

Thursday, 21st November, 1946.

PRESENT:

HIS EXCELLENCY THE GOVERNOR (SIR MARK AITCHISON YOUNG, G.C.M.G.).

THE COLONIAL SECRETARY (HON. MR. R. R. TODD, *Acting*).

THE ATTORNEY GENERAL (HON. MR. G. E. STRICKLAND, *Acting*).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. T. MEGARRY, *Acting*).

THE FINANCIAL SECRETARY (HON. MR. C.G.S. FOLLOWS, C.M.G., *Acting*).

HON. DR. P. S. SELWYN-CLARKE, C.M.G., M.C., (Director of Medical Services).

HON. MR. T. M. HAZLERIGG, C.B.E., M.C.

HON. MR. V. KENNIFF (Director of Public Works).

HON. DR. J. P. FEHILY, O.B.E., (Acting Chairman, Urban Council).

HON. MR. CHAU TSUN-NIN, C.B.E.

HON. MR. LO MAN-KAM, C.B.E.

HON. MR. C. C. ROBERTS.

HON. MR. LEO D'ALMADA E CASTRO.

HON. MR. R. D. GILLESPIE.

HON. DR. CHAU SIK-NIN.

HON. MR. M. M. WATSON.

MR. D. R. HOLMES, M.B.E., M.C., (Deputy Clerk of Councils).

ABSENT: —

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS
(MAJOR-GENERAL F. W. FESTING, C.B., C.B.E., D.S.O.).

MINUTES.

The Minutes of the meeting of the Council held on 31st October, 1946, were confirmed.

OATHS.

The Hon. Mr. T. M. Hazlerigg, C.B.E., M.C., took the Oath of Allegiance and assumed his seat as a Member of the Council.

PAPERS.

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

Order made by the Acting Director of Supplies, Trade & Industry under Regulation 50 of the Defence Regulations, 1940, amending the Rationing Order, 1946, dated 17th September, 1946.

Order made by the Governor in Council under section 18 of the Quarantine and Prevention of Disease Ordinance, 1936, Ordinance No. 7 of 1936, declaring Wenchow an infected place, dated 20th September, 1946.

Amendment made by the Governor in Council under sections 25(4) and 42(1) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table M of the regulations, dated 25th September, 1946.

Amendment made by the Governor in Council under sections 25(4) and 42 of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table U of the regulations, dated 25th September, 1946.

The Price Control (Hotel Services) Regulations, 1946, made by the Governor under Section 2(1) of the Supplies and Services (Transitional Powers) Act, 1945, as applied to this Colony by the Supplies and Services (Transitional Powers) (Colonies etc.) Order in Council, 1946, dated 19th September, 1946,

Additional items added by the Acting Director of Supplies, Trade and Industry under Defence Regulation 50 of the Defence Regulations, 1940, to the Schedule to the Price Control Order, 1946, dated 27th September, 1946.

QUESTIONS:

The HON. Mr. M. K. LO asked:

With reference to the concluding paragraph of His Excellency the Governor's address delivered in the Legislative Council on the 16th May, 1946 in regard to the Housing Problem, reading as follows: —

"I can assure the Council that both it and the general public will be kept fully informed by the Government of the progress which we are able to make in this important matter, of the difficulties which we encounter, and, I hope, of our success in overcoming those difficulties"—

Will Government make a statement by way of information to this Council and the public in respect of the matters mentioned by His Excellency?

The COLONIAL SECRETARY replied:

1. Generally speaking it may be said that many of the difficulties which existed at the time when the Building Reconstruction Advisory Committee was conducting its deliberations have been resolved. Materials for building construction are now available in the Colony in increased quantities, additional staff and transport vehicles have arrived and are still arriving and there are signs that the community has begun, in spite of high prices, to repair and rehabilitate.

2. Private enterprise has carried out a considerable amount of repair work, and the Buildings Ordinance Office has received the following applications for permits for the reinstatement of old buildings and for new buildings:

June	108
July	151
August	256
September.....	191
October	224

These figures do not include a large volume of minor repairs to damaged buildings which do not require the issue of permits.

3. There is still a reluctance on the part of landlords to build at the present high costs, and a tendency to wait in the hope that costs will come down. Although present costs are high, on account of the shortage of supplies, high wages and profiteering by certain sections of the community, it should be clear from the experience gained after the first World War that prices are unlikely to fall very much for several years.

