

21st September, 1949.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR (SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM, K. C. M. G.)

THE COLONIAL SECRETARY (HON. J. F. NICOLL, C. M. G.)

THE ATTORNEY GENERAL (HON. J. B. GRIFFIN, K. C.)

THE SECRETARY FOR CHINESE AFFAIRS (HON. B. C. K. HAWKINS, O. B. E., *Acting*).

THE FINANCIAL SECRETARY (HON. G. G. S. FOLLOWS, C. M. G.)

DR. HON. I. NEWTON (Director of Medical Services).

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

HON. A. NICOL (Acting Director of Public Works).

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 E CASTEO, K. C.

HON. M. M. WATSON.

HON. C. BLAKEE, M. C., E. D.

MR. G. C. HAMILTON (Clerk of Councils).

ABSENT:—

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING IN CHIEF
(LIEUTENANT-GENERAL F. W. FESTING, C. B., C. B. E., D. S. O.)

HON. D. F. LANDALE.

MINUTES.

The Minutes of the meeting of the Council held on 31st August, 1949, were confirmed.

PAPERS.

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid upon the table the following papers:—

Annual Report of the Commissioner of Labour for the year 1947-48.

Annual Report of the Quartering Authority for the year 1948/49.

Annual Report of the Superintendent of Gardens for the year 1948/49.

Annual Report of the Custodian of Property for the year 1948/49.

Annual Report of the Commissioner of Police for the year 1948/49.

Preliminary Planning Report by Sir Patrick Abercrombie.

MATILDA AND WAR MEMORIAL HOSPITAL BILL, 1949.

HON. M. M. WATSON moved the First reading of a Bill intituled “An Ordinance to provide for the holding of the property and funds now held by or vested in the Trustees for the time being of the Will and Codicil of Granville Sharp deceased and the funds of the Trustees of the War Memorial Nursing Home and for the administration of the said property and funds for maintaining endowing supporting carrying on or otherwise promoting subject to the provisions of this Ordinance a hospital in substitution for the Matilda Hospital and the War Memorial Nursing Home as heretofore constituted and to be called the Matilda and War Memorial Hospital.” He said: Sir, the three recitals of the Bill refer shortly to the objects. The first one sets out very shortly that a Matilda Hospital, for British, American and European patients, was established under the Will and Codicil of Granville Sharp deceased and a scheme approved by the Supreme Court of Hongkong in March, 1904; the second recital sets out that by the War Memorial Nursing Home Trustees Ordinance, 1923, the Trustees of the War Memorial Nursing Home and their successors in office were incorporated; and the third recital states that with a view to continuance of the objects of the said Matilda and War Memorial Hospital it is proposed by this Bill to amalgamate and incorporate these two institutions.

The necessity for the Bill arose, Sir, owing to the fact that the affairs of the Matilda Hospital are the subject of court proceedings, whereas the affairs of the War Memorial Hospital come under the provisions of an Ordinance. The result is, or was, that these two institutions were, so to speak, running in different channels and the only way in which they could be made (which we think is necessary) to run in the same channels was by an incorporating Ordinance.

Another point, Sir, is that both these institutions have their own Trustees and on the other hand some of the Trustees are common to both. The reasons for the necessity of incorporating these two hospitals as a single institution are two—two main reasons. The first is that on the re-occupation of the Colony both hospitals were derelict, and secondly that so far as one set of Trustees is concerned finance made it impossible to carry on, and so far as the other set of Trustees is concerned, the objects under which the Matilda Hospital is run, plus a certain amount of difficulty in finance, made it equally impossible for that institution to carry on alone.

In connection with these two points, Sir, it may be of interest to Honourable Members if I should just briefly refer to the finance side of the War Memorial Nursing Home and the difficulties which it encountered. Throughout its existence since 1923 the War Memorial Nursing Home has been beset by financial difficulties and only managed to continue to function by grants which were made with the consent of the court out of surplus income of the Granville Sharp Estate. By 1928 these grants reached a total of \$450,000 and by 1941 they exceeded in all over one million dollars. In 1936/1937 there was a deficit of \$87,401. The Granville Sharp Estate contributed \$18,475 and there was then a debit balance of \$235,000.

This position caused Sir Vandeleur Grayburn to initiate an Endowment Fund to meet annual deficits without recourse to annual public appeals, and from this some \$500,000 were received, which enabled the Nursing Home to carry on until the beginning of the war.

On the reoccupation of the Colony it was obvious to the Trustees that they could not hope to rebuild the Nursing Home from funds available to them having regard to the alteration of price levels and in 1947 the Nursing Home was sold to the British Naval Authorities.

