

26TH FEBRUARY, 1926.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR (SIR CECIL CLEMENTI, K.C.M.G.).

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR-GENERAL C. C. LUARD, C.M.G.).

THE COLONIAL SECRETARY (HON. MR. E. R. HALLIFAX, C.M.G., C.B.E.).

THE ATTORNEY-GENERAL (HON. MR. J. H. KEMP, K.C., C.B.E.).

THE COLONIAL TREASURER (HON. MR. C. McI. MESSER, O.B.E.).

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

HON. MR. E. D. C. WOLFE (Captain Superintendent of Police).

HON. MR. D. W. TRATMAN (Secretary for Chinese Affairs).

HON. SIR HENRY POLLOCK, K.C.

HON. MR. P. H. HOLYOAK.

HON. SIR SHOUSON CHOW.

HON. MR. A. O. LANG.

HON. MR. H. W. BIRD.

HON. DR. R. H. KOTEWALL, LL.D.

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

Minutes

The Minutes of the meeting of the Council held on February 4th having been circulated and approved, they were signed by H.E. The Governor.

Papers

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid upon the table the following papers:

By-law made under section 16 of the Public Health and Buildings Ordinance, 1903, and published in the *Government Gazette* of January 5th, 1926.

Resolution of the Legislative Council under the provisions of section 7 of the Tramway Ordinance, 1902, on the 4th day of February, 1926, and published in the *Government Gazette* of February 5th, 1926.

Rules made by the Registrar of Patents under section 11 of the Registration of United Kingdom Patents Ordinance, 1925, on January 20th, 1926, and published in the *Government Gazette* of February 5th, 1926.

Quarterly Report relating to the new Saiyingpun School.

Quarterly Report relating to the Fire Station building.

Jurors' List

THE COLONIAL SECRETARY, by command of H.E. The Governor, submitted the Jurors' List for 1926 and moved that it be considered by the committee of the whole Council at the conclusion of the present meeting.

THE ATTORNEY-GENERAL seconded, and the motion was agreed to.

Rates at Stanley

THE COLONIAL SECRETARY moved the following resolution which was standing on the agenda in his name:

"Resolved by the Legislative Council that the percentage on the valuation of tenements payable as rates for tenements in Stanley shall be $\frac{1}{2}$ per cent. as from the date fixed by H.E. The Governor for the coming into effect of this resolution, that is to say, the 1st day of April, 1926."

THE ATTORNEY-GENERAL seconded, and the motion was agreed to.

Refund of Rates

THE ATTORNEY-GENERAL—Sir, I beg to move the resolution standing on the agenda in my name, *viz.*:—

"Resolved that it is desirable that legislation be introduced, as a temporary measure of relief, in order to enable refunds of rates to be made in respect of vacant portions of tenements in certain cases."

To understand this resolution it is necessary to have some knowledge of the rating system in vogue under the present rating ordinance. As hon. members know, the rateable value of a house or tenement is the amount at which the tenement might be expected to be let. The Assessor arrives at this amount from information as to the actual rentals and from his own general knowledge of the house property in the Colony. On the amount of the rateable value so arrived at, the rates are calculated. The percentage is generally 13 per cent., but varies in different parts of the Colony. These rates are an occupation tax, and, that being so, provision is naturally made under the ordinance for refunds of rates on premises which have been vacant. The two principal conditions precedent to the right to a refund of rates are, first, that the whole tenement shall have been vacant during the whole of any given month, and, secondly, that the rates for that particular quarter shall have been paid in the first month of the quarter. Under the existing law the unit of rating is the whole house. A floor is not as a rule taken as a unit. For example, take houses in Des Voeux Road Central; they may be let out in three or four floors, but before the payer of the tax can ask for a refund the whole of the house must have been vacant during a whole month of the quarter. That works out quite fairly in ordinary times, because in making the assessment the Assessor is allowed to deduct from the total probable rental an allowance up to 20 per cent. for probable vacancies, and this is regularly done. That deduction in ordinary times is quite enough to relieve the payer of the tax from the burden he would otherwise have to bear if portions of his premises were vacant. But it has been impressed on the Government recently that in the present temporarily depressed condition of house property in certain parts of the Colony that rule works unfairly—or perhaps I should

say "hardly"—because, for various reasons, it happens in certain parts of the Colony that vacancies are very much more frequent, and last much longer, than in ordinary times. Some of the causes of this date back a considerable time. They began at the time of the land boom, when the house accommodation was far behind the demand. Land was bought and buildings were commenced in all parts of the Colony. For a long time building failed to catch up with the demand, but a year ago it was predicted by well-informed persons that the Colony would very soon be over-built. That result has now been reached and in certain new parts of the Colony two or three floors of a house may be vacant and only one let. When that is the case the owner still has to pay the interest on his mortgage and has also to pay rates on the whole house. In some cases he may have to pay out in rates a large proportion of the rent which he receives for the floor or floors occupied. Owners of that class of property, I believe, are feeling the pressure and would be glad of the relief by a more generous system of refunds which the present temporary measure would afford. The Government has not acted hastily in proposing to bring forward this legislation. The first request was made a good many months ago, but the Government was not then satisfied that a case had been made out for relief, but the Government is satisfied now. The form that relief is to take is that the Governor in Council shall have power to exercise it in cases in which he thinks fit. The measure has been put in its present wide form because it will afford a quick and easy method of arriving at a fair conclusion in the various circumstances that arise. The intention is that refunds of rates will be granted only if two or more floors of a tenement are vacant—not for a single floor, because, as I have explained, provision is made in the assessment for a certain amount of vacancy during the year, and that would cover the vacancy of one floor. But in cases where two or more floors are vacant the Government will be prepared to consider a refund of rates. It is not proposed to refund the total amount of the rates attributable to two or more floors, but only of any floor in excess of one. For example, if two floors are vacant the ratepayer will get a refund of rates for one floor only. This

relief will not be granted in respect of the month of January because it is quite impossible now to check any claims in respect of that month, but it will be possible to check for the present month, and also for March. It is impossible to say how long this relief will be required and no undertaking is given that it will be continued beyond the present quarter. If it is, owners of property should remember that the ordinary rule is that no claim to a refund can be considered unless the rates have been paid in the first month of the quarter, and any owner who may expect to claim in the second quarter should pay his rates in the first month of that quarter. There is only one other thing that I want to say, and that is that a notification of this decision will be given in the Press, and that applications for refunds should be sent to the Colonial Treasurer who will deal with them and report to the Governor in Council.

THE COLONIAL SECRETARY seconded the motion which was passed.

The Colony's Regulations and By-laws

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An

Ordinance to authorise the preparation of an edition of the regulations, rules and by-laws in force in the Colony on December 31st, 1925.

THE COLONIAL SECRETARY seconded.

The second reading having been passed, the Council, on the motion of the Attorney-General, resolved itself into Committee to consider the Bill clause by clause.

No amendments were made and on the Council resuming, the Bill was read a third time and passed into law.

The Magistrates Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to amend the Magistrates Ordinance, 1890.

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

The Bill was afterwards taken through the Committee stage, read a third time and passed into law.