4. Apart from the question of prices, there has been a real shortage of certain building materials. Some of these are now plentiful, for instance cement, sand, stone, timber, glass and electric supplies. The chief shortages at present are in respect of steel bars and plumbing materials, and as these are world-wide shortages Government has been unable materially to increase the quantities imported. Government has been able, however, to assist by the sponsorship and early shipment of considerable amounts of such

materials as galvanised iron piping and window glass of good quality, and has arranged priority for equipment for the rehabilitation of the electricity supply companies. It has also been possible to release certain materials from Government Stores for private rebuilding work, such as steel window sections for the local manufacture of steel windows, glass, iron water-piping, hardwoods and asphalt.

5. Government's proposal to co-ordinate all orders for building materials has been discussed at length with the General Chamber of Commerce, and on the advice of the Chamber it has been decided that it is preferable to leave such importation to private enterprise without Government control.

6. To facilitate and encourage repair of houses in the Mount Cameron Area, Government has installed an emergency electricity generating plant which serves this district.

7. It is only recently that significant quantities of new transport vehicles of all types have arrived in the Colony and the supply is still insufficient to meet all demands.

8. Since May 20 senior and 19 subordinate members of the technical staff of the Public Works Department have reported for duty. The Department is, however, still short of 25 senior and 30 subordinate members and is thus hampered in its work.

9. As regards the housing of Government servants, Government has repaired, where possible, existing quarters, of which 144 flats or houses are now occupied, with another 39 in progress of repair. Such repairs have been done on an austerity standard. A comprehensive programme of rebuilding on sites of demolished quarters has also been adopted, the first portion of which will be the erection of three nine-storey blocks of flats at Leighton Hill to accommodate 51 families.

10. Government invited property owners, by a notice in the Press on the 25th June, to notify the Director of Building Rehabilitation of their plans and difficulties. Only five applications were made in response to this invitation, four for financial assistance and one in connection with property demolished by the Japanese in the extension of Kai Tak airfield. In one case a loan has been arranged with the Banks. No applications have been received in consequence of Government's offer, made on the 19th July in reply to a question in this Council, to consider the reconstruction of demolished properties on behalf of the owners.

11. In order to expedite the erection of new Buildings Government proposes to enquire from the owners of certain destroyed properties as to what their intentions are in the matter of rebuilding. If it transpires that an owner has no plans Government will consider whether the land should be resumed and sold under a new building covenant.

MOTIONS.

The COLONIAL SECRETARY moved:

"That this Council approves the gift to Lingnan University, Canton, of \$20,000 as a token of gratitude for the assistance given to students from Hong Kong who were admitted to the University during the Pacific War."

He said: Your Excellency, I rise to move the Resolution standing in my name. The suggestion that a grant of \$20,000, be made to Lingnan University, Canton, was made in the first instance in a letter addressed to Government by all the Unofficial Members of this Council. Government welcomed the suggestion as one which, if implemented, would serve to strengthen the very close ties which already exist between Lingnan University and Hong Kong. While in present circumstances any financial assistance which this Government can give is necessarily limited, Government gladly supports the proposal to make this gift in the knowledge that it will be deeply appreciated as a gesture of friendship and sympathy for an institution which suffered grievously during the years of the Sino-Japanese war and which is still faced with many serious difficulties.

The HON. MR. M. K. LO said: Your Excellency, As my Honourable friend, the Colonial Secretary has indicated, the resolution now before this Council is the happy result of a unanimous request to Government by the Unofficial Members of the Executive and Legislative Councils. My Unofficial colleagues have done me the honour of asking me to second this resolution---no doubt because, knowing that I am a member of the Board of Directors of the Lingnan University, they wish to give me this pleasure. In so doing I desire on their behalf, as well as on my own, first to express our appreciation to Government for acceding to our request, and, secondly, to explain shortly the reasons which prompted us to make that request.

The Lingnan University, one of the best known in China, has very special and close ties with Hong Kong. Prior to the war, on account of the Japanese occupation of Canton, the Lingnan moved down to Hong Kong and the Hong Kong University was able to render Lingnan all the assistance necessary for the maintenance of the Lingnan as a University in the Colony. I know how much this was appreciated by Lingnan.

