

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 20th June, 1956.**

PRESENT:HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM, G.C.M.G.

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT-GENERAL WILLIAM HENRY STRATTON, C.B., C.V.O., C.B.E., D.S.O.

THE HONOURABLE THE COLONIAL SECRETARY

MR. EDGEWORTH BERESFORD DAVID, C.M.G.

THE HONOURABLE THE ATTORNEY GENERAL

MR. ARTHUR RIDEHALGH, Q.C.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. BRIAN CHARLES KEITH HAWKINS, C.M.G., O.B.E.

THE HONOURABLE THE FINANCIAL SECRETARY

MR. ARTHUR GRENFELL CLARKE, C.M.G.

THE HONOURABLE THEODORE LOUIS BOWRING, C.M.G., O.B.E.

(Director of Public Works).

DR. THE HONOURABLE YEO KOK CHEANG, C.M.G.

(Director of Medical and Health Services).

THE HONOURABLE DAVID RONALD HOLMES, M.B.E., M.C., E.D.

(Director of Urban Services).

THE HONOURABLE PATRICK CARDINALL MASON SEDGWICK

(Commissioner of Labour).

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY, O.B.E.

THE HONOURABLE LO MAN WAI, C.B.E.

THE HONOURABLE NGAN SHING-KWAN, O.B.E.

THE HONOURABLE DHUN JEANGIR RUTTONJEE

THE HONOURABLE KWOK CHAN, O.B.E.

DR. THE HONOURABLE ALBERTO MARIA RODRIGUES, M.B.E., E.D.

THE HONOURABLE JOHN DOUGLAS CLAGUE, C.B.E., M.C., T.D.

MR. CHARLES RAYMOND LAWRENCE (*Deputy Clerk of Councils*).**ABSENT:**

DR. THE HONOURABLE CHAU SIK NIN, C.B.E.

MINUTES.

The Minutes of the meeting of the Council held on 6th June, 1956, were confirmed.

OATH.

MR. JOHN DOUGLAS CLAGUE, C.B.E., M.C., T.D., took and subscribed the Oath of Allegiance and assumed his seat as a Member of the Council.

PAPERS.

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

<i>Subject</i>	<i>G. N. No.</i>
Report of the Inter-Departmental Working Party on the Proposed Cross-Harbour Tunnel.	
Hong Kong Airport (Regulations) Ordinance, 1956.	
Hong Kong Airport Regulations, 1956	A. 57.
New Territories Ordinance.	
New Territories (Amendment) Rules, 1956	A. 58.
Urban Council Ordinance, 1955.	
Urban Council Elections (Registration of Electors) (Amendment) (No. 2) Regulations, 1956	A. 59.
Urban Council Ordinance, 1955.	
Urban Council Elections (Procedure) (Amendment) (No. 2) Regulations, 1956	A. 60.

BANK NOTES ISSUE ORDINANCE.

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved, pursuant to the proviso to section 5 of the Bank Notes Issue Ordinance, that this Council hereby extends the powers of all the note-issuing banks to make, issue, re-issue and circulate notes until and including the 12th day of July, 1957.

He said: —Sir: The Bank Notes Issue Ordinance provides that the powers of the note-issuing Banks to make, issue, and circulate notes must be renewed at least annually. The present authorization of these Banks expires on the 12th July next, and it is proposed to extend the authorization for the maximum period.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

LOCAL LOANS FUND.

THE FINANCIAL SECRETARY moved the following resolution: —

Resolved

- (1) that there shall be established a fund styled the "Local Loans Fund":
- (2) that there may be charged to the Fund such local loans as may be approved by the Finance Committee of this Council:
- (3) that there shall be credited to the Fund
 - (a) such appropriations from the revenues of the Colony as may be approved by this Council;
 - (b) all sums received in repayment of loans granted from the Fund;
 - (c) all sums received by way of interest on loans granted from the Fund.

He said: —Sir: Honourable Members are of course aware that it is part of our educational policy to encourage private organizations to proceed with the building of new schools, and with the enlargement of existing ones, by lending to them, free of interest, such funds as may be needed for the purpose. Since the re-occupation, and up to the end of the last financial year, the total of money lent in this way has exceeded \$9 millions, the number of schools involved being 36.

The number and size of these loans continue to increase as the educational programme gets under way, and we have had to give further consideration to the question of their control and accounting. Hitherto, under the cardinal principle of Government accounting that any disbursement which diminishes the surplus

revenue available for appropriation by this Council must be voted as expenditure, all the loans have been charged off as ordinary items of expenditure. It follows that when a loan is repaid the repayment comes in as revenue. There are many disadvantages to this system, such as the difficulty of budgetting accurately for loans and for repayments, and the fact that if the money is not drawn by the borrower before the end of the financial year, the authority to pay over the loan lapses, so that the money has to be revoted over again in the next financial year.

