

10th November, 1948.

PRESENT: —

HIS HONOUR THE GOVERNOR'S DEPUTY (DAVID MERCER MACDOUGALL, C.
M. G.)

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR-
GENERAL F. R. G. MATTHEWS, D. S. O.)

THE ATTORNEY GENERAL (HON. G. E. STRICKLAND, *Acting*).

THE SECRETARY FOR CHINESE AFFAIRS (HON. R. R. TODD).

THE FINANCIAL SECRETARY (HON. A. G. CLARKE, *Acting*).

HON. V. KENNIFF (Director of Public Works).

DR. HON. J. P. FEHILY, O.B.E. (Chairman, Urban Council).

DR. HON. G. H. THOMAS, O.B.E. (Acting Director of Medical Services).

HON. D. F. LANDALE.

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

HON. SIR MAN-KAM LO, KT., C.B.E.

DR. HON. CHAU SIK-NIN.

HON. LEO D'ALMADA, K.C.

HON. N. O. C. MARSH.

HON. P. S. CASSIDY.

MR. ALASTAIR TODD (Deputy Clerk of Councils)

MINUTES.

The Minutes of the meeting of the Council held on the 27th October, 1948, were confirmed.

PAPERS.

THE ACTING ATTORNEY GENERAL, by command of His Honour the Governor's Deputy, laid upon the table the following papers: —

Amendment to the Table of Recreation Grounds in the Second Schedule to the Pleasure Grounds and Bathing Places Regulation Ordinance, No. 29 of 1936. (G.N. No. A. 1/48)

The Export Control Order—Amendment to Open Export Licence No. 1, dated 31st December, 1947. (G.N. No. A. 2/48)

The Defence (Finance) (Chinese National Currency) Exemption Order, 1947. (G.N. No. A. 3/48)

Canton declared an infected place on account of smallpox. (G.N. No. A. 4/48)

Amendments to the Radio-communication Regulations in the Schedule to the Telecommunication Ordinance, No. 18 of 1936. (G.N. No. A. 5/48)

The Widows' and Orphans' Pension Ordinance, 1908—The Indian Civil Service Family Pension Fund and the Superior Services (India) Family Pension Fund declared to be "approved schemes". (G.N. No. A. 6/48)

The Moratorium Proclamation—Order of Exemption. (G.N. No. A. 7/48)

The Price Control Order, 1946—Amendments to the Schedule, dated 7th January, 1948. (G.N. No. A. 8/48)

The Prohibited Exports Order, 1946—Amendments to the Schedule, dated 7th January, 1948. (G.N. No. A. 9/48)

The Vehicle and Road Traffic Ordinance, 1947—Amendment to Schedule A. (G.N. No. A. 10/48)

The Vehicle and Road Traffic Ordinance, 1947—Amendment to Schedule B. (G.N. No. A. 11/48)

Bangkok declared an infected place on account of plague. (G.N. No. A. 12/48)

The Moratorium Proclamation—Order of Exemption. (G.N. No. A. 13/48)

The Moratorium Proclamation—Order of Exemption. (G.N. No. A. 14/48)

The Merchant Shipping Ordinance, 1899—Rules for the Examination of Engineers. (G.N. No. A. 20/48)

The Air Navigation (Fees) Directions, 1948. (G.N. No. A. 21/48)

The Landlord and Tenant Ordinance, 1947—Order made under section 32(1). (G.N. No. A. 22/48)

The Price Control Order, 1946—Amendments to the Schedule, dated 14th January, 1948. (G.N. No. A. 23/48)

The Emergency Registration of China Companies Proclamation—Registration of certain China Companies. (G.N. No. A. 24/48)

The Rating Ordinance, 1901—Order under section 8(2). (G.N. No. A. 25/48)

The Compensation (Defence) Regulations (Modification) Order, 1948. (G.N. No. A. 26/48)

Removal of quarantine restrictions imposed against Bangkok on account of plague. (G.N. No. A. 27/48)

Removal of quarantine restrictions imposed against Bangkok on account of cholera. (G.N. No. A. 28/48)

The Prohibited Exports Order, 1946—Amendment to the Schedule, dated 20th January, 1948. (G.N. No. A. 29/48)

The Landlord and Tenant Ordinance, 1947—Order under section 32. (G.N. No. A. 30/48)

The Price Control Order, 1946—Amendments to the Schedule, dated 21st January, 1948. (G.N. No. A. 31/48)

The Companies (Cessation of Emergency Status) Ordinance, 1947—Re-registration of certain companies. (G.N. No. A. 32/48)

The Emergency Registration of China Companies Proclamation—Registration of certain China Companies. (G.N. No. A. 33/48)

The Public Health (Sanitation) Ordinance, 1935—Order under section 73(4). (G.N. No. A. 34/48)

The Prospecting and Mining Regulations, 1948. (G.N. No. A. 35/48)