When the Japanese occupied the Colony the Lingnan was able to get away in time and, established in its temporary home in Free China, Lingnan was happy to be able to reciprocate the Hong Kong help by extending material assistance to the Hong Kong University students in Lingnan in China. I should like to quote a few sentences from a letter which I have recently received from Bishop Hall, who had first-hand knowledge of Lingnan help during the

Japanese occupation of the Colony.

'One thing interested me during the war. It was that nearly all the senior students seemed to be Hong Kong University students. I had a class of 14 studying the Beveridge plan and Social Reconstruction generally. They were all Hong Kong University students. I also had a meeting with 35 students of our Church. I asked how many of them had parents in Hong Kong at that time and 34 put up their hands. That was in 1943. My impression is that Lingnan University did an enormous lot for Hong Kong students during the war.'

The Bishop also points out that many of Lingnan students are the children of Hong Kong residents.

The Lingnan is controlled by a Board of Directors of which the Chairman is Dr. Sun Fo, and of which four, including Bishop Hall, are residents of the Colony. It has branch middle and primary schools in various places, including the Lingnan School in Stubbs Road, which to my personal knowledge has been in existence for over 20 years.

Its President, Dr. Li Ying-lam, has consistently striven to promote international friendship and understanding in general, and Sino-British-American friendship and understanding in particular, and this applies not only to the President but to all the professorial staff.

The Lingnan welcomes the exchange of professors between Hong Kong and Canton, and Hon. Members may be interested to know that the lectures which Bishop Hall and Professor R. Robertson now give regularly at the Lingnan are tremendously appreciated by the students.

If you will allow me to say so, Sir, your recent visit to Lingnan, on the occasion of your official visit to Canton, has given unbounded satisfaction to all concerned.

Amidst all the turmoil and unrest, heated recriminations and blaring propaganda which characterises the post-war world, people of goodwill everywhere—and they happily constitute the majority—yearned passionately for mutual understanding, for international friendship, for peace. It seems to us that there can scarcely be a more suitable ground on which to nurture the precious plant of international understanding than Lingnan, with its serene academic atmosphere, its cloistered walks and spacious grounds, away from the passion and strife of man: with its President and gifted professorial staff, all equipped with a balanced sense of historical perspective and conscious of their high mission to inculcate in the minds of the students a right conception of life and civilisation, on which genuine international understanding must depend: and with its one thousand students, many the sons and daughters of China's leaders of to-day, and all potential China's leaders of tomorrow,

ready to absorb what there is to learn at Lingnan both in academic studies and in the consideration of everyday problems.

Depending, as it does, on financial support from America, England and elsewhere, Lingnan, like many an educational institution in the world, may have its own financial problems to solve. We are aware, that the donation which is the subject of the resolution now before us, can exercise no effect in the solution of such a problem. We urge that donation, which we trust will not be the last, merely as a gesture of the Colony's goodwill and of the Colony's desire for ever-increasing Sino-British friendship and understanding. We hope that the donation will be like a tiny drop in a stream which will flow irresistibly onwards, over all temporary obstructions, into the wide open sea of that friendship and understanding.

It is because we believe that the donation, so utterly insignificant from the material point of view, will be accepted wholly in the spirit in which it is tendered, that we have made the unanimous request to Government: it is because of the feelings we entertain, to which I have so inadequately---and I fear so clumsily---given expression, that we are so much gratified by Government's ready response to our request. Sir. I have the honour to second the Resolution.

H.E. The GOVERNOR: Honourable Members, it gives me very great pleasure to be in a position to put this motion to Council and to congratulate the Unofficial Members for having brought forward this suggestion, which is, I am sure, so welcome to us all. There is nothing that I can say or attempt to say in amplification of the very eloquent words which the seconder of this motion has just uttered, nor will I do more than confirm what my honourable friend, the Colonial Secretary, said in moving the motion, that it is a matter of great satisfaction to the Government to sponsor it and support it, and I hope that this contribution which this Council, I know, is going gladly to vote will be taken as a token not only of our gratitude to Lingnan University, but of our abiding friendship and goodwill. Honourable Members, I put to the Council the question before it in the motion moved by the Honourable Colonial Secretary and seconded by the Honourable Mr. M. K. Lo.

The motion was put to the meeting and carried unanimously.

RULES MADE BY THE CHIEF JUSTICE.

