

23RD MARCH, 1911.

PRESENT:—

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

HIS EXCELLENCY THE GENERAL OFFICER
COMMANDING THE TROOPS (MAJOR-GENERAL C.
A. ANDERSON, C.B.).

HON. MR. C. CLEMENTI (Colonial
Secretary).

HON. MR. W. REES DAVIES, K.C.
(Attorney-General)

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

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

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

HON. CAPTAIN F. W. LYONS (Captain
Superintendent of Police).

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

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

HON. MR. E. A. HEWETT

HON. MR. E. OSBORNE.

HON. MR. KESWICK

MR. R. H. CROFTON (Clerk of Councils)

Minutes

The minutes of the last meeting were read
and confirmed.

Financial Minutes

THE COLONIAL SECRETARY, By
command of His Excellency the Governor,
laid on the table Financial Minutes (Nos. 21
and 22), and moved that they be referred to
the Finance Committee.

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

Financial

THE COLONIAL SECRETARY, by
command of His Excellency the Governor,
laid on the table the report of the Finance
Committee (No. 4), and moved its adoption.

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

The Liquor Duties

HON. DR. HO KAI—Sir, in moving the
resolution which stands in my name, I think I
need detain the Council but for a very few
minutes. The principle which prompted me in
moving an amendment to the scale of
increased duty on native wines and spirits
was stated by me at the last Council meeting,
and to-day I have only to re-state the
principle with a few explanatory remarks
before I formally move the resolution. The
principle which I stated at the last meeting I
still maintain, namely, that in taxation we
should, as far as possible, so arrange matters
that all people should contribute a just
proportion in accordance with their means,
and that the burden should not fall more
heavily on one particular section of the
community, whether European, Chinese or
otherwise, than on another. The last time, it is
true, I stated that principle in different words,
and I am very sorry indeed that I gave rise to
some misunderstanding. The hon. member on
my right, who represents the Chamber of
Commerce, took my words to mean that the
liquor duty falls much more heavily upon the
Chinese than upon the Europeans, and your
Excellency took the same view. I may state
that I never intended to make such a
contention. It is self-evident to every member
of this Council and to the public that the
Chinese, having a preponderance of numbers,
must in every form of taxation bear a heavier
share of that taxation. In the case of European
wines and spirits it has been estimated that, if
not more than half, quite one-half is
consumed by Chinese. So that I could not in
face of these facts complain that the increased
tax fell heavily upon the Chinese and lightly
upon the European community, what I did
contend was that, irrespective of race, in any
community the principle must be in any form
of taxation that a proportionate share should
be contributed by each section of that
community in proportion to its means. If the
Government had increased the duty on beer
from 24 to 48 cents per gallon that would
have called forth as emphatic a protest from
me as on this occasion. I would have moved
that in consideration of the poorer and
labouring classes of the European community

consuming beer with their meals—it is part of their food, I may say—that they should not be taxed to such an extent. If it is necessary to increase the duty to any considerable extent for the purpose of raising revenue, let that burden fall more heavily on the richer classes of the community. I hope I have made my meaning clear. In moving this resolution I am only asking the Government to do the same justice, to extend the same consideration to the poorer and labouring classes of the Chinese community as they have done towards the labouring and poorer classes of the European community. In the one case they have considered it unwise or impolitic to impose any increase whatsoever, but in the other they have actually doubled the duty. Now, Sir, there is only one explanation possible. It cannot be assumed that the Government would make any distinction between the poorer classes of the Chinese and the poorer classes of the European community. I know there is nothing further from the minds of the Government. The only explanation I can think of is that it may be assumed that in the original Tariff Chinese liquor—samsha—has been let off too lightly. But I would remind you, Sir, and the members of this Council present, that the old Tariff was very carefully gone into and considered by the Government before it was passed. It also received very considerable consideration from the unofficial members of this Council in meeting assembled, and it seems to me it would be a lame excuse to now turn round and say that formerly we let the samshu off very lightly, and that now we must increase the duty by 100 per cent. At the last meeting it was stated that beer was taken by Europeans with meals. At that time I interrupted your Excellency with an explanation which you kindly accepted. I may further assure your Excellency that not only do the Chinese take samshu with their meals but they consume very little of it without meals. They may take beer, or porter, or whisky out of meal time, but so far as I know from my own experience it is very seldom indeed that a Chinese will take samshu in any quantity out of meal time. Therefore, Sir, while beer can be taken as the food of the poorer classes of Europeans—it is taken as part of their meals—it is just as necessary for the labouring classes of Chinese to have

samshu with their meals. I am only asking this honourable Council and the Government to extend to the poorer classes of the Chinese population the same consideration as is shown to corresponding classes in the European community. I am relying upon the enlightened policy of the Government and the enlightened views of this honourable Council to make the reduction a fair one, if not in the terms of my resolution. Perhaps, Sir, it would not waste the Council's time if I referred you to a few figures which might explain matters better than I can in words. According to the Colonial Secretary the actual sum collected during 1910 was \$443,900, say, \$444,000, but of that I think it is admitted that over 60 per cent. is derived from Chinese liquor, and only 40 per cent. from European wine. If you divide it up in the same proportion you will find that a sum of \$170,000 old out of \$443,000 is derived from European and the rest from Chinese liquor. Now, the increase on European wine consumed by all nationalities comes to only \$47,000, an increase of about 26 per cent. On Chinese liquors there is an increase of \$25,000, something like 95 or 96 per cent. If that \$250,000 was largely borne by the better class of Chinese, then there might be no reason to oppose it, but more than half of it would fall upon the poorer classes. Since this is the case, I, as representing the Chinese on this Council, and my hon. colleague opposite, feel ourselves strongly called upon to oppose the new tariff, and to ask the Government for a revision in order to give the poorer classes of the Chinese fair-play in this new scheme of liquor taxation. With these few remarks, I beg to move the following resolution:—

"Resolved that the Resolution proposed by the Honourable the Colonial Secretary and passed by the Council at its last meeting held on the 16th day of March, 1911, relating to the duty leviable upon intoxicating liquors be amended by substituting 20 cents for 30 cents in paragraph (a) and 30 cents for 40 cents in paragraph (b) thereof."

