memorandum attached to it.

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 (1) of the principal Ordinance provides for the establishment of a Midwives Board consisting of the Director of Medical Services and six other persons appointed by the Governor.

2. All seven members of the present Board are fully qualified medical practitioners and it is not considered desirable to reduce the number of members so qualified as it is from members of the Board that examiners for the certificate are drawn.

3. At the same time it is considered desirable to permit midwives to be represented on the Board by certain qualified members of their own profession.

4. Clause 2 of this Bill, therefore, increases the personnel of the Board to nine, two of whom will be certified and enrolled midwives.

5. Section 4 (2) of the principal Ordinance enumerates the powers and duties of the Midwives Board. Paragraph (a) (iii) empowers it to make regulations, subject to the approval of the Governor, regulating the course of training and the conduct of examinations. Paragraph (e) empowers it to decide upon the removal from the roll of the name of any midwife for disobeying the regulations or for other misconduct, and upon the restoration to the roll of the name of any midwife so removed.

6. Doubts have been expressed as to whether the powers in the said paragraphs were sufficiently comprehensive to authorize regulations providing for post-graduate training or for the removal from the roll of those not attaining the standard of proficiency required by such post-graduate training regulations.

7. Clause 3 of the Bill amends the two paragraphs so as to remove these doubts.

8. Clause 4 of the Bill is the long-established rule that no one is to be condemned unheard.

HONG KONG CORPS OF AIR RAID WARDENS (NO. 2) AMENDMENT BILL, 1941.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend further the Hong Kong Corps of Air Raid Wardens Ordinance, 1940." He said: The object of this Bill is to make statutory provision for certain additional types of air raid wardens which it has been decided to appoint.

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 principal Ordinance, No. 6 of 1940, defined "members" as including officers, subordinate officers, Air Raid Wardens, House Wardens and Honorary Air Raid Wardens.

2. The Amendment Ordinance, No. 6 of 1941, substituted a wider definition so as to include the above and also Warden Telephonists.

3. Continued expansion of the Corps has resulted in the creation of the additional classifications of Wardens (Communications), Wardens (Tunnels), Wardens (Motor Cyclists), Wardens (Fire Fighters) and Wardens (Commissariat).

4. The object of this Bill is to add these additional classes to those already included in the definition of members.

POLICE (MILITIA STATUS) BILL, 1941.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to enable the Governor to confer by Proclamation on certain police forces in the Colony the status of militia in the time of war." He said: For reasons connected with the international rules of war, it is desirable to give the Police Force military status when called upon by Proclamation to do certain work.

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. In normal times and circumstances Police are essentially Peace Officers without combatant status, even though they bear arms as they have done in this Colony for many years.

2. But in abnormal times of War and emergency, such as the present, where the security of the Colony may be compromised at any time by parachutist or other forms of hostile attack it is necessary to give the police, for their own protection, combatant status under International law.

3. This result is achieved in different Colonies by different methods.

4. Thus section 50 of the Northern Rhodesia Police Ordinance, Chap. 46 provides that "In the event of war or other time of emergency members of the Corps are liable to be employed for military purposes and when so employed shall be subject to such terms and regulations as the Governor may declare. Such declaration shall be by Proclamation published in the Gazette and shall state the limits within and the period for which the Corps or any part thereof shall be so employed."

5. In the Straits Settlements the matter is dealt with by Defence Regulations—The Police Force (Military Service) Regulations, 1941, (No. S. 340 of the 30th May, 1941) Nos. 2 and 4 of which provide that "2. The Police Force in addition to exercising the powers and performing the duties conferred or imposed upon it by the Police Force Ordinance and other written laws shall if it becomes necessary or expedient so to do in the defence of the Colony engage in military operations against the armed forces of any enemy attempting to invade or otherwise carrying out warlike operations against the Colony or against the forces of His Majesty. 4. The Police Force in the performance of any military duties shall be an independent military force under the command of the Inspector General of Police and shall

3. It is the intention of the Government that in this case, as was the case with the 1940 amendment, that the increased duty should be borne by the betting public. To achieve that result as nearly as practicable clause 2 of the Bill amends the proviso to the principal Ordinance of 1931, as amended in 1940, by altering the percentages of the total contributions or subscriptions which, sifter deduction of the duty, must be devoted to prizes for the subscribers.

4. The Kwangtung Handicap Race is excluded from the increase as the terms on which that Race will be run has been announced to the public and tickets have been sold for this Race on the existing basis of percentages.

ADJOURNMENT.

H.E. THE GOVERNOR. —Council stands adjourned until next Thursday, September 25th.