

HONGKONG LEGISLATIVE COUNCIL.

7TH FEBRUARY, 1924.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT, SIR CLAUD SEVERN, K.B.E., C.M.G.

HIS EXCELLENCY THE GENERAL OFFICER IN COMMAND OF THE TROOPS, MAJOR-GENERAL SIR JOHN FOWLER, K.C.M.G., C.B., D.S.O.

HON. MR. A. G. M. FLETCHER, C.M.G., C.B.E. (Colonial Secretary).

HON. MR. J. H. KEMP, K.C., C.B.E. (Attorney-General).

HON. MR. C. McI. MESSER, O.B.E. (Colonial Treasurer).

HON. MR. E. A. IRVING (Director of Education).

HON. MR. H. T. CREASY (Director of Public Works).

HON. MR. A. E. WOOD (Secretary for Chinese Affairs).

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

HON. MR. P. H. HOLYOAK.

HON. MR. A. O. LANG.

HON. MR. CHOW SHOU-SON.

HON. MR. A. R. LOWE.

HON. MR. R. H. KOTEWALL.

MR. S. B. B. McELDERRY (Clerk of Councils).

New Member

HON. MR. A. E. WOOD, Acting Secretary for Chinese Affairs, took the oath and his seat as a member of the Council *vice* Mr. E. R. HALLIFAX, C.B.E. (on leave).

Minutes

The minutes of the meeting of the Council held on December 20th, 1923, were approved and signed.

Standing Law Committee

HIS EXCELLENCY—As this is the first meeting of the Council this year it is necessary to appoint the Standing Law Committee which will consist of the Hon. Attorney-General, the Hon. Colonial Treasurer, the Hon. Mr. Pollock, the Hon. Mr. Holyoak and the Hon. Mr. Kotewall.

Finance

THE COLONIAL SECRETARY, by command of H.E. The Officer Administering the Government, laid upon the table Financial Minutes Nos. 1 to 5 and moved that they be referred to the Finance Committee for consideration.

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

Papers

THE COLONIAL SECRETARY, by command of H.E. The Officer Administering the Government, laid on the table the following papers:—

Award of Sir John H. Oakley in respect of certain lands now vested in the Army Council.

Regulation made by the Governor in Council under section 5 of the Dangerous Goods Ordinance, 1973, Ordinance No. 1 of 1873, as enacted by section 2 of the Dangerous Goods Amendment Ordinance, 1922, dated 18th day of December, 1923,

Order made by the Governor in Council under section 24 of the Rents Ordinance, 1922, dated 20th day of December, 1923.

Notification by H.E. the Governor in Council withdrawing the Order of the 30th August, 1923, proclaiming Bangkok to be a place at which an infectious or contagious disease prevailed.

Regulations and Rules made by the Governor in Council under sections 23 (1), 25 (4), 26 (1) (f), 28 (5), 39 (8) and 42 (1) of the Merchant Shipping Ordinance, 1899, dated 10th day of January, 1924.

Order made by the Governor in Council under section 24 of the Rents Ordinance, 1922, dated 10th day of January, 1924.

Order made by the Governor in Council under section 5 of the Forest Officers Ordinance, 1923, dated 24th day of January, 1924.

Rewards for Arrest of Pirates

HON. MR. H. E. POLLOCK, K.C., in accordance with notice previously given asked.— "Is the Government offering rewards for information which leads to the arrest and conviction of Pirates?"

THE COLONIAL SECRETARY replied— The Government considers it inadvisable in the public interests to make any statement as regards the measures that are being taken for the apprehension of pirates.

The Military Lands

THE COLONIAL SECRETARY—Before moving the resolution which stands in my name, I must state that it is not proposed to ask honourable members to vote upon it to-day. I propose to make a statement explanatory of it, and if any members should care to ask questions arising out of that statement, then the Council can go this afternoon into Committee for the purpose of those questions. I beg, Sir, to move this resolution:

"Resolved that this Council approves the acceptance of the award of Sir John Hubert Oakley dated the second day of November, 1923, in respect of certain lands situated in the Colony of Hongkong now vested in the Army Council, as set out in Sessional Paper No. 1 of 1924, and recommends that steps be taken to give effect to it

as soon as possible."