The increase in (a) is five cents, or 33 per cent., while in the case of (b) there is an increase of five cents, or a little less than 20 per cent. These are the liquors which are mostly consumed by the lower classes.

HON. MR. WEI YUK—I beg to second the resolution.

HON. MR. HEWETT—Your Excellency, as I spoke on this question at the last meeting, I have very few words to add to what I said last week. The only valid reason so far as I can understand, and to my mind it is not convincing, which induced my hon. and learned friend the senior unofficial member to speak against the proposed tariff has now fallen to the ground, because, as he explained, I misunderstood what he said. The hon. and learned member has gone very carefully into statistics and into the increased proportion of taxation per head of the Chinese as opposed to the European. I do not propose to follow him into the figures, because statistics can be twisted round, and we all know that. The point I made last week, and which I reiterate, is: Is the taxation unfair to the poorer classes of Chinese as opposed to the poorer classes of the European? The taxation on beer is 24 cents per gallon. Beer is imported either in bottle or in wood, and it is drunk in the same condition as it is imported. It is not watered down at all, and contains, roughly, 6 per cent. of alcohol. But the increased taxation which the Government now proposes on the lowest grades of Chinese liquor is based on its alcoholic strength of 25 per cent., going up to 55 per cent. We know perfectly well that Chinese do not drink their liquor at that strength. At the very most it is 15 or 17 per cent., and that is probably very exceptional. The lower classes will water their liquor down and probably drink it at a much lower strength. The proportion of increase therefore in the taxation now proposed is not as inequitable as the hon. and learned member wishes us to believe. When the original tariff was drawn up two years ago this was entirely a new departure, and neither the Government nor any one here knew exactly what the effect of the regulations would be. We estimated that it would bring in more revenue than it has done. However, that is no argument. On the new departure a certain scale was adopted as being comparatively equitable. Two years have passed since then and the Government by very carefully watching the whole of the trade has drawn up a new tariff which is objected to by the senior unofficial members. I trust that the objection begins and ends with those hon. gentlemen. It appears to me after the Government's care in drawing up that new scale that the tariff put before us at the last meeting will be carried.

THE COLONIAL SECRETARY—Sir, I regret to state that the Government is unable to accept the resolution proposed and seconded by my hon. friends who represent the Chinese Community in this Council. In 1910 the actual duty-paid figures for the two classes of liquor to which this resolution relates were as follows:—Class A (25 per cent. of alcohol), Imported, 1,020,047 gallons; Locally distilled, 529,817 gallons; a total of 1,549,864 gallons, upon which \$232,479 were paid in duty. Class B (35 per cent. of alcohol), Imported, 10,670 gallons; Locally distilled, 2,260 gallons; total, 12,930 gallons, upon which \$2,586 were paid in duty. If my hon. friend's resolution were adopted, then (supposing the number of gallons to remain constant) Mr. Tratman estimates that we should get from these classes only \$78,000 per annum, or \$62,000 as from the 16th instant; and, as the result, total additional revenue due to the revised tariff would in 1911 be \$122,000, instead of \$236,000. That is to say, the Government would lose \$114,000. We are not in a position, Sir, to forego so large a sum of revenue. Perhaps the Chinese members of Council do not realise the enormous preponderance of the liquors in Class A over other Chinese liquors consumed and paying duty in the Colony, and they may have been misled by the huge shipments of Mui Kwai Lo, Sz Kwok Kung and of all the wines in Class C which arrive here from Tientsin and other Northern Ports. But, as a fact, these strong spirits are for the most part re-exported. Thus, taking round numbers, in 1910 there were 414,000 gallons of such liquor re-exported as against 29,000 gallons consumed locally, whereas of Class A only 300,000 gallons were re-exported as against 1,550,000 gallons which paid duty in Hongkong. It must be borne in mind that no less than 20 per cent. of the revenue from Chinese wines in 1910 came from Class A, and that therefore no substantial increase of revenue can be attained without increasing the duty on this class. A comparison with the Singapore tariff shows that the Chinese in Hongkong get off very lightly by contrast with their friends in the Straits Settlements. At Singapore on all intoxicating liquor containing less than 40 per cent. of proof spirit (with the exception of ale,

