

25TH MAY, 1917.

**PRESENT:—**

HIS EXCELLENCY THE GOVERNOR, SIR FRANCIS HENRY MAY, K.C.M.G.

HIS EXCELLENCY MAJOR-GENERAL F. VENTRIS (General Officer Commanding Troops in China).

HON. MR. A. G. M. FLETCHER (Colonial Secretary).

HON. MR. E. D. C. WOLFE (Colonial Treasurer).

HON. MR. J. H. KEMP (Attorney-General).

HON. MR. E. R. HALLIFAX (Secretary for Chinese Affairs).

HON. MR. W. CHATHAM, C.M.G. (Director of Public Works).

HON. MR. C. McI. MESSER (Captain Superintendent of Police).

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

HON. MR. LAU CHU PAK.

HON. MR. H. E. POLLOCK, K.C.

HON. MR. R. G. SHEWAN.

HON. MR. C. E. ANTON.

MR. J. A. E. BULLOCK (Clerk of Councils).

**Minutes**

The minutes of the last meeting were confirmed.

THE COLONIAL SECRETARY laid on the table Finance Minutes 12 to 14, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

**New Member**

THE HON. MR. R. G. SHEWAN took the oath on becoming a member of Council during the absence on leave of the Hon. Mr. E. Shellim.

**Papers**

By command of H.E. the Governor, the Colonial Secretary laid on the table the following papers:—  
Report of the Land Officer for 1916; report on the finances for the year 1916; report on the Blue Book for 1916; report of the Harbour Master for the year 1916.

THE COLONIAL SECRETARY also laid on the table report on the searching of passengers on arrival at and departure from Hongkong, and correspondence between the Military Service Commission and H.E. the Governor, and the list of men who have left Hongkong for active service.

**Man Power**

HIS EXCELLENCY—With reference to the report of the Military Service Commission, in connection with which I fully recognise the excellent services which have been rendered by the Commissioner, I desire to call attention to the passage which reads. — "Furthermore, it has been a matter of surprise to the Commission to learn, what the enquiry has certainly proved, that there yet remains doubt in some minds whether the Empire needs more men, and this doubt probably, in part, explains the number who have abstained from applying." I am surprised myself to learn that from the first there has existed any doubt on that subject. I should have thought that a perusal of the papers would have brought home to everybody that men are wanted, and still more men. Quite recently, General Sir William Robertson announced that he requires half a million recruits by July, and that shows conclusively that men are required. As regards our local needs here, I am able to say that at present there is no immediate prospect of a further reduction in the garrison being made, and, therefore, no obstacle will be placed by the military authorities to the departure of men who desire to still offer their services to His Majesty's army.

**Supplementary Vote**

THE COLONIAL SECRETARY moved the first reading of the Bill intituled, "An Ordinance to authorize the appropriation of a supplementary sum of two hundred and ninety-one thousand two hundred and seventy-three dollars and ninety-seven cents to defray the charges of the year 1916."

THE COLONIAL TREASURER seconded, and the Bill was read a first time.

### **Enemy Trading**

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend the law relating to trading with the enemy and the export of prohibited goods."

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

The "objects and reasons" state that the object of this Bill is to introduce here the provisions of sections 1 and 2 of the Trading with the Enemy and Export of Prohibited Goods Act, 1916, 6 and 7 Geo. 5, c. 52. Section 3 of that Act is not required here in view of the provisions of the Importation and Exportation Ordinance, 1915, Ordinance No. 32 of 1915.

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to repeal the North Borneo Extradition Ordinance, 1896.

### **North Borneo Extradition**

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

The "objects and reasons" state:—The Straits Settlements and Protected States Fugitive Offenders Order in Council, 1916, which was made by virtue of the provisions of the Fugitive Offenders (Protected States) Act, 1915, provides that the Fugitive Offenders Act, 1881, is to apply as if the State of North Borneo were a British possession. This Order in Council, which was published in the *Hongkong Gazette* of the 15th December, 1916, was brought into force on the 1st February, 1917, by the necessary notification under Article 1. This notification was published in the *Hongkong Gazette* of the 27th April, 1917. In consequence of the above legislation the North Borneo Extradition Ordinance, 1896, Ordinance No. 1 of 1896 of the Ordinance of Hongkong, is no longer necessary, and this Bill accordingly repeals it.

### **Hongkong's War Loan**

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend further the War Loan Ordinance, 1916."

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

The "objects and reasons" state:—It has been pointed out by the Crown Agents that the War Loan Ordinance, 1916, makes all interest cease on drawn bonds from the date of the drawing. The effect of this

would be that a bond holder might not be able to claim his principal and interest so promptly as to avoid a certain loss of interest on the amount so claimed. It has therefore been decided to provide that at least fifteen days' notice of the numbers drawn shall be given before the date on which the interest ceases to run.