The ATTORNEY GENERAL moved—"That the rules dated the 9th day of November, 1946, made by the Chief Justice under section 32 of the Supreme Court Ordinance, 1873, Ordinance No. 3 of 1873, be approved." He said: These Rules have been circulated to Honourable Members and Honourable Members are also in possession of a memorandum prepared by the Law Society. That memorandum shows that salaries have increased by at least 100

per cent and that other items have increased sometimes by more than that percentage, in fact I think in practically every case, by more than 100 per cent. Rule (1) sanctions an increase of 66.2/3 per cent. in any costs or fees of a solicitor, 33.1/3 per cent. of that increase ceases automatically on 31st December, 1947. The Chief Justice was naturally anxious that the cost in litigation should not be increased more than is absolutely necessary and he has therefore in the first place not allowed the full 100 per cent which was asked for by the Law Society and he has also by these Rules provided that after December 1947, only 33.1/3 per cent increase shall prevail. I do not think I need direct the attention of Honourable Members to Rule 2 or Rule 3.

The COLONIAL SECRETARY seconded and the motion was carried.

HONG KONG POLICE RESERVE AMENDMENT BILL, 1946.

The ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Hong Kong Police reserve Ordinance, 1927." He said: I would like to make a few observations in addition to the Objects and Reasons. In the first place I would like to take this opportunity of saying that Government recognises the magnificent services rendered by the Reserve during the Japanese attack on the Colony. I should like to say also that the question of ex gratia payments to members of the Reserve in respect of the period during which they were not serving as members of the Reserve is being considered by a Committee which is considering also the claims of other Civil Defence Services. This Bill is merely concerned with making the Law conform in express terms with the facts. What were the facts On the 1st January 1942? The facts were that you, Sir, the Governor of this Colony, were, after a noble defence, in the hands of the Japanese and no longer a free agent. It was certainly no longer possible for you to act as the Governor of the Colony and in those circumstances the Commissioner very properly in my opinion took it upon himself to disband the Reserve. Indeed it is difficult to see how the Reserve could even in law continue when the very basis of its existence depended on the action of the Governor and the Commissioner functioning as free agents under the normal law of the Colony. It is now necessary to reconstitute the Reserve and the Commissioner has already proceeded to enrol new Reservists. Naturally some of the old Reservists are getting on in years and moreover a much smaller force is now required. It is clearly not possible therefore to enrol all old Reservists, even if they themselves were willing to be re-enrolled.

The COLONIAL SECRETARY seconded, and the Bill was read a First time.

Objects and Reasons.

1. In 1941 the Police Reserve consisted of 1403 members, having more than doubled its strength since 1937. It is now proposed that the Reserve should not exceed 700 which the Commissioner considers better suited to present requirements and 200 have been selected as suitable for enrolment.

2. In law however a member of the Reserve can only cease to be so by resignation or dismissal or by being invalided out of the Reserve (Section 16 of the Principal Ordinance).

3. It would have been impractical to attempt to reduce the Reserve in the normal manner, and the Commissioner has not attempted to do so. Clause 3 of the Bill accordingly provides that members of the old Force are to be deemed to have ceased to be members of the Reserve on the 1st of January, 1942. This date has been selected because on the 31st of December, 1941, the Commissioner informed the Reserve that it was disbanded.

4. On the 29th of May, 1946, the Commissioner called for recruits. Among those who came forward were previous members of the Force and if these were suitable they were re-enrolled. By Clause 4 of the Bill such persons become members of the Reserve from the date of their re-enrolment.

5. The purported disbanding of the Reserve by the Commissioner was in law inoperative to effect the termination of the active service of the Reserve which requires a Proclamation by the Governor. That was not in the circumstances feasible. It is however clearly desirable to make termination of active service date from such disbanding. This is effected by Clause 6 of the Bill.

6. The present law permits only of termination of service by the Governor or Commissioner by dismissal which expression carries an imputation of misconduct. Occasions may often arise, where as a result of matters beyond a member's control his efficiency is so impaired as to render him unable to carry out his duties and Clause 7 of the Bill permits of compulsory retirement in such cases.

MERCHANT SHIPPING AMENDMENT BILL, 1946.

The ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Merchant Shipping Ordinance, 1899." He said: As stated in the Objects and Reasons, the object of this Bill is to make it possible for severer penalties to be imposed for offences against the Merchant Shipping Ordinance

and the Regulations made thereunder. The offences selected are those the prevalence of which the Harbour Master reports to be abnormal. In the case of breach of Regulations the maximum has necessarily been increased generally as it would be impracticable to select only those Regulations which are most frequently contravened. In view of the comprehensive nature of the Schedule and the Objects and Reasons it is unnecessary to add any further explanations to them

The COLONIAL SECRETARY seconded and the Bill was read a First time.