beer, stout, porter, cider and perry) a minimum duty of \$1.00 per gallon is payable; and upon inquiry from the Colonial Secretary of the Straits Settlements in last December this Government was informed that in the Straits "there is no distinction as regards liability to duty between Chinese and other wine." Ale, beer, stout, porter, cider and perry pay in the Straits the same duty as in Hongkong, viz., 24 cents per gallon. It should also be noted, as was pointed out by the hon. member for the Chamber of Commerce, that beer has only $\frac{1}{4}$ to $\frac{1}{3}$ of the alcoholic strength of the liquors in Class A, and that it is therefore misleading to institute a comparison between Class A and the class of European liquors which is charged a duty of 24 cents per gallon. As regards the incidence of the liquor duties, the following figures, which have been worked out by Mr. Tratman, may be of interest to the Council. In 1910 (omitting the Army and Navy from the population and the rebates granted to them from the revenue) it appears that 13,000 non-Chinese contributed \$122,859 in liquor duties, or \$9.41 per head, whereas 323,000 Chinese contributed \$257,931 only, or \$0.80 per head. Thus, in 1910 the non-Chinese population paid from 11 to 12 times per head more than the Chinese. For 1911 the Army and Navy and the duty paid by them must be included in the figures. The population is, therefore, 323,000 Chinese as before, while the non-Chinese population becomes 18,000 instead of 13,000. The anticipated increases in 1911 owing to the new tariff (from revised figures supplied by Mr. Tratman) are \$37,000 on European and \$199,000 on native liquor. Thus, 18,000 non-Chinese are to contribute \$37,000 extra, or \$2.05 per head, whereas 323,000 Chinese will contribute \$199,000 extra, or \$0.61 per head. Each non-Chinese has, therefore, to contribute about three times as much as each Chinese to the extra revenue. Finally, I would remind the Council that one of the main reasons which compelled this Government to impose liquor duties was the decrease in our opium revenue. The entire opium revenue was paid by the Chinese community, and I think, therefore, that the representatives of that community have little cause to complain of an increase in the liquor tax which falls upon the non-Chinese community thrice as heavily as upon our Chinese fellow-citizens. (Applause.)

His EXCELLENCY — Gentlemen, — When I spoke at our last meeting on the subject of the proposed new liquor duties I ventured the opinion, subject to correction, that whereas beer and stout form part of the meal of a large class of the European community native wines and spirits do not form part of the meal of the corresponding class of Chinese. I was corrected, and I accepted the correction of the hon. and learned member on my right (Dr. Ho Kai), but, as has been pointed out by the two last speakers, the strength of samshu is very much greater than that of beer and stout. I want to make this point, at the risk of repetition, as clear as I can, since it has weighed very considerably with myself. The poorer class of the European community cannot afford as a rule to drink spirits with their meals. If they do they water them down very considerably. If Chinese drink samshu at the alcoholic strength at which it is taxed per gallon they will be drinking a liquor much stronger and more expensive than is drunk by the corresponding class of Europeans.

The whole system of taxation is based on alcoholic strength. If the Chinese drink at the same strength as beer and stout they will pay only 10 cents per gallon as against 24 cents on beer and stout. Whether or not the Chinese of the lower classes do water down their samshu to that alcoholic strength I am unable to say. But what I do wish to emphasise is that if they cannot afford 30 cents duty per gallon, they can water down their samshu to the same alcoholic strength as beer and stout and drink it then at a duty of ten cents per gallon. It appears to me therefore that samshu has been let off too lightly in the past, as was suggested by the senior unofficial member (Dr. Ho Kai). The hon. member quoted figures regarding the proportion of the tax paid by Europeans and by Chinese, Those statistics have been dealt with by the hon. Colonial Secretary, and I have little to add, except to note once more that these revised figures bear out my general statement that the Chinese pay only about one-fifth as much as non-Chinese do of the increased duties. They are twenty-fives times as numerous as the other races here and they pay \$250,000 of the increased duties. The proportion therefore on European and other races would be \$10,000,

whereas the actual estimate of the payment by non-Chinese is \$47,000. I would remind you also that in speaking of the non-Chinese races it is not only Europeans and some of the wealthier portions of the community that are included, but also Portuguese, Japanese and Indians and many classes of the community who are certainly not numbered amongst its most wealthy members. I do not recollect any other point in my hon. and learned friend's speech in proposing this resolution, which demands a reply from me, and for the reasons given it is with regret I have to say that the Government does not accept the resolution.

HON. DR. HO KAI—I have the privilege of making a few observations in answer to some of the arguments that have been advanced. I will first of all begin with those of the hon. member on my right, who represents the Chamber of Commerce. I do not understand exactly why he will persist in misunderstanding and misquoting me. He says I still complain that the taxation presses more heavily on Chinese than on Europeans. I think I explained most carefully that I did not complain of that at all, I complain that the tax presses much more heavily upon the poorer classes of Chinese *vis-à-vis* the richer class of Chinese and Europeans. The hon. Colonial Secretary quoted Singapore, and said that the Chinese there paid a much higher tax for the liquor they consumed. Now, Sir, I think the Colonial Secretary knows quite well that the Chinese labourer in Singapore commands a much higher wage than the labourer in this Colony. In Singapore labourers can earn more than double what they can here, and that induces annually a great number to emigrate there. Therefore, if they have to pay a much higher tax there they can well afford it. But when we come to consider the conditions of the coolie classes here, and the wages they command, \$7, \$8 or \$10 a month, we must impose a tax commensurate with their means.

THE COLONIAL SECRETARY—I beg leave, Sir, to make a personal explanation. In Singapore the minimum rate is \$1, while here it is 30 cents per gallon. Therefore there is a considerable difference between the two tariffs, and full allowance has been made for the fact that Chinese coolies in Singapore draw higher wages than in Hongkong.