Accordingly it is proposed, with the approval of the Secretary of State, to set up a Local Loans Fund primarily with the purpose of simplifying the financing and accounting of loans for school building. The terms of the resolution are simple; and it is proposed to appropriate initially to the Fund the sum of \$10 millions. Outstanding loan applications at the moment total almost \$6¼ millions. The normal terms of repayment for school loans are ten equal instalments commencing one year after completion of the school, and it is to be expected, therefore, that in the course of a few years the Fund should have a steady income of its own, but before that stage is reached it may be necessary, if school building continues at its present rate, to supplement this initial \$10 millions. Annual statements of account of the Fund will appear with the Colony's accounts each year.

THE COLONIAL SECRETARY SECONDED.

The question was put and agreed to.

MILK AND DAIRIES (AMENDMENT) BY-LAWS, 1956.

MR. D. R. HOLMES moved the following resolution: —

Resolved that the Milk and Dairies (Amendment) By-laws, 1956, made by the Urban Council on the 5th day of June, 1956, under section 5 of the Public Health (Food) Ordinance, be approved.

He said: —Sir: The transfer to the Department of Agriculture, Fisheries & Forestry of responsibility for prevention and control of animal diseases has necessitated a somewhat complicated series of legislative changes. The process is completed by the enactment of the by-laws dealt with in this Resolution and in the two succeeding Resolutions.

The purpose of the first set of by-laws is to remove from the principal by-laws all references to dairies. The control and licensing of milk shops will, however, remain the responsibility of the Urban Council, and additional provision is made for the control and licensing of pasteurization plants.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

SLAUGHTER-HOUSES (AMENDMENT) BY-LAWS, 1956.

MR. D. R. HOLMES moved the following resolution: —

Resolved that the Slaughter-houses (Amendment) By-laws, 1956, made by the Urban Council on the 5th day of June, 1956, under section 5 of the Public Health (Food) Ordinance, be approved.

He said: —Sir: The object of these by-laws is fully set out in the explanatory note, to which I have nothing to add.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

KEEPING OF CATTLE, SWINE, SHEEP AND GOATS (AMENDMENT) BY-LAWS, 1956.

MR. D. R. HOLMES moved the following resolution: —

Resolved that the Keeping of Cattle, Swine, Sheep and Goats (Amendment) By-laws, 1956, made by the Urban Council on the 5th day of June, 1956, under section 4 of the Public Health (Sanitation) Ordinance, 1935, be approved.

He said: —Sir: These by-laws seek to rescind an existing by-law, which now becomes superfluous.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

FIRE BRIGADE (AMENDMENT) BILL, 1956.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Fire Brigade Ordinance, 1954."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 to 6 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Fire Brigade (Amendment) Bill, 1956 had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

**DISTRIBUTION OF GERMAN ENEMY
PROPERTY BILL, 1956.**

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to provide for the collection and realization of German enemy property and for the distribution of the proceeds thereof; and for purposes connected with the matters aforesaid."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 to 8 were agreed to.

New clause.

THE ATTORNEY GENERAL: —Your Excellency: I rise to move the amendment standing in my name. Sir: This amendment provides for the insertion of a new clause, and the purpose of that clause is explained in the paper which has been circulated.

Proposed amendment.

Add the following new clause—

"Stamp duty. (Cap. 117). The exemption from stamp duty contained in paragraph (a) of section 41 of the Stamp Ordinance shall not apply to any instrument made or executed by or on behalf of the Administrator."

The new clause was agreed to.

Schedules 1 to 3 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Distribution of German Enemy Property Bill, 1956 had passed through Committee with one amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

ENEMY PROPERTY BILL, 1956.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to make provision in respect of things done in relation to enemy property or property treated as enemy property in excess of the powers conferred by the law relating thereto."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 to 6 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Enemy Property Bill, 1956 had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

BREWIN TRUST FUND (AMENDMENT) BILL, 1956.

THE SECRETARY FOR CHINESE AFFAIRS moved the Second reading of a Bill intituled "An Ordinance to amend the Brewin Trust Fund Ordinance, 1955."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

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

Clauses 1 and 2 were agreed to.

Council then resumed.

THE SECRETARY FOR CHINESE AFFAIRS reported that the Brewin Trust Fund (Amendment) Bill, 1956 had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed.

ADJOURNMENT.

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

THE ATTORNEY GENERAL: —May I suggest this day three weeks?

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