Objects and Reasons.

1. The Harbour Master finds there is an increase in the number of infringements of certain provisions of the Merchant Shipping Ordinance, 1899, and Regulations made thereunder. The imposition of maximum fines has not served to prevent recurring breaches of the law.

2. Clause 2 of the Bill is intended to permit of greater penalties being imposed for offences the prevalence of which is abnormal. The increases range from twice to four times the present maximum fines.

In the case of two offences for carrying excess passengers which in addition to being remunerative to the offender might endanger the safety of the passengers, the additional sanction of six months imprisonment has been imposed. Similarly in the case of a seaman wilfully remaining in the Colony after the departure of his ship where a fine is not a great deterrent the alternative penalty of one month's imprisonment has been increased to three months.

3. The following is a Schedule of offences showing the present penalties and the proposed penalties: —

Nature of Offence	Present Penalty	Proposed Penalty
Sec. 5, 7(b): — Seaman remaining in the Colony after the departure of his ship.	\$25. — 1 month imprisonment.	\$100. — 3 months imprisonment.
Sec. 10, 25: — Passenger ship within the waters of the Colony, carrying excess passengers.	\$200. —AND \$5. —for every excess passenger.	\$500—AND \$25. —for every excess passenger, and six months imprisonment.

Nature of Offence	Present Penalty	Proposed Penalty
Sec. 26, 1: — Miscellaneous offences in the waters of the Colony, including landing passengers illegally.	\$50. —OR 2 months imprisonment.	\$200. —OR 2 months imprisonment.
Sec. 38, 3: — River passenger steamer entering or leaving waters of the Colony carrying excess passengers.	\$250. —AND \$5. —for every excess passenger.	\$500. —AND \$25. —for every excess passenger, and six months imprisonment.
Sec. 39, 3: — Failure to take out a licence for a vessel.	\$100. —OR 3 months imprisonment.	\$200. —OR 3 months imprisonment.
Sec. 39, 5: — Failure to paint or brand licence number on a Trading Junk.	\$200. —	\$500. —
Sec. 39, 6: — Failure to paint or brand licence number on a Fishing Junk.	\$100. —	\$200. —
Sec. 39, 7: — Failure to paint or brand licence number on any other vessel.	\$100. —	\$200. —
Sec. 39, 19: — Disobeying lawful orders of the Harbour Master.	\$100. —	\$500. —
Sec. 39, 25: — Notification of arrival and departure of vessel.	\$200. —OR 6 months imprisonment.	\$500. —OR 6 months imprisonment.
Sec. 39, 26: — Vessels leaving without clearance permit and at night.	\$200. —OR 6 months imprisonment.	\$500. —OR 6 months imprisonment.
Sec. 41, 4: — Penalty where no penalty specifically provided for an offence.	\$200. —	\$500. —
Sec. 42, 2: — Penalties which may be applied to offences created by Regulations made by the Governor in Council.	\$200.—OR 6 months imprisonment.	\$500. —OR 6 months imprisonment.

**TALLYCLERKS, (LICENSING)
BILL, 1946.**

The ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to provide for the licensing of Tallyclerks." He said: As stated in paragraph 2 of the Objects and Reasons a Committee was set up to consider what kind of measures should be taken against pilferage in the harbour and one recommendation of the Committee was that an Ordinance should be passed providing for the licensing of Tallyclerks, approved by the Sworn Measurers. Sworn Measurers are responsible persons appointed by the Far Eastern Trade Conference and are charged with important duties in connection with the estimation and weighing of cargo in respect of which matters they give certificates. And in course of their duties they have occasion to employ tallymen and to form an opinion as to their reliability. Although the position of Tallyclerks is one of considerable trust it appears to be a fairly universal custom of the port that the ships' Tallyclerks should be engaged by the stevedore responsible for discharging the ship, that is, by the very person upon whom they should be providing a check. Moreover all Tallyclerks irrespective of whether they are employed by the ship or by the wharf companies or other receivers of goods, are members of the same guild and this increases the chances of collusion. Apart from collusion there appears to have been a number of cases where tallymen were intimidated and goods unloaded over the side of a ship without proper check. In these circumstances it seemed clear that unless tallymen were carefully selected the tally system might break down altogether. In those circumstances the Committee made their recommendations of this Bill. I would like to make a correction with regard to paragraph 3 in the Objects and Reasons. It is there stated that the system will tend to ensure that undesirable persons are not employed in this responsible work and the possibility of the licence being cancelled or suspended in case of misconduct will provide a sanction. I do not want it to be said hereafter by reason of having referred specially to misconduct and not having referred to neglect or any other reason that it is intended thereby to cut down the grounds upon which a licence might be cancelled or suspended. It is not so cut down in clause 4 of the Bill and there is a provision for appeal to the Governor-in-Council. I make this correction so that it may not in the future be made a ground for an appeal that in the Objects and Reasons it was stated that it should be suspended and cancelled in case of misconduct.