HON. DR. HO KAI—I repeat the coolies in Singapore command two or three times the wages they do here. Therefore they can afford to pay a much higher tariff. In answer to His Excellency's remark that the Chinese in drinking samshu are drinking a liquor which contains a great deal more alcohol than beer or porter, I do not know that the Chinese ever water down their wine unless it is watered for them before they purchase it. But I don't think the argument is quiet fair, because samshu is distilled by Chinese and not in a very scientific way, and if you refer to the report of the Government Analyst you will find that the strength varies something like ten degrees and contains from 15 to 25 per cent. of alcohol.

HON. MR. KESWICK—This is only based on 25.

HON. DR. HO KAI—It may be on 15 or it may be on 10, but it must not be over 25. If it is over, a higher duty will be charged. That does not mean that a man will always send out liquor up to 35 per cent.

THE COLONIAL SECRETARY — Consumers would drink much less of the more potent liquor.

HON. DR. HO KAI—Yes, certainly.

THE COLONIAL SECRETARY—It takes much longer to consume a gallon of samshu than to consume a gallon of beer.

HON. DR. HO KAI—It all depends on the drinker, I expect. It would take me half a dozen years to consume a gallon of anything, but, present company excepted, I know some friends who would consume one gallon in an hour. I am extremely sorry if the Council cannot accept this resolution. However, I have done my duty in placing before you what I consider to be a fair and just arrangement on behalf of the Chinese population, and I hope, even if the Council will not sanction the reduction at the present moment, that at a future time when the finances of the Colony are in a better condition that the Government will have the tax reduced in proportion to the increase on other classes of liquor.

His EXCELLENCY submitted the motion to the vote and declared it defeated.

HIS EXCELLENCY — Do you wish a division?

HON. DR. HO KAI—Yes.

The motion was then put to the meeting. Only the mover and seconder voted in favour of it.

HIS EXCELLENCY—The Noes have it.

The Rebate Question

HIS EXCELLENCY THE GENERAL — Your Excellency, as I have been informed that the resolution standing in my name is likely to excite considerable opposition, I beg leave to withdraw it.

The resolution was as follows:—

Whereas for purely financial reasons this Council is unable to approve the continuance of a Rebate to the Military and Naval Authorities on Intoxicating Liquors as contemplated by Ordinance 27 of 1909, and whereas it is estimated that the Military Contribution which is paid by the Hongkong Government to the War Office will be increased by the imposition of liquor duties by a sum of approximately \$164,600 in 1911, and whereas it is anticipated that approximately 30 per cent. out of the gross revenue collected in respect of duties on European liquor will be paid by the Military and Naval Authorities, be it resolved that the permission of the Secretary of State for the Colonies be requested to deduct from the said Military Contribution accruing from liquor duties in each year a sum equal to the ascertained amount of these duties paid by the Military and Naval Authorities, and that such sum be paid as heretofore to the Military and Naval Authorities in order that the officers and men of His Majesty's Naval and Land Forces may not suffer financially from the imposition of the said duties while serving in this Colony, and be it further resolved that His Excellency the Governor be requested to transmit a copy of this resolution to the Secretary of State for the Colonies.

Widows' and Orphans' Pension Ordinance Amendment

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance further to amend the Widows' and Orphans' Pension Ordinance, 1908."

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

The memorandum states:—This Bill inserts in Section 18 of Ordinance 15 of 1908 certain words which were left out in consequence of some misunderstanding when that Ordinance

was passed.

Electricity Supply Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill entitled, "An Ordinance for regulating the supply of Electricity for Lighting and other purposes within the Colony of Hongkong and its Dependencies."

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

The objects and reasons of the Bill are:— No legislation on the subject of the supply of electricity has hitherto been enacted, and, as there are companies both in the City of Victoria and in Kowloon which carry on operations on a somewhat extensive scale and transmit currents of considerable strength or pressure, it has been considered advisable in the interests of the public to introduce a Bill for their regulation. The Bill and accompanying Regulations have been based largely on the Acts and Board of Trade Regulations in force in England. Some modifications have, however, been made, as it is considered that some of the Home regulations are too stringent for application in their entirety to places which are not so fully developed as Home cities.

Pawnbrokers' Ordinance

THE ATTORNEY - GENERAL moved the second reading of the Bill entitled, "An Ordinance to further amend the Pawnbrokers' Ordinance, 1860 and 1902." in doing so he said—This Bill, Sir, is rendered necessary owing to the revision of the laws, and the Chief Justice in the course of a scrutiny of the laws as they are at present discovered an ambiguity with regard to the Ordinance of 1902, which amended the Ordinance No. 1 of 1860, I can assure the Council that the alterations which are effected by the Bill do not in the slightest degree affect the intentions of the Ordinance.

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

Council then went into Committee to consider the Bill clause by clause. On clause 4,

HON. MR. KESWICK asked—What is a dollar?

THE COLONIAL TREASURER — Both Hongkong and Mexican dollars are legal tender.

HIS EXCELLENCY — The dollars mentioned must be the legal tender currency of the Colony.

THE ATTORNEY-GENERAL — I will communicate with the Chief Justice, who is now engaged in a revision of the Ordinance, and if necessary I will insert a provision in the Interpretation Ordinance.

On Council resuming,

THE ATTORNEY-GENERAL reported that the Bill had passed through Committee with slight amendments, and moved that it be read a third time.

