

1ST SEPTEMBER, 1921.

**PRESENT:—**

HIS EXCELLENCY THE GOVERNOR, SIR REGINALD EDWARD STUBBS, K.C.M.G.

H.E. LIEUT.-GENERAL SIR GEORGE MACAULAY KIRKPATRICK, K.C.B., K.C.S.I. (General Officer Commanding the Troops in China).

HON. MR. CLAUD SEVERN, C.M.G. (Colonial Secretary).

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

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

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

HON. MR. S. B. C. ROSS, O.B.E. (Secretary for Chinese Affairs).

HON. MR. T. L. PERKINS (Director of Public Works).

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

HON. MR. LAU CHU PAK.

HON. MR. P. H. HOLYOAK.

HON. MR. HO FOOK.

HON. MR. H. W. BIRD.

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

**ABSENT:—**

HON. MR. A. G. STEPHEN.

**Minutes**

The minutes of the last meeting of the Council were approved and signed by the President.

**Finance**

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table Financial Minutes Nos. 55 to 81 and moved that they be referred to the Finance Committee.

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

THE COLONIAL SECRETARY, by

command of H.E. the Governor, laid upon the table the Report of the Finance Committee (No. 9) and moved that it be adopted.

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

**Papers**

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the following papers: Report of the Secretary for Chinese Affairs for the year 1920; Report on the Botanical and Forestry Department for the year 1920; Report of the Superintendent of Prisons for the year 1920; Report of the Captain Superintendent of Police for the year 1920; Medical and Sanitary Reports for the year 1920; Report on the Finances for the year 1920; Report on the Assessment for the year 1921-1922.

THE COLONIAL SECRETARY, by command of H.E. the Governor, also laid on the table the following papers:—Order made by the Governor in Council under Section 9 of the Post Office Ordinance, 1900, on 4th August; Regulation made by the Governor in Council under Section 5 of the Ferries Ordinance, 1917, on 4th August; Rules made by the Governor in Council under Section 18 of the Prison Ordinance, 1899, on 25th August; Regulation made by the Governor in Council under Section 37 of the Merchant Shipping Ordinance, 1899, on 25th August; Regulations made by the Governor in Council under Section 6 of the Dogs Ordinance, 1893, on 25th August; Order made by the Governor in Council under Section 9 of the Post Office Ordinance, 1900, on 25th August; Report of a Committee appointed to consider the feasibility of extending the system of water carriage in the Colony by pumping up salt water from the Harbour and the provision of suitable pipes therefor.

**The Sale of Building Sites**

HON. MR. H. W. BIRD asked—

With reference to applications for building sites in non-urban districts,

will the Government, in fairness to the applicant who has frequently been put to considerable trouble and expense in selecting his site, consider the advisability of disposing of such sites by private treaty instead of by public auction?

THE COLONIAL SECRETARY replied—Sales by private treaty are not infrequently effected in special cases, but the Government is not prepared to abandon the general principle of sale by auction, that being as a rule the only method which ensures that the community obtains the full value of the land.

#### **Sea-Water for Flushing**

HON. MR. POLLOCK, K.C. asked—

Is not the Report of the Committee appointed to go into the question of the use of sea-water for flushing purposes now ready? If not, when will it be ready? When will such Report be published?

THE COLONIAL SECRETARY replied—The report is printed and has been laid before Council to-day.

#### **Improvement of the Harbour**

HON. MR. POLLOCK asked—

What information can the Government give to the Council with regard to Sir Maurice Fitzmaurice's Report on the Improvement of the Harbour? Cannot the Government take steps to expedite the obtaining of such Report?

THE COLONIAL SECRETARY replied—It is anticipated that no complete report can be received until the detailed information asked for by Sir Maurice Fitzmaurice has been obtained and forwarded to his firm.

This information, which entails:—

(a)—A considerable number of borings in the bed of the Harbour,

(b)—Additional soundings,

(c)—Extended tidal observations,

has rendered it necessary to engage additional staff and to indent for the necessary additional gear. One of the Assistant Engineers engaged for this work arrived on the 28th of August and

another is expected at an early date. The gear has not yet arrived.