The Moratorium Proclamation—Order of Exemption. (G.N. No. A. 36/48)

The Price Control Order, 1946—Amendments to the Schedule, dated 28th January, 1948. (G.N. No. A. 38/48)

Proclamation No. 1—The Trade Marks Register (Re-construction) Ordinance, 1947, to come into force. (G.N. No. A. 40/48)

The Moratorium Proclamation—Order of Exemption. (G.N. No. A. 41/48)

The Price Control Order, 1946—Amendments to the Schedule, dated 4th February, 1948. (G.N. No. A. 42/48)

Haiphong declared an infected place on account of smallpox. (G.N. No. A. 44/48)

Bangkok declared an infected place on account of smallpox. (G.N. No. A. 45/48)

The Moratorium Proclamation—Order of Exemption. (G.N. No. A. 46/48)

The Moratorium Proclamation—Order of Exemption. (G.N. No. A. 47/48)

The Moratorium Proclamation—Amendment to G.N. No. A. 41/48. (G.N. No. A. 48/48)

Rangoon declared an infected place on account of smallpox. (G.N. No. A. 49/48)

The Prohibited Exports Order, 1946—Amendments to the Schedule, dated 9th February, 1948. (G.N. No. A. 50/48)

The Price Control Order, 1946—Amendments to the Schedule, dated 13th February, 1948. (G.N. No. A. 51/48)

Annual Report on Exchange Control for the year 1946-47.

Annual Report of the Director of Public Works for the year 1946-47.

Annual Report of the Director of Civil Aviation for the year 1947-48.

Annual Report of the Director of the Royal Observatory, Hong Kong, for the year ended 31st March, 1948.

Annual Report of the Public Relations Officer for the year 1947-48.

Annual Report of the Chairman, Urban Council, and Head of the Sanitary Department, for the year ending 31st March, 1948.

Sessional Papers, 1948: —

No. 6—Additional lists of Special and Common Jurors.

HON. V. KENNIFF: —As Chairman of the Select Committee appointed by His Excellency on the 20th October, 1948 to consider the petition presented to Council by the residents of Lugard Road, Hong Kong, I present to Council the Report of the Select Committee. The Report, copies of which are in the hands of Honourable Members, is laid on the table.

MOTIONS.

HON. V. KENNIFF moved that the Report of the Select Committee appointed to consider the petition of the residents of Lugard Road be adopted.

THE ACTING ATTORNEY GENERAL seconded, and the Motion was carried.

DR. HON. J. P. FEHILY moved: —

That the amendments made by the Urban Council on the 26th day of October, 1948, under section 5 of the Public Health (Food) Ordinance, 1935, Ordinance No. 13 of 1935, to the by-laws made under the said Ordinance under the heading "Markets" and published as Government Notification No. A. 74 in Supplement No. 2 to the Gazette of the 5th March, 1948, be approved.

He said: —Sir, the purpose of these amendments, a copy of which is attached to the Order Paper, is merely a revision of the list of markets.

THE ACTING ATTORNEY GENERAL seconded, and the Motion was carried.

THE ACTING FINANCIAL SECRETARY moved the following resolution: —

Resolved that this Council approves the expenditure of \$30,360,746.70 during the financial year 1946-47 and of \$26,909,166.58 during the financial year 1947-48 on the items in the schedule attached to the Order Paper; which sums shall be met from loan funds or, in so far as loan funds are not available, shall be charged as advances from the surplus funds of the Colony pending reimbursement from loan funds.

He said: Sir, I have no desire to take up a great deal of time going into minute detail over the two Schedules of Loan Expenditure which are in the hands of Honourable Members, and I trust it will suffice if I confine myself to explaining the salient points.

Dealing with the first two columns of the Schedule of Expenditure for the years 1946/47 and 1947/48, it will be remembered that on the 28th July last, Council approved the allocations and the expenditure during 1946/47. Since then, two small misallocations of expenditure between sub-items in the second column have been discovered and rectified, and the opportunity has now been taken to show figures to the last cent instead of to the nearest dollar. The total as already approved remains unchanged.

The third column shows actual expenditure during 1947/48.

The fourth column shows totals, and it will be seen that the total amount spent from loan funds during the period from the re-establishment of Civil Government up to the 31st March, 1948, is \$57,269,913.28. Comparison with the Schedule given on page 95

of the printed Estimates will show that expenditure has thus fallen short of what was estimated, by approximately \$16,000,000.