The COLONIAL SECRETARY seconded and the Bill was read a First time.

Objects and Reasons.

1. The purpose of this measure is to provide a check on tallyclerks engaged in tallying cargo in and out of vessels of over 60 registered tons.

2. Owing to the very great amount of cargo which is being lost through pifering; a committee was set up to consider what counter measures could be taken. One of the recommendations of the committee was that an Ordinance should be passed providing for the licensing of tallyclerks approved by the Sworn Measurers.

3. Sections 3 and 4 carry this recommendation into effect by providing for licences to be issued by the Superintendent of Imports and Exports acting on a certificate by a Sworn Measurer. This system will tend to ensure that undesirable persons are not employed in this responsible work and the possibility of the licence being cancelled, or suspended in case of misconduct will provide a sanction.

4. Penalties are provided for working as a tallyclerk without a licence, employing an unlicensed tallyclerk and failing to produce a licence for inspection upon request.

5. It is considered that circumstances may arise when the enforcement of the Ordinance might unduly delay shipping and vital supplies. Clause 8 accordingly gives the Governor in Council power to suspend the operation of the Ordinance and to grant exemption.

6. The Ordinance is limited to tallying between ship and godown and to ships over 60 registered tons.

SUMMARY OFFENCES AMENDMENT BILL, 1946.

The ATTORNEY GENERAL moved the First reading of an Ordinance intituled "An Ordinance to amend the Summary Offences Ordinance, 1932." He said: This Bill was foreshadowed when I moved the Second reading of the Arms and Ammunition (Amendment) Ordinance, 1946. I do not think it is necessary for me to add much to what I have already stated in the Objects and Reasons which are very fully set out. I may add that Government has given careful consideration to this Bill and has attempted to limit the scope of the Bill to what is reasonable and practicable. In order to do so it was necessary in view of the difficulty of defining with precision an imitation firearm to vest discretionary powers in the Executive and precisely in the Attorney General in respect of prosecutions and in the Commissioner of Police as regards initiating proceedings for forfeiture before the Court. Your attention is directed to the statement in the third paragraph in the Objects and Reasons that the intention is to take action where the imitation firearm might reasonably be mistaken for the real thing.

The COLONIAL SECRETARY seconded and the Bill was read a First time.

Objects and Reasons.

1. The objects of this Bill, which provides for the incorporation into the Summary Offences Ordinance, 1932, of a new section relating to the importation and possession of imitation firearms, are (a) to make it an offence to import an imitation firearm or for anyone over fourteen to be in possession of such a firearm; and (b) to enable such firearms to be destroyed irrespective of whether an offence has been committed.

2. Imitation firearms have been used in the commission of robberies and recently certain manufacturers have been making toy pistols which have every appearance of being a lethal weapon. One large cargo of these weapons was recently imported into the Colony and it is feared that if this measure does not become law more will be imported.

3. The measure may inflict hardship on those importers who have already agreed to accept delivery of imitation firearms of a realistic pattern. This hardship is necessary in the public interest as these weapons cannot be permitted to fall into the wrong hands, and subsection (3) provides for forfeiture even where no offence has been committed. As the definition of "import" does not include an act committed before the commencement of this Ordinance they will not commit an offence unless they remain in possession. They will, however, be required to submit to destruction of the cargo as it would not be an act of comity to allow the weapons to be imported elsewhere. It should also be noted that prosecution may not be commenced without the consent of the Attorney General, which provides an additional safeguard against the prosecution of persons who may import or possess firearms which they honestly considered did not have the appearance of a lethal weapon but which, nevertheless falls within the definition. In other words, the intention is to proceed where the imitation firearm might reasonably be mistaken for the real thing. The words "in daylight" have been inserted in the definition, of imitation firearm not because robberies do not take place at night but because it is considered that it would be an almost impossible task for a magistrate to consider whether a weapon which did not appear to be lethal in daylight might have that appearance at night.