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

Liquors Consolidation Ordinance

THE ATTORNEY-GENERAL—I move that the Council now resume the Committee stage on this Bill. In the second clause I have to suggest that the definition of the hotel-keeper's adjunct licence be somewhat modified. The words at the end do not authorise the keeping of a bar, but it has been considered desirable to amend those words to read "does not authorise the keeping of a public bar." The Government has matters under consideration by which it may be desirable to allow hotel-keepers with adjunct licences to have a private bar. The next definition is that of barmaid, which appears to have been a source of considerable trouble to all of us; not only to the Council, but to the Licensing Board and the unofficial members. I believe a solution has been arrived at by the unofficial members of the Council, and I understand the Licensing Board have come to a common agreement. It is right that I should mention it at this stage. We propose to eliminate the word "barmaids" in order to meet proposals which I understand are generally agreed to by the unofficial members. The proposal in clause 22 is to insert the words, "No woman other than a licensee shall

be permitted to be in a bar-room or in any room directly opening out of such bar-room in which liquor is sold in the licensed premises."

HON. MR. HEWETT — The unofficial members had a meeting about ten days ago, when the question was very carefully thrashed out, and the conclusion we came to was that it was inadvisable to have any women near the bar at all, either the wife of the licensee, or his daughters or nieces. It was only when the licensee happened to be a woman that she alone should be allowed to go into the bar. There are cases where licences are held by women, and they must be allowed to look after their own interests. The hon. senior unofficial member has reminded me that no women at all, not excepting the wife of a licensee or a partner, are allowed in the bar.

THE COLONIAL TREASURER—There is only one licensee.

HON. MR. HEWETT—There is a case where a man holds the licence and half the business is owned by another man, and the wives of both men serve in the bar.

THE COLONIAL TREASURER — The partner is not a licensee.

HON. MR. KESWICK—What we want to get at is, shall any women be allowed in the bar? At present I understand one woman is the licensee of premises and is conducting them very well. That is a matter which does not affect the question before us now. What we unofficial members would like to get at is, that no woman should be employed in a bar in any way whatever.

HIS EXCELLENCY—I desire to point out to the unofficial members that the terms of this definition go very much beyond the limitation proposed by the member who has first spoken. It is not a question of allowing women to serve in a bar. That point is already covered, but this amendment will prohibit a woman from entering a bar at all even to purchase a pint of beer. If that is the opinion of the unofficial members as representing the community of this Colony, the Government will not oppose it, but it is going very much further than has been done in England or elsewhere.

HON. MR. HEWETT—I think the unofficial members agreed that it was inadvisable that any woman should be allowed to go into a bar to purchase liquor.

THE REGISTRAR-GENERAL—That was not the unanimous wish of the Licensing Board. The Board divided on the point. Some members did not wish to allow women to go into a public-house to purchase liquor, while others were of the opinion that they should be allowed in. No recommendation was made on the point.

THE ATTORNEY-GENERAL—My hon. friend's communication to the Government was as follows:—I am directed to report that the Board has considered the question of the employment of women in public bars . . . and are of opinion that, the licensee excepted, no woman, whether belonging to the licensee's family or not, should be permitted to serve or act in any capacity in the bar-room or in any room directly opening out of a bar-room.

HON. MR. KESWICK—That is what the unofficial members had in view; also, that no woman should be allowed to serve in a bar.

HIS EXCELLENCY—As I pointed out just now, the resolution of the Licensing Board does not prohibit the purchase of liquor by women.

HON. MR. KESWICK—We do not propose that. We are dealing just now with a definition of barmaid.

HIS EXCELLENCY—The definition of barmaid will disappear. The amending clause as proposed by the unofficials and read by the Hon. Attorney-General will prohibit women other than the licensee being permitted in any bar or in any room opening out of such bar. In other words, a woman may not enter a hotel to purchase liquor.

HON. MR. OSBORNE—The decision of the unofficial members was that no woman should be allowed in a bar at all, even as a purchaser, because they feared that some women might go there, buy a drink, and remain all the evening for the purpose of entertaining the men.

HON. MR. KESWICK—I take the view of

my hon. friend.

HON. MR. OSBORNE—The Licensing Board considered the question and thought it would be a hardship on some people in the Colony if they could not take their wives into a respectable public-house. Hence the reason for the decision of the Licensing Board being worded in that way, namely, that no woman should be permitted to serve in any capacity in a bar.

HON. MR. HEWETT—The Attorney-General is apparently under a misapprehension. There is no agreement between the unofficial members and the Licensing Board.

THE ATTORNEY-GENERAL—I am in error.

HON. MR. OSBORNE—I think the Licensing Board's decision is a better one. It would be a distinct hardship if a man could not take his wife into a respectable public-house. In the wording of the Board's suggestion it says that no woman will be permitted to serve in any capacity in a bar. That is to say, she could not go in, buy a drink and remain the whole of the evening for the purpose of entertaining men.

HON. MR. HEWETT—A member of the demi-monde might go in to one of these houses, buy a whisky and soda, and, as pointed out, she might stop there the whole of the evening.

HIS EXCELLENCY—If the intention of the legislature is made perfectly clear, I cannot conceive that a publican who allowed a woman to remain in his bar would have his licence renewed. The wording makes it perfectly clear that the presence of women in or about a bar is not desired. If a woman who goes in to purchase remains and is found out I should say that the Licensing Board would not renew the licence.

HON. MR. OSBORNE—The Licensing Board has no means of knowing except through the police.

HIS EXCELLENCY—That should be very effective information.

HON. MR. HEWETT—There is a case where several women have been regularly in

one of those houses, and it has never been brought before the notice of the Licensing Board. I personally would like to see your Excellency put the resolution before the Council that no woman should be allowed in any bar.