It may, perhaps, clear the ground for an understanding of this complicated question if I begin by explaining the principles underlying the tenure of military lands and transactions in those lands. The policy of the Imperial Government is laid down in what is known as the Military Lands Circular despatches of 1890 and 1894, the rulings most immediately in point being the following:

"On account of the changing conditions of warfare, it not infrequently occurs that Colonial lands and buildings set apart for military purposes cease to be necessary or suitable to their purpose, while at the same time, or subsequently, other lands and buildings have to be acquired to meet the necessities of the garrison.

"It is further considered that all such military properties and their values should be treated as part of a capital sum devoted to defensive purposes, and that their realizable or estimated values should, as hereinafter detailed, be retained by the Colonial Government, and be held by them available towards the provision of such other lands and buildings as it may be subsequently necessary to secure for defensive purposes.

"With a view of removing any misunderstanding, Her Majesty's Government have thought it desirable to formulate their proposals in the following terms:

"The free surrender to the Colony of all Colonial military lands and buildings no longer required by Her Majesty's Government on the engagement by the Colony that, in the event of the lands and buildings being required then or in the future for
t h e d e f e n c e o f t h e C o l o n y ,

the Colony shall provide an equivalent for the lands and buildings so surrendered, towards the satisfaction of the above mentioned requirements, and to that end the value of the lands and buildings surrendered shall be ascertained and recorded, and any lands and buildings provided out of that value shall be held by H.M. Government on the same tenure as those surrendered.

"This proposal is based upon the assumption that the Colonial military lands in question constitute a permanent Defensive Fund of the Colony, the integrity of which should be preserved, in kind or value, even though the original lands themselves may be diverted to civil purposes. Accordingly, whenever any of such lands which have been set apart for defensive purposes have, from change of circumstances, or from any other reason, ceased to answer the purpose for which they were set apart, and are in consequence surrendered by the Military Authorities, their value should be treated as forming a capital applicable, either immediately or from time to time, so far as it will extend, to providing other lands or buildings which may be required in the Colony for such purposes.

"Valuation of lands or buildings, when required under the circumstances above mentioned, should be made by the Colonial and Military authorities conjointly, or, in the event of their disagreeing, by an independent and competent surveyor, to be chosen by agreement between the Home and Colonial Governments, whose report should be final."

There is this liability in respect of military lands, and there is the further obligation on the Colony to provide 20 per cent. of its revenue under the Defence Contribution Ordinance, 1901, paragraph 5 of which reads:—

"The said percentage shall be deemed to be a fixed contribution payable by the Colony in full return for the annual cost of the Imperial garrison, including all capital expenditure required for military lands and buildings and the cost of maintenance of all military works and buildings, and the cost of lodging in lieu of barracks and all other military charges whatsoever, provided that in no year shall the sum paid by way of percentage exceed the cost of the garrison for that year."

The question of military lands tenure was the subject of constant friction and dispute over a period of many years until the position was finally crystalised in the year 1905 by what is known as the

Lewis agreement. Since that date the rights of the military over their land, their reserves, and their encroachments have been absolutely defined, and it must be accepted as a postulate of the present argument that these rights are absolute and that they must be bought at the existing market value. This demand for the removal of the garrison from its present position comes, not from the Military Authorities, but from the Colony, for reasons which are so obvious that it is not necessary for me to refer to them at any length. These large self-contained areas block the normal development of the Colony and they isolate large business districts one from another. The Army Council has expressed itself as willing to sell at a price and it is now for us to consider whether it is worth our while to pay that price.

THE PRICE

As to the price. In the early Spring of 1922 Mr. Perkins and myself, representing this Government, and Colonel Davy, representing the local military authorities, negotiated an agreement, signed finally on the 31st March, 1922, which was endorsed by their Excellencies the Governor and General Officer Commanding and was forwarded to the Imperial Government for approval. Certain correspondence ensued with the War Office and in the meantime the prices of land rose very rapidly. The boom had set in in full force. The War Office decided to investigate the matter itself upon the spot, and in September, 1923, they sent out Sir John Oakley. On his arrival the Government decided to invite him to act as arbitrator with this limitation, that, while his figures would not be questioned, yet the Government of the Colony must reserve the right to reject them *in toto*. I think that this was a