#### **The Removal of the Military Establishments**

HON. MR. POLLOCK in accordance with notice previously given, moved the following resolution:—

That, in view of the shortage of European office and business accommodation in this Colony and in view of the shortage of sites for Chinese business premises in this Colony, it is imperative that the Military Establishments along the Queen's Road should be transferred from their present site in the centre of the City to some other site or sites at the earliest possible date.

HON. MR. POLLOCK said—Sir, at the outset of my speech I desire to remind your Excellency and the Council that I brought up this matter before the Council on the 29th of January last year. On that occasion I moved the following resolution:—

"That, with a view to giving facilities for commercial expansion a Committee of the Legislative Council be appointed, consisting of His Excellency the General Officer Commanding, and two official and three unofficial members of the Legislative Council, for the purpose of considering and reporting to this Council upon the resumption by the Hongkong Government of the Military Establishments on the Queen's Road, and the terms and conditions of such resumption."

On that occasion I pointed out the great shortage of office accommodation that then existed and, as is well known to the members of this Council, the shortage of office accommodation which then existed has been since very much accentuated; and I think it is a matter of common knowledge that since the beginning of this year the rents of European office accommodation have gone up considerably in this Colony. As regards Chinese business premises, I think, sir, that it is equally a matter of common knowledge that such business premises are being keenly competed for. In order to satisfy ourselves of that fact we need do no more than read from day to day the accounts of the cases which are now being tried before the Puisne Judge, which accounts show that there is great competition between business men for the possession of business premises. The landlord on the one side

is trying to get rid of the tenant and the tenant on the other side is extremely anxious to remain where he is. From the motion which I have just read, which I made on the 29th January, 1920, it will be seen that the desire was to have a strong Committee appointed, consisting both of official and unofficial members of this Council and I cannot help thinking that perhaps we should have got further on than we are at the present moment if such a Committee had been appointed. Owing to the purely technical reason that some application would have to be made to the War Office for His Excellency, the then General Officer Commanding, to serve on that Committee—a plea which, I pointed out, was rather a belated one having regard to the fact that I had given my notice of motion on the 23rd December, 1919, and there had been plenty of time to telegraph in the interval—the Government could not accept the resolution which was then put forward.

Well, sir, the next stage so far as I was concerned, that happened in the matter, was that I was informed on my return from Canada in the middle of October last year that the War Office had accepted generally the principle of a removal of the military establishments. Then, on the 17th February this year, in view of the increased shortage of office accommodation which I referred to, I put the following question to the Government:—

"In view of the pressing need of room for further office accommodation in this Colony, will the Government approach the Military Authorities with a view to the Murray parade ground being handed over to the Government at an early date?"

The answer was: "The Government is in correspondence with the Military authorities on the subject." Well, Sir, from that day to this we have received no information or intimation in this Council as to the effect of that correspondence, or whether it has had any effect at all. That being the state of affairs at the beginning of last month, on the 6th August—over 18 months having elapsed since I made my motion of the 29th January, 1920—I gave notice of this motion which is now before the Council. I have slightly amended the motion since, but not in any very material respect. My present motion is: "That, in view of the shortage of European office and business accommodation in this Colony and in view of the shortage of sites for Chinese business

premises in this Colony, it is imperative that the Military Establishments along the Queen's Road should be transferred from their present site in the centre of the City to some other site or sites at the earliest possible date." I think, Sir, that I have said enough to show that this matter is a very pressing and urgent one, and I believe that my honourable friend, the member for the Chamber of Commerce, who will second this resolution presently, will fully confirm me when I say that there is an extremely strong wish on the part of the inhabitants of this Colony—the civil inhabitants of this Colony—that this removal which we are asking for should take place at the earliest possible date in order to give room for commercial expansion. I am in hopes that before the Council closes this afternoon, the honourable and gallant member on my left (H.E. the General) will be able to give us some information with regard to what has been and is about to take place with regard to this important question. I think that everybody in this Colony who is interested in the business welfare of the Colony will be anxious to hear what is being done. It is felt, I think generally, that it is very necessary in this matter that we should hurry up with all speed. The demand for office accommodation in this Colony has overtaken the supply, and it is very necessary indeed, at a very early date, to have these sites for commercial expansion put in possession of the Government of this Colony. I do not think, Sir, I need say more now. I have a right of reply under the rules, and if I want to supplement my present remarks I will do so then. I will now call upon my honourable friend to second this resolution.