HIS EXCELLENCY—I want to know if it is really the unanimous wish of the unofficial members that the amendment read by the Attorney-General as being that proposed by the unofficials should be carried. It means that a man cannot take his wife into a room adjoining the bar-room of a hotel.

HON. MR. KESWICK — I think some confusion has arisen owing to the Attorney-General's statement that we were all agreed. The Licensing Board agreed to one thing. The unofficial members had a talk and came to a conclusion about another thing. They thought it would be better in a way that no women should be allowed to go into bars at all, but that is not put forward as a regular proposition. This proposition read by the Attorney-General is actually an unofficial communication from the Licensing Board to the Council and it wishes that no barmaids should be allowed at all. We unofficial members are entirely in agreement with that. So, with your Excellency's permission, let us take that point first. Then there is the further matter of whether women should be allowed in bars at all. That is a very big question—much bigger than the present—and is a thing which I would not like to be asked to vote on just now. If you could let us take the recommendation of the Licensing Board first and vote on that, you would have, I think, a unanimous vote in favour of it. But the question of women in a bar is another, too big to be decided in a few minutes.

HON. MR. OSBORNE—I was present both at the meeting of the unofficial members and of the Licensing Board, and I think the decision arrived at by the Licensing Board is preferable, that is to say, that no women will be allowed to serve or act in any capacity in a bar. That would not exclude a respectable *bonâ fide* customer, but if a woman went into a bar ostensibly for the sake of purchasing a drink, but in reality to entertain sailors, soldiers and others, we should have to rely on the police informing the Licensing Board so

that that publican's licence should not be renewed. It seems to me that that is the only way out of the difficulty.

HIS EXCELLENCY—And it seems to me it is an ample safeguard. It would not be worth a publican's while to allow a woman to remain in his bar at the risk of losing his licence.

THE ATTORNEY-GENERAL — I should like to explain my position in the matter. My hon. friend Mr. Pollock brought me the amendment which I read out and which I somewhat amplified so as to make it clear. He gave me to understand that amendment was the unanimous opinion of unofficial members.

HON. MR. OSBORNE—It was.

THE ATTORNEY-GENERAL—There is a clear distinction between the opinion of the Licensing Board and that of the unofficial members. If any such proposal is desirable I agree with the Licensing Board, and if it was found there was an abuse on the licensed premises further steps could be taken. The Licensing Authority at Home invariably refuse to renew licences where the police state there has been any abuse of the law.

HON. MR. OSBORNE—Would instructions be given to the police to watch this point?

CAPTAIN LYONS — They always have watched it.

HON. MR. OSBORNE—But it is not illegal now.

CAPTAIN LYONS—It is, to have women of ill-fame on licensed premises.

HON. MR. OSBORNE—There is nothing in the law now to prevent women going in and remaining for the evening.

HON. MR. HEWETT — There are cases where women have gone in and remained all night.

THE COLONIAL TREASURER — The police carry out that part of the Ordinance.

HIS EXCELLENCY—I find that though the amendment was reported to be the unanimous resolution of the unofficial members they are certainly not unanimous. The amendment is that "No woman other than a licensee shall be permitted to be in any bar, bar-room or any room opening out from such bar-room in which liquor is sold in licensed premises."

HON. MR. KESWICK — May I ask, who formulated that and put it forward?

HIS EXCELLENCY—It was proposed by the hon. member representing the Chamber of Commerce.

HON. MR. HEWETT — No, I did not propose it.

THE ATTORNEY-GENERAL — An amendment was handed to me by my hon. friend Mr. Pollock, but I amplified it somewhat.

HON. MR. KESWICK—I think there must be some misapprehension, because I do not remember that it was put forward by the unofficial members as a resolution. They proposed that no barmaid should be allowed at all.

HON. MR. HEWETT—They went a little further, and they generally agreed that it was advisable not to have any women at all in a bar. We did not put forward a resolution, but Mr. Pollock has done so, and he is not here to explain.

HIS EXCELLENCY — Does it matter what its origin was?

HON. MR. KESWICK—Very considerably, because we are saddled with a resolution of which I know nothing.

THE ATTORNEY-GENERAL—I did not invent it, and I should be very sorry to bring forward any proposal which I regard as absolutely ridiculous. I see no necessity for such restrictions at all.

HON. MR. KESWICK—May I suggest that the resolution put forward in our name be ruled out altogether?

HIS EXCELLENCY—Certainly. Then do I

understand that the resolution proposed by the Licensing Board meets with your approval?

HON. MR. KESWICK—Yes.

The definition of barmaid was eliminated from the Ordinance and the recommendation of the Licensing Board was approved.

On clause 22,

HON. MR. HEWETT — Sub-section 1 states that no liquor shall be sold on licensed premises except between the hours of 8 in the morning and 12 at night. It has been brought to my notice that while hotels which pay very heavy licences are not allowed to sell liquor before 8 o'clock in the morning, when sailors are ashore they find they can get beer earlier in the morning and have a drink or two before they go on board. The alteration from 6 to 8 o'clock in the morning made some time ago has hit these hotel people very hard, for the reason that the sailors on 24 hours' leave cannot buy a drink before 8 o'clock in a bar, whereas he can go to a compradore, who pays a lower licence, and buy a whole bottle of liquor at 6 in the morning, and rather than waste any of it he will drink it all and go on board comparatively intoxicated. I don't know whether this is the part at which I should raise this question, but there is a good deal in it and it deserves the consideration of the Government.

HON. MR. OSBORNE—A compradore is not allowed to sell liquor to be drunk on the premises.