wise decision, because Sir John Oakley as Arbitrator, must necessarily be in a more independent position than as Valuer for one side only, and as the War Department were in a position that they did not care whether they sold or not, they were sure to stand by his figure. I may here express the opinion that the Colony has been very fortunate in getting an arbitrator of the calibre of Sir John Oakley. I think that opinion will be endorsed by all who came in contact with him. As both the Government of the Colony and the local military authorities were in agreement, it was decided not to call separate witnesses for either side. The names of prominent business men and valuers were put before Sir John Oakley, and he called those whom he wished. The gentlemen who gave evidence were the Hon. Mr. A. G. Stephen, the Hon. Mr. P. H. Holyoak, the Hon. Mr. Chow Shou Son, the Hon. Mr. R. H. Kotewall, Mr. Bernard, Mr. Henry Humphreys, Mr. L. G. Bird and Mr. Gibbs. A number of officers in the Public Works Department were also called. The Government prepared elaborate plans showing the position of all lands sold at public auctions during the last 14 years in all parts of the Colony, giving the upset price, the realised price and the rate of Crown rent; and also plans showing all private sales, between private parties, of land within reasonable distance of these large military areas. Sir John Oakley, accompanied by Colonel Davy and myself, visited a very large number of these sites in person.

AN EXPLANATION OF THE VALUES

In order to understand the exact position with regard to these values it is necessary to explain the agreement which is to be come to between this Government and the War Department. A special account is to be opened, to the credit side of which is to be put the sum of £114,000, representing military contributions overpaid by the Colony in respect of the two years 1917-18 and 1918-19. There will be further put to that credit side the value of military lands which will be sold to the military for the purpose of reprovisioning. That value will not be great, because the lands are situated some distance from the centre of the Colony. On the debit side will be set this sum of approximately \$17,000,000, representing the purchase price of these military lands. That price, of course, includes the full value for any land which may be used for a public purpose. For example, there is a proposal that a new City Hall may be built on Murray Parade Ground.

The Public Works Department will proceed as soon as may be to reprovision the garrison by forming sites and putting up any buildings that the Military

Authorities require. The first situation which they will begin to deal with is Gun Club Hill, which is already military lands. There will be no payment there in respect of the land. It has been argued by some that by putting the British battalion in that position we shall simply be repeating the mistakes of the past. I do not think that can be the case. We have 100 foot roads, Nathan Road and Chatham Road, along the Western and Eastern sides of Gun Club Hill, and another 100 foot road, Gascoigne Road, runs along the Northern boundary. We can, if we wish, widen the road along the Southern boundary. In any event the Military Authorities would not wish to go further afield, and the British garrison have as much title as anybody else to the amenities of existence here. The second site which is under consideration — and I think will probably be chosen — is the ridge beyond the Standard Oil holding at Laichikok, which goes to the crown of the road down to the torpedo pier belonging to the Navy. I think hon. members know it: there is a small house at its Southern extremity. The proposal is that we should level that hill, fill in the valley and construct a large cantonment. These works will necessarily take a long time. It has been suggested that the Gun Club Hill barracks may be completed in three years and the cantonment in five years. I think, personally, this is too optimistic a view. In any event we have to put out our money for these new works over a period of years, which may be five and will not probably in any event be more than ten. We cannot get any large areas of land from the military authorities until the Garrison has been reprovisioned. When the British battalion goes to Gun Club Hill we hope to get the greater part of the land on this side. Therefore it will be appar-

ent that interest on our money plays a most important part in this matter. Our money is going out for a definite period and we can only recover it by use of these military lands at some indefinite future period.

These values of Sir John Oakley are for the lands in bulk. The Town Planning Committee in its most intensive lay-outs puts aside 45 per cent. of the gross area for road purposes. In the Praya East Reclamation the area given to roads is 42 per cent, not including the present Praya East road and not including the roads which will be made by private parties across the lots. Therefore, in reckoning the amount of money you are going to get back from these military lands you have to contemplate them very largely decreased in size. In addition, you have to form these roads, provide drainage, water, and light—all matters of considerable expenditure.