The Bill also provides for the mode of drawing in more detail than the principal Ordinance. It was originally intended that these details should be directed by the Governor under section 11 of the principal Ordinance, but it seems convenient to include them in this bill. The provisions are based on the model of the General Loan and Inscribed Stock Ordinance which is used in the case of loans domiciled with the Crown Agents.

The bill also corrects a discrepancy between the loan as to the date of redemption for bonds not previously redeemed by drawing or purchase. The date adopted in the bill is the 1st November, 1928, which was the date specified in the prospectus.

### **War Finance**

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to provide for a temporary increase in the rates for the special purpose of increasing the contributions of the Colony to His Majesty's Government towards the expenses of the present war."

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

The "objects and reasons" state:—The object of this bill is to impose a special war rate of 7 per cent., in addition to the ordinary rates, for the purpose of providing an additional contribution to be paid by the Colony to His Majesty's Government towards the expenses of the war. The whole of the revenue collected by means of this rate will be so paid.

The outlying villages are excluded from the scheme.

HIS EXCELLENCY—At the meeting of this Council held on the 22nd of February last, I said that I hoped very shortly to make definite proposals to you on the subject of increasing taxation for the purpose of contributing still further to Imperial War Funds. I had in my mind the imposition of an Income Tax, but after spending considerable

time in studying that project I found that the difficulties of imposing such a tax in this Colony are, for the present at any rate, insuperable. We are, in a word, too close, both geographically and commercially to the Canton Province. On the 29th March I mentioned the report in the Press of a proposed offer by the Chinese community of a voluntary gift of \$1,000,000 to the Imperial War Chest. Though most anxious to give effect to this offer, our Chinese friends found the difficulties of self-assessment so great that they were forced to appeal to me for help and guidance in the matter. I had myself, with the assistance of my officers, been at pains to devise a method of taxing the non-Chinese portion of the community by a special increase of the rates as a complement to the proposed Chinese gift. We found such a scheme to bristle with difficulties, and in the result I had to confess myself beaten in both fields. I could not devise a scheme of self-assessment for the Chinese, nor a satisfactory one for a discriminating increase in the rates. The result is that the Government has been forced to adopt the scheme of partial increase in the rates embodied in the Bill before you. In that Bill we have eliminated from taxation the agricultural classes in the community. My objection all along to a general increase in the rates has been that it involves taxation of many who, under a scheme of Income Tax, would have escaped taxation. A scheme of Income Tax having failed, I can only say that this Bill is the best substitute the Government have been able to devise. In order to protect the occupiers from increases of rent out of proportion to the War Tax, a clause will be added to the Bill in Committee providing that landlords shall give particulars of increases in rents, and the reason therefor, made since the 1st of May, and empowering the Government to review and vary these increases or other increases brought to its notice by, or on behalf of, occupiers.

His EXCELLENCY—Council stands adjourned until next Thursday.

FINANCE COMMITTEE.

A meeting of the Finance Committee followed, the COLONIAL SECRETARY presiding.

**Re-arrangement of Moorings**

The Governor recommended the Council to vote a sum of four thousand six hundred and twenty-five dollars (\$4,625.00) in aid of the vote 6.—Harbour Master's Department, Special Expenditure,

Acquisition and rearrangement of Moorings in Victoria Harbour.

THE CHAIRMAN—This amount is for two spare buoys in connection with the harbour moorings; one "A" class buoy and one "C" class buoy. We have got no spare ones at present, and occasionally the buoys have to be taken up.

HON. MR. POLLOCK—Is this in excess of the amount estimated, or not?

THE CHAIRMAN—It was not estimated for at all.

HON. MR. POLLOCK—There was an estimate originally when the scheme was started.

THE CHAIRMAN—That was all in last year, I think.

THE COLONIAL TREASURER—The original amount was merely for buying up the existing buoys. This proposal now is to allow them to have one or two spare buoys. It is an additional amount.

The vote was agreed to.

**Kowloon-Canton Railway**

The Governor recommended the Council to vote a sum of five hundred and sixty dollars (\$560) in aid of the vote Kowloon-Canton Railway, Working Expenses, Other Charges, Painting Contract, Carriages.

THE CHAIRMAN—These sums are for painting carriages. The original paint used has been found to be unsatisfactory, and a more lasting varnish is required for the carriages. This sum is for painting another five carriages.

The vote was agreed to.

**Miscellaneous**

The Governor recommended the Council to vote a sum of four hundred dollars (\$400) in aid of the vote Miscellaneous Services, War Expenditure, Other items of Expenditure.

THE CHAIRMAN—This vote is in connection with the Military Service Commission. It includes \$300 for myself as Secretary, and \$100 for clerical assistance.

The vote was agreed to.