HON. MR. HEWETT—He opens at 6 in the morning and a man goes and buys a bottle and carts it off.

THE ATTORNEY - GENERAL—That does not arise here.

HON. MR. HEWETT—It is a point which ought to be considered.

HIS EXCELLENCY—The point has been exhaustively discussed, but not in public.

HON. MR. OSBORNE—I would suggest that the prohibited hours be stated on every licence.

HON. MR. HEWETT—The point is, Sir, that people selling liquor by retail want to be put on the same footing as others in the trade. Naturally, if a man cannot get a drink at six in the morning at an hotel he goes and buys a bottle at a compradore's shop.

HIS EXCELLENCY—We are well aware of the point, but I will ask leave of the Committee to defer its discussion for the moment in order that I may refer to the papers, and recall to memory the nature of the objection put forward.

Later,

THE ATTORNEY-GENERAL — I understand what my hon. friend opposite desires to do is to limit the hours in dealers' licences. At present they are from 6 a.m. till 10 p.m., and I understand his proposal is to make it 8 a.m. I have spoken to the Registrar-General on the subject and he offers no objection. It seems to me that 8 o'clock is quite early enough for a grocer to open.

The motion was agreed to.

On clause 22 (i),

HON. MR. HEWETT asked—Why does not the standard of quality apply to an adjunct licence?

HON. MR. OSBORNE—It was not in the previous adjunct licence.

HON. MR. HEWETT — You have a standard for one class who sell liquor, why shouldn't you have it for both?

HON. MR. OSBORNE—I don't quite know what is the use of the regulation at all. It has never been in force.

THE COLONIAL SECRETARY — The object of the regulation is to prevent the sale of inferior liquor.

HON. MR. KESWICK — You can only discover inferior liquor by analysing it.

HON. MR. OSBORNE—Is it worth while including the standard in any licence?

THE COLONIAL SECRETARY — The section has not yet taken effect, because the Governor-in-Council has not yet fixed the

standard.

THE COLONIAL TREASURER—There is no question about leaving it in the Bill. The only question is about extending it to adjunct licences, and I don't see why it should not be extended.

HON. MR. OSBORNE—The only reason why the point arose was that it involved a change from the original Bill.

HIS EXCELLENCY — Do you move to omit the clause?

HON. MR. OSBORNE—I don't mind one way or the other. It is quite immaterial.

THE ATTORNEY-GENERAL — I simply put it into sub-section 2 because I thought it was the wish of the hon. member.

HON. MR. HEWETT proposed that the standard should apply to adjunct as well as to ordinary licensed premises.

The motion was lost.

Clause 44, relating to the rebate to the Services, was deleted from the Bill.

On Council resuming,

THE ATTORNEY-GENERAL reported that the Bill had passed through Committee with a number of amendments, and moved that it be read a third time.

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

Hongkong University Ordinance

THE ATTORNEY-GENERAL moved that the Council go into Committee on the Bill entitled, "An Ordinance for the incorporation and regulation of the University of Hongkong."

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

On clause 12, Sub-section 2,

THE COLONIAL SECRETARY said—A point arises as to whether the Director of Education should be included in the Senate. The reasons for including him are, in the

first place, that he will probably be the only member of the Senate familiar with things Chinese. The rest of the teaching staff probably will not have any experience in Chinese matters. In the second place, he will be the only representative of the Government on the Senate. In the third place, he is familiar with scholastic affairs in the Colony and with the material from which the University hopes to draw its under-graduates.

HON. MR. HEWETT—As your Excellency is aware, there is a very strong feeling on this subject, and it is not customary to have anybody on the Senate excepting professors, lecturers, and holder of chairs. As the head of the Education Department is on both the Court and Council the present lecturers, who at the time are confined to the medical profession, think it undesirable that he should be on the Senate as well. I have been approached by representatives of these lecturers to put their view before this Council, and I believe I am right in saying that in all the universities at Home the Senate is composed of professors, lecturers and people holding chairs.

THE COLONIAL SECRETARY—That is so, but conditions in this Colony are different.

HIS EXCELLENCY—I may observe that one of the criticisms lately directed against the system of education in India was that the Government in all the universities exercised no kind of control other than was unavoidably and necessarily exercised by the State. It had no control in the curriculum, and that was alleged to be one of the reasons of the unsatisfactory results of education in India. I think that one government representative out of a large Senate of 20 or 30 members may be very useful. Instead of the Senate continually adjourning to find out what the Director of Education would advise in regard to the schools of the Colony they could refer to him at the time. His vote is an insignificant matter among so many, but he would keep the Government in touch with what is going on with regard to the curriculum, and so on. I think his appointment to the Senate is an advantage to the University. I quite admit it is a departure from custom, but I do not think there is any reason why we should adhere rigidly to precedent. We desire the University

to be suited to the conditions of the Colony. There is no Government view in this matter, and I would like every member to express his own individual opinion on the question. (To Mr. Hewett)—Do you move to delete the name of the Director of Education?

HON. MR. HEWETT — No, I am not prepared to bring a motion forward. I have state I what I was asked to your Excellency, and in view of what has been said I don't feel prepared to bring forward a motion. I don't feel strong enough on the subject.

HIS EXCELLENCY — The College of Medicine expressed the view put forward by the hon. member, but I considered it was a question for this Council to decide. It is a matter of the constitution of the University. If it was a matter connected with the College of Medicine or which related specially to the Faculty of Medicine I would admit that they have a strong claim to be heard, but this is a question of the Senate of the University upon which we can all take a common-sense view.