The proposition now is—What is the value of these military lands under these conditions, namely, that we prepare for the next ten years to pay out up to \$17,000,000, and after a period of three years we begin to receive these military lands, reduce them very largely, anything up to 45 per cent. in size, by road-making, spend a considerable sum in laying them out, and then sell them for what they will fetch. I will put some figures before hon. members in this connection. I think some of them have heard of an operation known as "selling forward for March." Well, this operation is something of the same nature. A syndicate of well-known business men in January, 1923, bought a local property for \$350,000, subject to a five years' lease. In January, 1924, they paid \$200,000 more to be released from that five years' lease. I am not putting forward the figures as absolutely accurate, but, roughly, for the purposes of argument. They paid \$550,000 for immediate possession of the land for which they had paid \$350,000 subject to possession in five years. That is a proportion of seven to eleven. Now, we will take Murray barracks on the same principle. The sum awarded by Sir John Oakley is \$22 a foot. Take off 40 per cent. and, I think, at least that might come off—for roads, the value works out at \$34.50 a foot. Well, if we sell that land in four years' time, the value we must get is \$57.50 a foot for it when prepared for building. Or, I will take some figures of actual sales which were put before Sir John Oakley. In 1919 the Government bought Beaconsfield Arcade and the buildings upon it for \$20.50 a foot. In 1920 the site where the Club Lusitano now stands was bought for \$24.97 a foot. At the end of 1921 the old Post Office site was sold for \$36.09 a foot, that is exclusive of roads. In April, 1923, Wiseman's site was sold for \$49 a foot.

Take the old Post Office site, at \$36.09 a foot. Now the present value, at 7 per cent., if it was to be sold at that rate after five years, would be \$25.75 a foot. The present value of the old Post Office site, if it is to be realised in ten years, would be \$18.34 a foot. Take Murray Parade Ground on the same principle. \$22 a foot is the price given. After allowing for roads, the value, as I have said, is \$34.50 a foot. Take off the half dollar to allow for Crown rent, which will be reimposed upon the land, that leaves a value of \$34 a foot. If we are out of our money for five years we must get \$47.69 a foot for it. If we are out of our money for ten years we must get \$66.91 a foot for this area.

Our \$17,000,000 will not, of course, be spent at once. It will be distributed, as I have shown, over a considerable period of years, but at the same time it must necessarily take us a very long period to get back that money which we put out. In the 20 years 1901-1920 inclusive, we got altogether five and a half million dollars from land sales. How long will it take us to get back \$17,000,000 from the sales of these military lands, apart from the ordinary land sales of the Colony? I will read extracts from a statement of the Government's case which was put before the arbitrator.

"Evidence has been called as to the probable period which must elapse before the whole of the land surrendered can be disposed of by sale or otherwise. It has been shown that in the years 1901-1920 inclusive there were no great fluctuations in the sums received from land sales, which totalled in the twenty years approximately \$5,500,000. It has been shown that in t h e y e a r s 1 9 2 1 a n d 1 9 2 2

and the first nine months of 1923 the receipts from land sales approximated to a total of \$7,000,000. The Government submits that, when the demand of the present boom is satisfied, there is no ground for supposing that receipts from land sales during the following twenty years will be appreciably greater than the receipts during the years 1901-1920.

"Sales during the years after the Military lands are ready for the market will not be confined to those lands, but will, as heretofore, be spread over areas in all parts of the Colony. A proportion only of the proceeds, namely that part of the money which is received from the sale of the Military lands, will be available for re-imbursing the Colony in respect of the cash paid out for Military reprovisioning.

"If, when the land is ready for sale, the Government places any large quantity upon the market at such rates as it will fetch, there will, conditions being normal, be a general slump in land values which will upset all calculations based upon the past records of land sales; which records could not therefore form any criterion as to the values which would be received for the lands in the circumstances suggested. If, on the other hand, the Military lands are offered at the prices then prevailing in respect of similar property, the Government contends that all past experience goes to prove that the land will be taken up very slowly and that very many years must elapse before it can possibly recover from sales of the Military lands the money, with interest, which it shall have laid out in Military reprovisioning. Expensive Crown land has never found a ready market in normal times. The Old Post Office site was on the market for a number of years, and it did not find a buyer until late in 1921. In 1910 the Government proposed to put the Cenotaph site up to auction as a marine lot at \$30.00 a foot. The prospective purchaser would not bid at this rate, and it was decided that \$25.00 would be a sufficient upset price. The prospective purchaser's agent was uncertain whether he would bid at this reduced rate, and the matter was allowed to drop. There has been very little demand for vacant Crown land at Kowloon Point, which has been unoccupied for many years.

"Before the Military lands can be ready for the market, very large areas of new building land along the Eastern Praya and to the north of the Kowloon Peninsula will be available.