HON. MR. HOLYOAK—Sir, I have the honour of seconding the resolution proposed by the honourable member representing the Justices of the Peace. Had it been necessary, sir, to convince the Government of the public feeling on this matter, it could have been amply demonstrated by calling a public meeting, when the feeling would have been shown in a very marked manner; but we are convinced that the Government is fully in agreement with the object of this resolution and therefore needs no convincing in the matter. One naturally feels  
d i f f i d e n t

in criticising land occupied by the Military Authorities after the recent war, but I am sure that my honourable and gallant friend will not misinterpret the criticism nor fail to understand the admiration which we all have for the forces in the Colony and the value which we place upon them. It really is a purely economic problem—from that point of view alone we approach it—and I am sure he will, also without sentiment upon either side. I do not hesitate to say that the occupation by the Military Authorities, or by the Naval for that matter, of so large a portion of the very centre and heart of the Colony, dividing it as it is to-day, is an absolute bar to the economic progress and development of the Colony. With the vast quantities of land which could provide suitable occupation both on the Island and the Mainland, the difficulty should be faced and, I think, in all deference, it can easily be overcome. It was prophesied at the beginning of this war that the exclusion of the Germans from this Colony would directly lead to empty offices and empty houses. To-day, sir, it is well known to all of us that it is extremely difficult to find an office or any house whatever—indeed a house cannot be obtained no matter what price you are prepared to pay—and that rents have soared higher and higher as the years have gone by, and so long as the present pressure remains are likely to do so. Therefore, in the interests of the commercial progress of the Colony, upon which both the Government and the people as well as the Military and Naval Authorities depend—it is a problem which should be faced with a little more outward show of hurry than has been apparent in the past. It is with a feeling that this is realised by the Government that I refrain from speaking at greater length upon the subject, because the need is so crying that it speaks for itself. No one who is familiar with the history of the Colony, or who has watched its development even in the war years, can fail to be impressed with the urgent and crying need of greater office, warehouse and housing accommodation for the Colony, especially in the central district.

H.E. THE GENERAL OFFICER COMMANDING—Your Excellency, I am very glad to have this opportunity of expressing the military position, the Military position and attitude, on this question, and I would hasten to assure you the mover and seconder of this resolution that we are trying to move with the times and that we have no desire to hinder the progress of this Colony so long as the military

efficiency in no way suffers. We are quite prepared to meet you in this matter, and we have already formulated a broad outline of a scheme to do so. It seems desirable that the Council should have a clear idea of the principles upon which we are prepared to act. In the first place, as is evident from this resolution, the arrangement is at the instance of and for the benefit of the Colony. Accordingly, no cost whatever should fall upon Army funds. It may obviously be desirable and possible to carry out arrangements for the transfer in sections, as convenient to both parties. At the same time the scheme will have, first of all, to be considered as a whole. Our military establishments in Victoria and Kowloon are healthy; they provide the soldier with the amenities of life and facilities for recreation. Those which will be required will have to be equally healthy, of the most modern type, provided with all the amenities considered necessary for the soldier of to-day as well as all requisite facilities for military training and recreation. They will have to be connected with mechanical transport routes, with points we shall specify. No establishment will be vacated until the new establishment is complete, ready and fit for occupation by the unit concerned, until that new establishment has been passed as fit by the War Department. I have said enough to show you that the transfer referred to in this resolution would be costly and will take time. You cannot build barracks, with all their accessories, in a day. So far as we are concerned we are quite prepared to go ahead with a workable scheme. The rate of progress will depend upon the rapidity with which the Colony makes up its mind to meet our needs. We will talk business if you are prepared to find the money. It seems to me, therefore, that this resolution could carry more weight—a little more meat in it—if it contained a clause requesting the Government to make such financial provision as may be necessary to carry out the transfer.