4. Juveniles may also have to be deprived of these weapons if they are sufficiently realistic but possession by a juvenile is not an offence and, as forfeiture cannot be ordered except on the written request of the Commissioner of Police, juveniles will not be prejudiced more than public interest demands.

MEALS AND INTOXICATING LIQUORS TAX BILL, 1946.

The ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to impose a tax in respect of meals and intoxicating liquors sold in certain establishments." He said: This Bill comes forward on the recommendation of the Taxation Committee whose ingenuity has suggested a. Tax on what might be termed luxury meals. This tax, which is new to Hong Kong but which I understand has been successfully imposed and collected in Canton, is a tax of 10 per cent. on all meals sold and consumed in restaurants and eating houses, costing more than \$5. It will be observed that in the interpretation given to "meals" and "food" by clause 2 of the Bill non-intoxicating liquors consumed at the meal are considered part of the meal. As non-intoxicating liquor consumed elsewhere is not subject to tax this may appear a little illogical. On the other hand such beverages as tomato juice and cocktails are often served as part of a meal and the distinction between a liquid and a solid or whether a beverage is served as part of a meal or not is often so nice a distinction (in the Shakespearean sense) as to counsel a definition of "food" which includes non-intoxicating liquor. A tax of 100 per cent is also imposed on intoxicating liquor consumed on licensed premises. This tax is a distinct tax and a separate bill will be presented for all intoxicating liquor consumed at a meal. On the other hand the cost of the intoxicating liquor does not for the purpose of the Ordinance go to swell the cost of the meal. I think that with this added explanation the Objects and Reasons suffice to explain the Bill.

I would like to correct one mistake in the second paragraph in the Objects and Reasons. In line 2, the word "under" should be deleted and the words "not more than" inserted in its place. That is made clear further down in the same paragraph where it is stated that meals exempted from tax are meals costing \$5 or less.

The COLONIAL SECRETARY seconded and the Bill was read a First time.

Objects and Reasons.

1. The object of this Bill is to raise necessary revenue by the imposition of a tax of ten per centum on meals in restaurants and eating houses and on intoxicating liquors sold on licensed premises.

2. The provisos in Clauses 3 and 4 exempt all meals the total cost of which is under five dollars per head from the tax and also meals and intoxicating liquor served and consumed in the room of a bona fide hotel resident. The object of exempting from tax meals costing five dollars or less is to keep down the cost of living of the poorer inhabitant. The fact that at the present time a considerable number of persons are forced to live in hotels because no other accommodation is available has influenced the other exemptions.

3. Clause 5 provides for the tax to be computed to the nearest ten cents. This is for convenience and avoids complications in the collection of the tax.

4. Clause 6 empowers the Legislative Council by resolution to vary or suspend the tax. The word "suspend" has been substituted for the word "abolish" in Section 3 (2) of the Entertainments Tax Ordinance, 1930, for the reason that, as this Bill provides for only one form of tax, its abolition can only be achieved by its repeal. The word "suspend" has therefore been used to permit the Legislative Council to grant such exemptions from the operation of the Bill as it thinks fit.

5. Clause 9 (2) gives a Magistrate discretion to suspend or revoke a licence. It is thought that this power is a necessary deterrent against evasion of the tax.

6. As most of the proprietors of the various establishments mentioned in the Bill are limited companies, Clause 10 has been inserted to ensure stricter compliance with the Bill.

7. Clause 11 is thought necessary to preclude certain defences which may be raised by licence holders.

8. A comparative table has been omitted. The Bill follows closely the Entertainments Tax Ordinance, 1930. The definitions contained in Clause 2 of the Bill have been modelled on those contained in the Dutiable Commodities Ordinance, 1931, and the Public Health (Food) Ordinance, 1935. Modifications have been made in the case of "food" and "intoxicating liquors". The definition of meal is new.

ADJOURNMENT.

H.E. The GOVERNOR: Council is now adjourned until Thursday, 28th November, 1946.