"Any estimate of the value that should be fixed upon the Military lands depends mainly upon the opinion which is formed regarding the future course

of events in the Colony. Past history shows a record of steady and continuous progress, with temporary booms and reactions, and no argument has been advanced to show that future progress will not be along similar lines. It is possible to estimate with approximate accuracy both the period of time over which the Colony will be disbursing money and also the period of time within which the Military lands will be handed over, but it is hardly possible to gauge with any pretence at certainty the number of years which will elapse before the Colony, by re-sale of the lands, will finally recover its money, with interest. That the period will be a long one is certain. On the evidence of past history, which is the only definite evidence available, the period will cover so very many years that interest upon the Colony's disbursements becomes a predominating factor most materially affecting the rates which are now fixed as representing the ultimate cash return from the Military lands."

The agreement arrived at locally does not differ much from that of Sir John Oakley's figures, except as regards Murray Parade Ground, Murray Barracks and the small areas fronting on Queen's Road, a large part of which small areas will be wiped out by the widening of Queen's Road to 100 feet. The difference in the two rates for Murray Parade Ground and Murray Barracks, was very large. Your optimist would, no doubt, tell us that we shall easily get our money back. That is a matter of opinion, and it is most difficult to make any definite statement. The inhabitants of a few years back would regard as incredible the present day prices. It is merely a matter of guess work what the future has in store for us. I submit, however, that it is of immense indirect benefit to the Colony that we should get possession of these military lands in order that we may get proper through communications and develop the Colony

on its natural lines. It is perhaps fortunate that these lands have been held so long, as it were in trust, by the military authorities, for we have learned a salutary lesson by the mistakes of the past and are ready to lay out these lands for the development of the Colony on the most up-to-date lines. The Government confidently recommends to this Council and to the Colony the adoption of the resolution before us to-day.

Before I sit down I wish to express the great obligation the Colony is under to His Excellency the General Officer Commanding and Colonel Davy for their invaluable co-operation in bringing these difficult negotiations to what I hope may be regarded as a successful conclusion.— (Applause.)

THE ATTORNEY-GENERAL—I beg to second the resolution.

HON. MR. POLLOCK — I understand that if this honourable Council goes into Committee, unofficial members will be allowed to put a few questions. A number of questions have occurred to me, and I will now formally move that the Council go into Committee.

HON. MR. P. H. HOLYOAK seconded.

The proposal was adopted.

In Committee, the HON. MR. POLLOCK said: My first question relates to the plan of the military lands. I should like to know whether the plan was that sent for the consideration of unofficial members?

THE COLONIAL SECRETARY—Yes.

HON. MR. POLLOCK—The next question I want to ask is: What, approximately, will be the cost of reprovioning?

THE COLONIAL SECRETARY—It is rather difficult to say. The Government's estimate is that it will be less than this sum of \$17,000,000. We have on one side the £114,000 and also the credit of this land beyond Laichikok to set against that 17 million dollars owing; that leaves a debit balance of about 15 million dollars. The total cost of reprovioning will be less than that sum. I ought also to mention that it was part of the arrangement with the War Office that we have to reprovion fully, whatever the cost may be. If we do not use the whole of the debit balance on this reprovioning the military authorities will call

upon us for the remainder of that balance for future works.

HON. MR. POLLOCK—I understand that the cost may be 15 millions.

THE COLONIAL SECRETARY assented.

HON. MR. POLLOCK—Then, I understand that 15 millions will have to be paid out of current revenue?

THE COLONIAL SECRETARY — We have reserves to a very large amount.

HON. MR. POLLOCK—Is it then proposed to reprovion out of our reserves?

THE COLONIAL SECRETARY—It is not a matter of putting up a very large sum at once. Payment will go on, of course, as buildings progress, and it will no doubt be put before the Council in due course. We have cash in hand.

HON. MR. POLLOCK—At all events the point I want particularly to emphasise is that I understand it will not be a book entry. We shall have to find the money somehow. Another point is the figures relating to the Parade Ground, Murray Barracks and land across Queen's Road in the agreement of March, 1922, were considerably less than the figures now before us. Can the Colonial Secretary give us these figures?

THE COLONIAL SECRETARY—I can send them to you.

HON. MR. POLLOCK — Then, Sir, another question is. What were the totals for the land sales of 1921, 1922, and 1923 respectively?

THE COLONIAL SECRETARY—For 1921, 1922, and the first nine months of 1923 they were seven million dollars. That is the total, approximately, up to the time of Sir John Oakley's arbitration.

HON. MR. POLLOCK — Then, does the cost of reprovisioning include the cost of laying-out?