The questions which arose in connection with the Matilda Hospital led the Trustees to arrive at the same result as the Trustees of the War Memorial Hospital, and were first of all, limitation of patients, and secondly finance. In connection with the Matilda Hospital limitation of patients provided by the terms of the Will of Granville Sharp that the hospital had to be wholly free and accommodation was reserved for poor patients, but an order of the court in 1904 gave the Governing Board limited discretion to extend free service of the hospital to patients of limited means. For some years before the occupation of the Colony the hospital had more accommodation than could be filled with patients admitted under these conditions. For instance, in 1925, the average number of patients was 19 per day, whereas there was accommodation for 60. A surplus of revenue resulted and was paid in accordance with the Court's order to the War Memorial Nursing Home. The expenses of running the hospital in the last normal year, 1940, were \$175,000.

At the reoccupation of the Colony the funds of the Granville Sharp Estate were estimated to amount to about \$3,800,000, out of which \$1,000,000 had been spent in reconditioning and re-equipping the

hospital. It is estimated that if the hospital were to operate on the pre-war basis without any increase in the number of patients not paying fees there would be an annual deficit of \$207,000 and if this continued at the same rate, allowing for interest, all the funds would be exhausted after 15 years.

That, Sir, is shortly a resume of the reasons which the Trustees had for promoting this Bill. I should perhaps, Sir, very shortly refer to the important sections of the Bill. Under Section 3, the hospital to be named the Matilda and War Memorial Hospital is incorporated as a body corporate and has succession and has the usual clause to enable it to sue. The constitution of the hospital is provided for under Section 4, Sir, which indicates the Articles of the Constitution which are set out in the Schedule. Another item I should mention, Sir, is that under clause 10 of the Bill, the Hongkong & Shanghai Bank Hongkong (Trustee) Ltd. are appointed Custodian Trustees for the Corporation as the property of the Corporation is vested in them. The reason for this, Sir, is that the Trustee Corporation will manage and look after all the assets of the Corporation thus allowing them to be free to deal with the running of the hospital. As a consequence of the incorporation of the two institutions by this Bill, the War Memorial Nursing Home Trustee Ordinance, 1923, is repealed by Section 11.

The Articles of the Constitution which are probably of most interest to the public are set out in the Schedule. The Objects are set out in Article 4 where it will be observed that under sub-article (a) the original and existing intention of the Will of Granville Sharp will be carried out in as much as by the terms of that sub-article, the Hospital will not only carry on as a hospital, but will also function as a religious and evangelistic institution. Sub-Article (b) of that same Article, Sir, incorporates the objects of the old War Memorial Nursing Home. The constitution of the Board is provided for by Article 7, where again, Sir, it will endeavour to carry out an amalgamation of the old Trustees of the two institutions, so that all the Trustees who were formerly interested in the two institutions form part of the Board of Governors with the addition of medical practitioners and one person appointed by you, Sir.

With a view also to carrying out the intention and objects—the very worthy intention and objects—of the Will of Granville Sharp, deceased, under Article 22 a Committee will be appointed to carry out the terms of that Will and Codicil so far as they can under present conditions.

In conclusion, Sir, I would say that this Bill is the result of long and careful deliberations by both sets of Trustees, together with the help of the Members of Government who are interested in it as well.

HON. C. BLAKER 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 Bill, which by way of full preamble records its objectives, will upon enactment provide—

(a) that a hospital under the name “The Matilda and War Memorial Hospital” shall be a body corporate (clause 3);

(b) that the hospital will operate through a Board of Governors and in conformity with Articles of Constitution prescribed in the Schedule to the Bill (clause 4);

(c) that the property and assets now vested respectively in the “Trustees” and “Nursing Home Trustees” (as defined in clause 2 of the Bill) shall vest (clause 10), upon trusts declared, in the Hong Kong and Shanghai Bank, Hong Kong (Trustee) Limited as Custodian Trustee;

(d) that thereafter (clause 9) the Trustees shall be discharged from the trusts of the Will and Codicil of Granville Sharp, deceased; and

(e) that (clause 11) the War Memorial Nursing Home Trustee Ordinance, 1923, shall be repealed and that consequentially the Nursing Home Trustees shall be discharged from their trust.

2. The Schedule to the Bill contains the Articles of Constitution of the Matilda and War Memorial Hospital to be established and incorporated by virtue of clause 3 of the Bill. Such Articles provide in the main for the appointment and powers of a Board of Governors who are entrusted (Article 5) with the supreme control, government and management of the hospital.

ADJOURNMENT.

H.E. THE GOVERNOR:—That concludes the business, Gentlemen. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL:—I suggest this day fortnight, Sir.

H.E. THE GOVERNOR:—Council will adjourn to this day fortnight.