

27TH MAY, 1909

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR
FREDERICK DEALTRY LUGARD, K.C.M.G.,
C.B., D.S.O.

H. E. COLONEL DARLING, R. E.
(General Officer Commanding).

HON. MR. F. H. MAY, C.M.G. (Colonial
Secretary).

SIR HENRY BERKELEY, K.C. Attorney-
General).

HON. MR. A. M. THOMSON (Colonial
Treasurer).

HON. MR. P. N. H. JONES (Director of
Public Works).

HON. MR. A. W. BREWIN (Registrar-
General).

HON. MR. F. J. BADELEY (Capt-
Superintendent of Police).

HON. DR. HO KAI, B.M., C.M., C.M.G.

HON. MR. E. A. HEWETT.

HON. MR. E. OSBORNE.

HON. MR. W. J. GRESSON.

HON. MR. WEI YUK, C.M.G.

MR. C. CLEMENTI (Clerk of Councils).

Minutes

The minutes of the last meeting were read,
and confirmed.

Papers

THE COLONIAL SECRETARY, by
command of His Excellency the Governor, laid
on the table the following papers: Minute on
the Peak Tramway by the Superintendent of
the Botanical and Afforestation Department,
and Report by the Director of the Observatory
for the year 1908.

Financial

THE COLONIAL SECRETARY, brought up
the report on the Finance Committee (No. 4),
and moved its adoption.

THE COLONIAL TREASURER seconded,
and the motion was agreed to.

Appropriation Bill

THE COLONIAL SECRETARY moved the
second reading of the Bill entitled an
Ordinance to authorise the appropriation of a
supplementary sum of \$512,200.34 to defray
the charges of the year 1908.

THE COLONIAL TREASURER seconded,
and the motion was agreed to.

THE COLONIAL SECRETARY moved that
the Bill be referred to the Finance Committee.

THE COLONIAL TREASURER seconded,
and the motion was agreed to.

Civil Procedure Ordinance Amendment

THE ATTORNEY-GENERAL moved the
third reading of the Bill entitled an Ordinance
to amend the Code of Civil Procedure.

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

**Public Health and Buildings Ordinance
Amendment**

THE ATTORNEY-GENERAL moved that
the Council resolve itself into Committee to
further consider the Bill entitled An Ordinance
to amend the Public Health and Buildings
Ordinance, 1903-1908.

THE COLONIAL SECRETARY seconded,
and the motion was agreed to.

THE ATTORNEY-GENERAL — The Bill
was left in Committee to further consider
clause 235 which has reference to the method
of serving notices. That clause is now before
the Committee.

HON. MR. HEWETT—The point raised, your
Excellency, was that notices should not be
served on the tenant. I am not quite sure
whether that is provided for in this clause as it
stands at present. It speaks alternatively of
notices being served on the

tenant. The point we want to make quite clear is that if the owner or his authorised agent are in the colony either of them should be served if necessary by a registered letter. Only in the last extremity should the notice be served on the tenant, that is failing knowledge of the whereabouts of the owner or his agent. It is a legal matter and I am not quite sure if that is arranged for in this clause.

THE ATTORNEY-GENERAL—The point is covered by this clause.

HON. MR. HEWETT—It does not authorise the Inspector or whoever it may be to merely leave the notice with the tenant. He should serve it upon the owner or his authorised agent.

THE COLONIAL SECRETARY—It must be served on the owner if it concerns the owner.

THE ATTORNEY-GENERAL — Or his authorised agent, and where they cannot be found, on the tenant. I think that covers the point.

HON. MR. HEWETT — That meets my objection.

HON. MR. GRESSON—I was under the impression that all notices were delivered by registered letter. There was to be no question of serving on the premises at all.

HON. MR. HEWETT—It is only to be served on the premises in the event of the owner or authorised agent not being resident in the colony.

HIS EXCELLENCY—If the address is not known you cannot serve by letter.

HON. MR. GRESSON—I thought it was agreed that in order to avoid any mistake the service should be by registered letter.

THE ATTORNEY-GENERAL — It is provided that the notice to be given the owner or his agent is to be left at his place of business or residence within the colony, and if it is not known then it is to be served at his last known address.

HON. MR. GRESSON—If you leave a notice

anybody may accept it. It does not follow that it will receive attention. If it goes by registered letter it will be signed for by somebody in authority.

THE COLONIAL TREASURER — Not necessarily. The addressee may refuse to take delivery. The man may say "I will not take it. Take it away."