THE COLONIAL SECRETARY — Yes. The definition of reprovisioning is: "Reprovisioning connotes the placing of the troops in a position in no way less advantageous than their present positions as regards, primarily, strategic needs, and also housing communications, water, light, recreation, and general amenities."

HON. MR. POLLOCK—I suppose the military authorities, assuming we support this resolution and it is carried, will allow the Public Works staff of the Colony full liberty to survey this land so that the Public Works Department may be in a position to advise the Government in regard to putting up the land for sale?

HIS EXCELLENCY—You do not mean surveying; you mean making the lay-out. Undoubtedly the military will grant all facilities. When the resolution has been passed, it will be the first thing the Government would consider.

HON. MR. POLLOCK—I mean, Sir that I suppose that lay-out could be made almost immediately, and there will be no necessity to wait till the military have moved out?

HIS EXCELLENCY—Quite.

HON. MR. POLLOCK—Another point I should now like to ask is: Whether, in the event of this resolution being accepted, the Government will consider the question of bringing out considerable staffs in sufficient time for them to deal with this very considerable quantity of land which will then be at the disposal of the Government? In this way a certain amount of interest would be saved.

HIS EXCELLENCY—Certainly.

THE COLONIAL SECRETARY—There is one point which occurs to me, though it does not arise directly out of the hon. member's question. Various persons have asked me why there is no separate charge in this valuation for buildings. The reason is that the land, with, for example, Murray Barracks on it, is less valuable than with the Barracks removed. The cost of removal is about equal to the cost of the building materials. In the case of a building such as the Military Hospital, however, if we were to take it over and use it, we should have to pay for the land

and the buildings.

HON. MR. POLLOCK — Could the Colonial Secretary tell us whether Sir John Oakley, in making his award, took into consideration the question of the interest the Colony would lose by not having possession of this land for many years?

THE COLONIAL SECRETARY—It was put before him in an elaborate series of years?

H.E. THE GENERAL OFFICER IN COMMAND —Mention has been made of an "agreement" of 1922. That agreement was not really an agreement. It was a recommendation from the military authorities here to the War Office to accept as a basis of negotiation certain figures agreed on for valuation, and also the question of how much percentage should be added to that old valuation to be acceptable. No actual agreement was ever drawn up. I would like to make that point plain.

HON. MR. POLLOCK—I ask for an adjournment for a week. My unofficial colleagues will meet at 12 o'clock on Monday next, and by Thursday we should be in a position to lay our views before the Council.

HIS EXCELLENCY—The Council resumes and the discussion of this resolution will continue at the next meeting of the Council, which will be on Thursday next.

FINANCE COMMITTEE

A meeting of the Finance Committee was then held, the COLONIAL SECRETARY presiding.

A Sea-Going Launch

The Governor recommended the Council to vote a sum of \$45,000, on account of Imports and Exports Department, Special Expenditure, provision for a sea-going launch.

THE CHAIRMAN—The activities of this Department are growing, as is also the custom of putting off opium and arms from ships just outside the harbour. This launch is able to go outside.

Approved.

A Railway Vote

The Officer Administering the Government recommended the Council to vote a sum of \$19,322 on account of the following vote:—

Kowloon-Canton Railway, Special Expenditure:—

Accident at Mile 10 $\frac{1}{2}$	\$ 1,500.00
New Block Operators Office at Hunghom	1,695.00
Typhoon of 18th August, 1923 ..	5,127.00
New Carpenters' Shop at Hunghom	6,000.00
Bridge No. 14	5,000.00
Total	<u>\$19,322.00</u>

THE CHAIRMAN—All these are in the nature of re-votes from last year.

Approved.

Uniform Allowance For Inspector of Juvenile Labour

The Officer Administering the Government recommended the Council to vote a sum of \$336 on account of Secretariat for Chinese Affairs, Industrial Sub-Department, Other Charges, Uniform allowance to Inspector of Juvenile Labour.

Approved.

Stabling at Kowloon

The Officer Administering the Government recommended the Council to vote a sum of \$13,000 in aid of the vote Public Works, Extraordinary, Kowloon, Buildings (87) Extension of Stabling at Kowloon Disinfecting Station, Garage and arrangement of Workshop.

THE CHAIRMAN—This is one of the works which, in accordance with the arrangement of the last Estimates, was put in as a vote of \$1,000.

HON. MR. POLLOCK—Why is stabling needed at a disinfecting station?

THE CHAIRMAN—It is for a garage and for general sanitary requirements—such as for bullocks and water carts.