Turning now to the Schedule of Expenditure for 1948/49 I would invite attention to certain alterations in the first column, showing the funds allocated for the various items and sub-items. Comparison with the first Schedule, with which I have just dealt, will show that allocations under two items have been varied. Reference to item 6, sub-item 4, will show that originally \$1,000,000 was provided for Major Port Salvage. It now appears that this work will not cost so much as was expected, and accordingly some of the funds for this sub-item are not required. With the approval of the Finance Committee a Special Loan Warrant has accordingly been issued transferring \$250,000 from sub-item 4 to a new sub-item 7 providing for the re-establishment of the pre-war Marine Licensing Stations at Cheung Chan, Aberdeen and Yaumati. In addition, funds provided under item 11, sub-items 7 and 9, have proved inadequate, and accordingly, with the approval of Finance Committee, they were supplemented at the expense of sub-items 1, 2 and 4, work on which could not proceed as quickly as expected.

Column 2 of this Schedule is a repetition of the fourth column of the first Schedule.

The third column shows what have been described as the revised Estimates for the current financial year. The total of this column is almost \$62,000,000, and, seeing that in two years only \$57,000,000 have been spent on rehabilitation, it is clear that it is extremely unlikely that a larger sum can be spent in half that period. The necessity for this column arises from the fact that funds provided for the financial year 1947/48 and remaining unspent on the 31st March, 1948, cannot be drawn upon, even if we have committed ourselves to the expenditure, unless the approval of this Council has been obtained for a re-vote. Finance Committee has already approved re-votes in a number of cases, totalling approximately \$8,000,000, and approval of the present Schedule will mean that lapsed funds for all sub-items may be drawn upon during the current financial year if this should prove necessary. As I have stated earlier on, the total of such unexpended funds comes to approximately \$16,000,000.

These Schedules give the complete picture of Loan Expenditure up to the end of last March, and our admittedly optimistic forecast up to the end of March, 1949. Their approval will make the way clear for further revision of that forecast for inclusion in the Estimates for 1949/50, which are now in course of preparation.

Two Resolutions are necessary—one to cover each Schedule, I now propose the Motion standing first in my name.

THE ACTING ATTORNEY GENERAL seconded, and the Motion was carried.

THE ACTING FINANCIAL SECRETARY moved the following Resolution: —

Resolved that this Council approves the expenditure of \$61,963,255 on the items in the schedule attached to the Order Paper during the financial year 1948-49; which sum shall be met from loan funds and shall be charged as an advance from the surplus funds of the Colony pending reimbursement from loan funds.

THE ACTING ATTORNEY GENERAL seconded, and the Motion was carried.

THE ACTING FINANCIAL SECRETARY moved: —

That the Supplementary Provision for the second quarter ended 30th September, 1948, Schedule No. 2 of 1948-49, be approved.

He said: Sir, details of supplementary expenditure for the second quarter of the present financial year are given in the Schedule now in the hands of Honourable Members. All the items have been approved by Finance Committee.

Of the total of \$11,622,868, no less a sum than \$8,600,000 is accounted for by one single item—arrears of salary for those Government servants who benefited under the Report of the Salaries Commission. This is a re-vote of part of the provision of 12½ millions which was made in 1947/48, but which remained unexpended on the 31st March last.

A sum of \$1,629,000 has been spent by Government on the acquisition of an interest in Associated Properties Ltd., as a result of which twenty-five flats are being acquired for the accommodation of Government servants. This transaction should really be regarded as an investment of surplus funds but Government accounting procedure requires that it shall be treated as expenditure.

The remaining items are, I trust, adequately explained in these Schedules.

THE ACTING ATTORNEY GENERAL seconded, and the Motion was carried.

EDUCATION (AMENDMENT) BILL, 1948.

THE ACTING ATTORNEY GENERAL moved the Second reading of a Bill intituled “An Ordinance to amend the Education Ordinance, 1913.”

THE ACTING FINANCIAL SECRETARY seconded, and the Bill was read a Second time.

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

Council then resumed.

THE ACTING ATTORNEY GENERAL reported that the Education (Amendment) Bill, 1948 had passed through Committee without amendment and moved the Third reading.

THE ACTING FINANCIAL SECRETARY seconded, and the Bill was read a Third time and passed into law.

PENSIONS (SPECIAL WAR APPOINTMENTS) BILL, 1948.

THE ACTING ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to provide for the granting of pensions in respect of a period of service during the War, by a person in His Majesty's Forces, which intervened between an appointment of that person to the Colonial Service by the Secretary of State and the actual taking up by him of the duties of the appointment."

THE ACTING FINANCIAL SECRETARY seconded, and the Bill was read a Second time.

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

Council then resumed.

THE ACTING ATTORNEY GENERAL reported that the Pensions (Special War Appointments) Bill, 1948 had passed through Committee without amendment and moved the Third reading.

THE ACTING FINANCIAL SECRETARY seconded, and the Bill was read a Third time and passed into law.

ADJOURNMENT.

HIS HONOUR THE GOVERNOR'S DEPUTY: —That concludes the Agenda, Gentlemen. Is it agreeable that we meet again two weeks from to-day?

This was agreed to.

HIS HONOUR THE GOVERNOR'S DEPUTY: —Council will now adjourn until this day fortnight.