HIS EXCELLENCY THE GOVERNOR—I must say that I think it will be unnecessary to add the words proposed by my honourable and gallant colleague because

everybody knows the Government has for years been pressing the Military to clear out of the land occupied by themselves and their mules, and has always been ready to put up whatever money is required. The matter will not require a very great deal of money because it can only be done by degrees, and as the Military move one step we can sell the land and probably recoup ourselves for the expenditure incurred. A fairly considerable amount of money will have to be put up in the first instance, but there will be no difficulty about that. The financial question will require a certain amount of thinking out, as well as the circumstances under which some of these lands came to be vested in the Military. I am not altogether sure I entirely agree with the views of the General Officer Commanding. I should hesitate at the moment to commit myself to the statement that the Colony is prepared to do everything required by the Military Authorities—even Military Authorities are not always entirely reasonable—but I am sure I can say we will do everything that is reasonable and necessary. I think it is unnecessary to say more than that I am entirely in sympathy with the resolution and I see no reason why you should not pass it.

HON. MR. POLLOCK — With your Excellency's permission, I should just like to say a few words, and that is it seems to me that there is one phrase which His Excellency, the General Officer Commanding, used which was hopeful in the direction of progress, and that is that he spoke of carrying out the arrangement to transfer in sections. Well, Sir, might I venture to suggest to the honourable and gallant member that the first section that we shall deal with is the section which is dealt with by this motion, that is to say the Military establishments along Queen's Road. As regards any question of reasonable payment, I think I can assure your Excellency on behalf of the Unofficial members that whatever is reasonable the Unofficial members will be prepared to vote for this much-needed improvement in the Colony.

The motion was then put to the meeting and declared by His Excellency the Governor to be carried. His Excellency the General Officer Commanding abstained from voting.

#### **To Encourage New Building Construction**

HON. MR. POLLOCK in accordance with notice previously given proposed:—

"That, with a view to encourage the construction of new houses in this Colony, it is desirable for the Government to pass an Ordinance exempting, for 3 years after completion, from liability to pay rates, any new buildings, the plans for which may be sent in for the first time after the commencement of such Ordinance."

The Hon. member said: It has been put forward against the Government from time to time as a matter of criticism, that the Government is very anxious to get as much money as it can, and that, on the other hand, it is not prepared to give anything by way of facilitating the building of new houses in this Colony, and it is with the view of removing that reproach from the Government that this resolution is brought forward. I do not think, however, there can be any question that new developments in this Colony are very urgently required. The recent preliminary census has shown us that probably the normal increase of the Colony's population is about 20,000 a year, and we also know that any disturbances which take place from time to time in the neighbouring provinces are liable to bring an influx from the mainland of China. As regards the principle of exempting from liability to any rates any new buildings, I believe such a principle is adopted in some of the States of America, and, as your Excellency is aware, the Home Government—though I do not know that it has adopted that principle—has adopted the principle of raising loans for building houses in order that money may be advanced at a moderate rate to those desiring to build new houses. That principle has been adopted at Home and the other principle has been adopted, I think, in the United States of America. I think, sir, that this principle of exemption from rates would be, in view of the present state of our finances, perhaps the easiest way of granting facilities for the erection of new buildings. I think the term of three years after completion, which I have suggested, is quite a moderate term. I was anxious, I may say, to make the term moderate because, embarking upon what is a new experiment one's tendency is rather to be conservative than to launch

out and bind the hands of the Government to exempt from rates for a longer period of years than three years. I understand, sir, that my honourable colleagues on the Council are in favour of this resolution, and I will now ask my honourable friend, the senior Chinese unofficial member, to second it.

HON. MR. LAU CHU-PAK—Sir, I beg to second this resolution, and in doing so desire to endorse the remarks of the senior unofficial member. Whenever there was land to be developed on the mainland of China, whether for agricultural or dwelling purposes, remission of taxes of every description was granted. I believe this practice is still in force on the mainland. Personally I have several plots of land in Chinese territory exempted from taxation of any kind for 15 years. This resolution, sir, if accepted by the Government, as it should be, would serve as some inducement to people to build new houses in view of the fact that new houses would very often take a long time to build, particularly in New Kowloon and in outlying districts such as Shauiwan and Aberdeen, where land is waiting to be built upon. The houses would have to wait at least two or three years before they can all be let out. After completion one flat here and another flat there may be taken up at once. Then rates had to be paid on the whole house and even for those which remained vacant, although in the latter case the rates would be refunded should the house still remain unoccupied after the quarter for which the rates have been paid. Meanwhile investors have to put up with considerable loss in interest on capital and wages for caretakers. For this reason, sir, I submit that the resolution should be favourably entertained by the Government.