Approved.

Opium Boilers' Salaries

The Officer Administering the Government recommended the Council to vote a sum of \$3,153, in aid of the vote Imports and Exports Department, Personal Emoluments.

THE CHAIRMAN—This is a readjustment of salaries of the opium boilers.

Approved.

Sir John Oakley's Award

The award of Sir John Hubert Oakley in respect of certain lands now vested in the Army Council reads as follows:

TO ALL TO WHOM these presents shall come I Sir John Hubert Oakley, Knight, of 4/5 Charles Street, St. James's Square, London, England, send greeting.

WHEREAS the lands situate in the Colony of Hongkong and more particularly delineated and described on the maps or plans hereto annexed and referred to in the schedule hereto with the buildings thereon and the appurtenances thereto are now vested in the Army Council (which designation where used in these presents includes the Secretary

of State for War and the War Office) in fee simple in possession or for an estate or interest deemed for the purposes of these presents to be the equivalent.

AND WHEREAS the Government of the Colony of Hongkong being desirous of taking transfer of or purchasing from the Army Council the said lands entered into negotiations with the Army Council therefor

AND WHEREAS in and for the said negotiations I the said Sir John Hubert Oakley was appointed by the Army Council to proceed to the said Colony and to ascertain the value of the said lands

AND WHEREAS after my arrival at the said Colony to take up the duties of the said appointment the Army Council and the Government of Hongkong through their respective representatives agreed that subject only to the provisoes or reservations hereinafter set forth within ten years from the date of this my award (time in this respect being of the essence of the agreement) the Army Council would sell and transfer to the Government of Hongkong and the Government of Hongkong would purchase from the Army Council at the total price or sum to be awarded by me all the said lands which lands for the purpose of such sale should be treated as an indivisible whole save only that in case of withdrawal of one or more complete block or lot or blocks or lots as hereinafter mentioned then the remaining blocks or lots or block or lot not so withdrawn should in like manner be treated as an indivisible whole as to which the sale and transfer should be completed and take effect in accordance with my award

AND WHEREAS after my arrival at the vations hereinbefore referred to are as follows, that is to say—

- (i.) That if during the period of ten years from the date of the award and before completion of the transfer unforeseen circumstances shall in the opinion of the Army Council render it desirable or expedient to withdraw any one or more complete block or lot or blocks or lots then and in such event only the Army Council shall be free and at liberty to withdraw such one or more complete block or lot or blocks or lots— and
- (ii.) That if the sum total of the award shall be deemed by the Government of Hongkong to be a greater price than the said Colony can afford to pay and the Governor of Hongkong shall in writing inform the General Officer

Commanding the Forces in China thereof at the earliest possible date being not later than four months from the date of the award then the Government of Hongkong shall not be bound to proceed with and complete the purchase and transfer or to proceed with the reprovisioning of the garrison elsewhere

AND WHEREAS the blocks or lots herein-before referred to are the several pieces of land shown on the said maps or plans and thereon indicated by distinctive colouring and numbering and also described in the said schedule as separate items

NOW KNOW YE that I the said Sir John Hubert Oakley having taken upon myself the duties obligations and burthen of the said appointment and reference and having been attended by the representatives in Hongkong of the Army Council and the Government of Hongkong and their witnesses and by witnesses called by myself and having heard and considered the allegations and proofs so before me and having viewed all the said lands and having also in making this my award regarded not only the value of the interest of the Army Council in the lands described in the said schedule but also any damage to be sustained by the Army Council in the event of sale and transfer as aforesaid by reason of the severing of the lands to be sold and purchased from other lands of the Army Council and by otherwise injuriously affecting such other lands by reason of such sale and transfer except as regards access by existing roads footways and carrying ways all of which are to remain available to the Army Council and the garrison as heretofore until some equally suitable and approved access is provided by the Government of

Hongkong and having also regarded the fact that the Government of Hongkong have agreed as a condition precedent to transfer by the Army Council to re-provision as regards site and buildings and having also regarded the agreements terms, stipulations, provisoes, and reservations as recited therein, Do make this my award in writing of and concerning the premises in the manner following that is to say—