HIS EXCELLENCY—But it would have been legally served.

THE COLONIAL SECRETARY—Quite so.

HON. MR. GRESSON—I do not press the point.

THE ATTORNEY-GENERAL—I move that the clause stand part of the Bill.

THE COLONIAL SECRETARY—seconded, and the motion was agreed to.

On Council resuming—

THE ATTORNEY-GENERAL, with the permission of the Council, moved that the Bill be read a third time.

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

Peak Tramway Ordinance

THE ATTORNEY-GENERAL said he did not propose to proceed with the next order of the day, the motion that Council go into Committee on the Bill entitled an Ordinance for authorising the construction of a tramway within the colony of Hongkong. It will stand over.

HIS EXCELLENCY—The Council stands adjourned until further notice.

FINANCE COMMITTEE

A meeting of the Finance Committee was then held, the Colonial Secretary presiding. The following vote was passed.

Appropriation Bill

HON. MR. HEWETT—On page 9, the last entry but one, Indian Police remit-

tances \$11,000 over the estimate. The explanation is "more remitters and lower exchange." Does that mean that the Government remit the money for the Indian police at a fixed rate of exchange, and take the loss themselves?

THE CHAIRMAN—Yes, the Police have the privilege of remitting half of their pay at the privileged rate of 44 cents to the rupee. The Government bears the loss on exchange. That is a condition of the service of the Indian police.

HON. MR. HEWETT—And therefore the lower and the more favourable the rate of exchange, the more they remit.

HON. MR. HEWETT—Then on page 10—Other Miscellaneous Services—\$57,000 odd. I think, Sir, that all those items are so absolutely unlike that that amount should be divided up, and we ought to be shown how much comes under each item. I do not think such a large sum ought to be lumped together.

THE COLONIAL TREASURER—My hon. friend on the right will know already that the vote of \$14,791 has nothing whatever to do with the loss on exchange. That leaves about \$23,000 to be accounted for by the loss on exchange which could be only ascertained when the accounts were made up in March last.

HON. MR. HEWETT—Then I think we ought to be shown how much the Emigration Dépôt cost, how much Mr. Halifax received—which I think was a very correct vote to make—and how much the compensation to owners of houses damaged in the typhoon amounted to. \$57,000 is a large sum of money.

THE CHAIRMAN—The \$11,791 was for compensation to owners for houses damaged by the typhoon.

THE CAPTAIN-SUPERINTENDENT OF POLICE—The amount to Mr. Halifax was about \$3,000.

THE CHAIRMAN—Yes, and the dépôt as a matter of fact cost \$3,000. The \$3,000 for Mr. Halifax is in that \$11,791.

HON. MR. OSBORNE—With regard to

subsidiary coins \$164,000 actual expenditure, how much of that is redemption, and how much depreciation?

THE CHAIRMAN—\$114,000 was the actual loss on the sale of the coin that was sold.

HON. MR. OSBORNE—And \$32,000 was spent on the redemption of coins?

THE CHAIRMAN—There was an amount of \$535,000 collected and paid into the Treasury, and not re-issued.

HON. MR. OSBORNE—So the Government's loss on small coins was about \$32,000.

THE CHAIRMAN—There was another item of \$274,000 of new coin in the bank which had never been issued. That came to a total of over eight lakhs which we shipped home and sold.

HON. MR. HEWETT—That was the 5,000,000 pieces shipped home.

HON. MR. OSBORNE—Does redemption mean the loss on small coins paid into the Government Departments?

THE COLONIAL TREASURER—No, the loss on small coins sold as bullion, the amount written off on stock, being distinct, though included.

HON. MR. OSBORNE—Might I ask what is the object of buying up these coins?

THE COLONIAL TREASURER—They are paid in and not re-issued.

HON. MR. OSBORNE—Then \$32,000 represents the total loss of the Government on coins paid in during the last year?

THE COLONIAL TREASURER—The \$164,000 represents the total loss. A certain amount of that, something like \$70,000, represents the amount which was written off for depreciation on remaining stock.

HON. MR. OSBORNE—The point I want to make is that every business in this Colony is losing a large sum of money by having to receive these small coins, and in almost all public companies accounts you

will see "loss on subsidiary coins." What I want to get at is, how much the Government are losing on the subsidiary coins paid to them.

THE COLONIAL TREASURER—There is the actual figure, \$164,674.72 last year.

THE CHAIRMAN — And out of that, \$114,000 represents the loss on coins shipped home and sold as bullion.