THE COLONIAL SECRETARY—In that case there is no amendment before the Council.

The clause was passed.

On clause 13,

THE COLONIAL TREASURER — Why should you postpone the constitution of a science faculty when you have all the material to hand? Why postpone it until you have a chair in Chinese?

THE COLONIAL SECRETARY — I understand the Colonial Treasurer's point is that we shall have among the teaching staff of the medical and engineering schools a nucleus from which we could draw the staff for a science school, and that therefore a science school might be formed at the outset.

THE COLONIAL TREASURER — This idea of an arts faculty is a concession made to the Chinese.

THE REGISTRAR-GENERAL—I think priority was to be given to an arts faculty,

because we believed there would be a larger demand for it amongst Chinese than for a science faculty.

HIS EXCELLENCY—Originally the words were "medicine and science," but "science" was changed to "engineering" to make it more precise. Will it meet your point if we say medicine and science?

THE COLONIAL TREASURER — No; medicine, engineering and science.

THE COLONIAL SECRETARY—Why not make it read "priority being given to science and arts faculties"?

THE COLONIAL TREASURER — That would get over the difficulty.

HIS EXCELLENCY — The words were really inserted in order to emphasise the fact that the Chinese language and literature would be taught for the arts degree.

The clause was passed as amended.

On clause 20,

HON. MR. OBSORNE asked — Is it proposed that the University shall pay taxes? It is free of ground rent, but it does not say that it is free of taxes.

THE COLONIAL TREASURER — The Rating Ordinance does not impose taxes on educational institutions.

The clause was passed.

When the schedules were being considered,

HON. DR. HO KAI moved that the name of Dr. Mitchell be substituted for the Rev. T. W. Pearce as a member of the Court of the College of Medicine and read a letter addressed to him by the London Mission.

THE COLONIAL SECRETARY pointed out that Dr. Mitchell was a new-comer, whereas the Rev. T. W. Pearce was an old resident, had been a member of the Court of the Hongkong College of Medicine at the time of the original agreement between that College and the University Committee, and was keenly interested in educational concerns in the Colony. For these reasons it was desirable to retain the name of the Rev. T. W.

Pearce.

On a vote being taken all members of Council, with the exception of Dr. Ho Kai, agreed that the name of the Rev. T. W. Pearce should be retained.

With regard to the provision for one Parsee representative and one Mahommedan representative,

THE COLONIAL SECRETARY proposed that this be amended to read two representatives of Asiatic races other than Chinese, as the words Parsee and Mahommedan inferred distinctions of religion.

HON. MR. HEWETT—Must they be British subjects?

HIS EXCELLENCY—Not necessarily.

HON. DR. HO KAI—Is the Jewish race regarded as Asiatic?

HIS EXCELLENCY — The Jews are of Eastern origin.

HON. MR. HEWETT—There are European Jews and Asiatic Jews in Hongkong.

THE COLONIAL TREASURER — I think we had better not go into these distinctions.

THE COLONIAL SECRETARY — Jew implies distinction of religion rather than race. There are African Jews and European Jews and even at K'ai-fêng Fu Chinese Jews.

HON. MR. OSBORNE suggested that the clause read "two persons of other races."

HON. MR. HEWETT—Would it not be better to put in representatives of two nationalities drawn from British India? It was intended to have the representatives from British India.

HIS EXCELLENCY—The amendment was intended to include Jews.

HON. MR. HEWETT—That would include Jews.

HON. MR. OSBORNE — Better say two other persons.

HIS EXCELLENCY—No, we are dealing with the representation to be given Oriental races.

HON. MR. OSBORNE—It would be at the discretion of the Government.

HIS EXCELLENCY—It has been promised to give representation to the Parsees.

HON. DR. HO KAI—In that case it would be better to say two representatives of Asiatic races other than Chinese as proposed by Government.

This was accepted.

THE COLONIAL SECRETARY stated that at the end of sub-section 2 (b), in the 3rd Schedule the following proviso was added, "Provided that not less than four of the aforesaid lecturers to be nominated by the Chancellor shall become members of the first Senate of the University." That gave the Chancellor the option of appointing more than four if he chose.

HIS EXCELLENCY—The Senate of the College of Medicine has agreed that no alteration to this was necessary.

THE COLONIAL SECRETARY—Yes.

HON. DR. HO KAI—Do I understand that the Senate agrees?

THE COLONIAL SECRETARY—Dr. Clark, the Dean of the College and President of the Senate, informed me that they agreed.

On Council resuming,

THE COLONIAL SECRETARY asked leave to have the Bill read a third time. It was His Excellency's intention to adjourn the Council *sine die*, and it was hoped to pass this Bill as well as the Liquor Bill. Then there would be no necessity for the Council to meet again for a considerable time.

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

HIS EXCELLENCY — Council is adjourned *sine die*.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held afterwards—the Colonial Secretary in the chair. The following votes was passed:—

Apparatus for Testing Oil Ships

The Governor recommended the Council to vote a sum of Six hundred and eighty-four Dollars and Twenty Cents (\$684.20) in aid of the vote, Medical Department, *B.*—Hospitals and Asylums, Other Charges, Civil Hospital, Apparatus and Accessories for Testing Holds and Tanks of Ships carrying Oil in Bulk for the Process of Oil Vapour.

Taking the Census

The Governor recommended the Council to vote a sum of Eight thousand Dollars (\$8,000) in aid of the vote, Registrar-General's Department, Other Charges, Census Quinquennial, Expenses for taking.