I do award settle order and determine that upon sale and transfer by the Army Council to the Government of Hongkong of the lands described in the schedule hereto within ten years from the date hereof but not thereafter the total or aggregate of the several sums set out in the fifth column of the said schedule or ascertainable from the rates and figures in the said schedule set forth and the rules therein laid down for ascertaining increases or deductions in certain cases will be due from the Government of Hongkong to the Army Council as and for the price purchase money and compensation for the lands described in the said schedule and the inheritance thereof in fee simple in possession and for all damages to be sustained by the Army Council by reason of any severing and injurious affecting of other lands on such sale and transfer except as hereinbefore mentioned

AND I do also award settle order and determine that the several sums set out in the fifth column of the said schedule are site values which include the value of materials of buildings now standing on the lands to which such several sums relate for removal by the purchaser where such removal could be made at a profit and allowing for the cost to the purchaser of such removal where such cost would be more than the value of the materials

AND that if upon completion of the sale and purchase as aforesaid the Government of Hongkong should decide to make some use of a permanent nature of any of the buildings which at the time of transfer may be on the lands transferred instead of pulling down such buildings then and in every such case the value as may be mutually agreed by the Army Council and the Government of Hongkong of the buildings so used according to and based upon the use so to be made shall be added to the price or sum of or for the land upon which such building stands

AND further I do award settle order and determine that in the event of with drawal by the Army Council as hereinbefore mentioned of any of the said complete blocks or lots then and in such case the price or sum which will be due as aforesaid will be the said sum

total or aggregate less such of the said several sums set out or ascertainable as aforesaid as relate to the block or lot or blocks or lots so withdrawn

IN WITNESS whereof I have set my hand to this duplicate of my award this Second day of November One thousand nine hundred and twenty-three.

SIGNED by the Said Sir John Hubert Oakley in the presence of

(Sd.) JOHN H. OAKLEY.

(Sd.) H. K. HOLMES,
Crown Solicitor, Hongkong.

(Sd.) R. M. COBB,
Rochester, Kent.

THE SCHEDULE ABOVE REFERRED TO

Rules for ascertaining increases or deductions to be made on completion of sale and purchase.

1. If upon survey and measurement of the lands made before completion the areas given below are found to be inexact and inaccurate then the amounts set out in the fifth column shall be respectively increased or reduced so as to make the said amounts accord with the corrected areas at the rates per square foot set opposite thereto respectively.

2. In the event of buildings being retained and use thereof of a permanent nature made after completion of the sale and purchase instead of being pulled down and converted into materials then the value of such buildings to be mutually agreed as above shall be added to the sums respectively set out in the fifth column opposite the lands whereon such retained and used buildings are.

1	2	3	4	5	6		
Place in which the lands and premises are situate.	Number of map or plan and number of block or lot thereon.	Description of the lands and premises.	Quantity of the lands and premises. Square feet.	Proportion of the price or sum awarded (subject to adjustment in accordance with the Rules above.)	Hkong. currency. Rate Per Square foot.		
	Map. Block.			\$ c.	\$ c.		
Victoria in the Island of Hongkong.	1	1	Parade Ground	117,693	3,366,019.00	28.60	
	1	2	Murray Barracks	271,700	5,977,400.00	22.00	
	1	7	"A" & "B" Blocks	10,480	255,712.00	24.40	
	1	8	Land between "A" & "B" Blocks and A. S. C. yard	7,010	85,522.00	12.20	
	1	9	A. S. C. yard	33,759	604,286.00	17.90	
	1	10	Scandal Point, etc.	498,195	1,021,300.00	2.05	
	1	11	"G" Block	7,030	114,237.00	16.25	
	1	12	"E" Block	10,210	166,423.00	16.30	
	1	13	Land between "E" Block and Victoria Barracks	7,895	63,949.00	8.10	
	1	14	Victoria Barracks	290,580	784,566.00	2.70	
	1	15	Ordinance yard	59,790	514,194.00	8.60	
	1	16	East Married Quarters	186,696	308,048.00	1.65	
	1	17	Land between Kennedy Road and Bowen Road	287,631	103,547.00	.36	
	Hongkong Island	2	19	Pine Wood and High West	3,146,256	188,775.00	.06
	Kowloon	3	21	Whitfield Barracks & Camp.	1,805,018	3,429,534.00	1.90
	Price or sum awarded				<u>\$16,983,512.00</u>		

(Subject to adjustment as herein appearing).

Sixteen million nine hundred and eighty three thousand five hundred and twelve dollars (Hongkong currency).

Witnesses:

(Sd.) JOHN H. OAKLEY.

(Sd.) H. K. HOLMES.

(Sd.) R. M. COBB.