HON. MR. OSBORNE—Then are we to anticipate a loss of \$164,000 every year roughly?

THE COLONIAL TREASURER—The issue is limited. It might stop some day, but we don't know when.

THE CHAIRMAN — It depends on the amount we receive and do not re-issue. We estimated for a loss of \$36,000, but we had to exceed it considerably.

HON. MR. OSBORNE—So the ratepayers lost roughly \$164,000 by having the place flooded with Chinese coin?

THE CHAIRMAN—You are opening up the whole question now.

HON. MR. OSBORNE—That is my reason for bringing it up. I want to bring it home to people what they are losing.

THE CHAIRMAN—This Government over-issued subsidiary coin, and it has either got to go on re-issuing or take some action. The action it is taking is, not re-issuing up to a certain limit.

HON. MR. OSBORNE—I don't want to enter on the old controversy, but I want to point out that the Colony is losing \$164,000 annually by this Chinese coin.

THE CHAIRMAN—I don't think it is fair to say it is losing it annually. It lost it in the year 1908.

THE COLONIAL TREASURER—My hon. friend on the right is taking a new attitude to the one he took two years ago. He was then temporising; now, he is very, very fixed in his views. If he had been fixed at that time we might have done more good.

HON. MR. OSBORNE—I am of the same attitude now as I was then.

THE CHAIRMAN—I would point out that the loss this year will not be so large, as there will not be the item "unissued coin to sell" and it does not necessarily follow that if we have very large payments into the Treasury the whole of it will be redeemed.

THE COLONIAL TREASURER — It must be. We have to write it off.

THE CHAIRMAN—I am referring to actual redemption. There are two items, the actual loss on sale and the writing-off. We must write off the discount.

HON. MR. HEWETT—We are losing about 14 per cent on subsidiary coin paid back into the treasury. Is that so?

THE CHAIRMAN—Yes.

HON. MR. HEWETT — This loss is not necessarily because the Colony is flooded with Chinese coins, but because for a great number of years this Colony has issued more subsidiary coin than it can absorb, and it is now coming back to the Colony.

THE COLONIAL TREASURER—It is due to both reasons. We have over-issued, and at the same time the Chinese are flooding our Colony with foreign coin.

HON. MR. OSBORNE — A number of business men met together to discuss it, and came to different conclusions. But the point I want to make is that the Government are losing a considerable sum every year by this state of affairs, and it is to be hoped that they will take all the means they can to bring home to the Chinese Government what this unlimited over-issue means to this Colony.

THE COLONIAL TREASURER — If you had only stuck to the majority report we would be in a different position now. We ought not to depend on the Chinese Government at all, but to take steps on our own account.

THE CHAIRMAN—I can assure you that His Excellency has brought it to the notice of the Chinese Authorities, and tried

to point out the error of their ways. The Chinese Government are very foolish in this matter.

HON. MR. GRESSON—On page 14 there is an item \$50,000 for floating fire engine. It says "not yet completed." How much has been spent on it?

THE CHAIRMAN—There was a delay about the fire float. It was expected that it would be purchased in the year 1908.

HON. MR. GRESSON—It does not follow that the work has been stopped?

THE CHAIRMAN—No, we are to get the float this year.

HON. MR. GRESSON—As to this Military contribution on page 28, what is the explanation of that?

THE CHAIRMAN—There was an excess of \$64,000. That was due to the Ordinary revenue of 1907 having exceeded the estimated revenue by about three lakhs.

THE COLONIAL TREASURER—I would point out that the matter does not come under the Bill under discussion.

THE CHAIRMAN—We received more than we anticipated, and had to make good the percentage on the increase.

HON. MR. GRESSON—Does the item on page 33, the *St. Enoch*, come under this Bill—\$165,000 for the purchase of the *St. Enoch*.

THE CHAIRMAN—Yes.

HON. MR. GRESSON—What is being done with the *St. Enoch*?

THE CHAIRMAN—She is employed dredging out the trench for the breakwater.

HON. MR. GRESSON—She is actually at work?

THE CHAIRMAN—Yes, and has been for some months.

HON. MR. HEWETT—On the same page there is an item for installation of electric fans at Government House, \$4,000. I suppose that is in addition to the \$5,000 or \$6,000 for which a special vote was asked for certain work at Government House.

THE CHAIRMAN—A vote was taken for this item. There were no fans at all in Government House.

The Bill was then put to the vote, and passed.