HON. MR. HOLYOAK—Sir, I rise to support this resolution because I think that it is common knowledge to us all that the passing of the recent Rents Ordinance has for the time being very rates have been paid. Meanwhile investing Chinese public, and anything that can be done to restore that confidence will be a step in the right direction. The Rents Ordinance was necessary, and we therefore passed it as a measure which we regarded as a temporary one, and the sooner it can be definitely announced by the Government that it is a temporary one and will cease at the end of the year, the better. For the reason that I believe it will help to increase confidence in the investment of money on the erection of houses which are so

necessary, I support this resolution.

THE COLONIAL SECRETARY—Sir, when I saw this resolution placed upon the paper I was surprised to think that any incentive was required to people to build houses in this Colony in view of the rush there is whenever a new building is going up to occupy it. I think it is common knowledge that in the case of practically every single house that has been put up in this Colony for some years past there have been tenants almost before a brick has been laid, and I cannot imagine that anything that has happened recently in the way of legislation is going to put any check on the demand for new houses being erected in this Colony. The amount of building that is going on at present for office accommodation and domestic tenements in the Colony is quite unprecedented, although during the nine or ten years I have been here the building that has taken place has been in excess of anything since the Colony was founded. That being the case, I cannot imagine how an exemption from the payment of rents amounting to 13 per cent. of the annual value of the house is going to either encourage or to stop the building which is proceeding or which is contemplated. The building which is contemplated is enormous as is shown by the next resolution which is coming before you. The plans that have been forwarded to the building office are such that it is almost impossible to keep pace with them. The staff of the building office is working much overtime. We are increasing it, but even with the increases we contemplate there are bound to be some delays. To say that any encouragement is needed for the construction of new houses is extraordinary—I would almost say, ridiculous. The only case which has come before us of the development of any urban district being in any way checked was in the case of 30 houses which it was proposed to erect in a central position. The Government was told that some of the promoters of the project were nervous that legislation might be brought about which would interfere in some way with the economic problem of supply and demand, and the Government were asked to give an assurance that nothing that they would do would interfere with that position. The Government replied at once that there was no legislation in contemplation which would affect those who wished to build

new buildings and it would only be by some extraordinary emergency, where the public interests were very seriously prejudiced, that the Government would ever think of interfering. It seems to me that there is no case made out for this at all. Look at the rates in this Colony—13 per cent. If you were to ask any householder—and I happen to be one—in the United Kingdom what his rates are, he would tell you they were about 75 per cent., and I think there is hardly any urban district at present in England where the rates are less than 50 per cent. Here they are 13 per cent., and I think that so far as the East is concerned that they are the lowest rates existing in any large city in any British territory. I cannot see what the object of the motion is. Supposing we do say that new buildings will be exempted from rates for three years after their construction? I presume this motion applies to both business premises and domestic tenements. Is that so?

HON. MR. POLLOCK—To all of them.

THE COLONIAL SECRETARY—Supposing we agree to exempt them for three years, what will be the result? Does the landlord exempt the tenants from all rent? Does he say "I am going to charge you 13 per cent. less than I would have charged you?" Not a bit of it. He will simply take the whole of the rent and pay no rates. I think the mover and seconder and hon. members who have brought this motion have a wonderful idea of the altruistic motives of the landlord if they think this exemption of rates is going to make any difference except that it will reduce the revenue the Government should receive, and possibly further taxation will be proposed later to make up for it. I do not say that it will, but still it is the logical result if this resolution is passed. I am afraid the Government is unable to accept the resolution as it stands.

H.E. THE GOVERNOR—I am afraid I must express my agreement with my hon. friend in saying that the Government cannot accept the motion. But I do not feel so entirely unsympathetic as my hon. friend. If I were quite sure the effect of some such measure would be to encourage the construction of new houses I would be inclined to go some way to meet hon. members. I must confess that at present I am extremely doubtful on the point. As the Colonial Secretary pointed out, it is a very small thing indeed and it is a little difficult to believe that any landlord will refrain from

building because if he builds the tenants will have to pay 13 per cent. more rent. The hon. senior Chinese member rather startled me by saying that it was the common practice for premises to remain vacant for a year or two after they are completed. That does not quite agree with what we heard of the shortage of housing accommodation. As he himself pointed out the rates are refunded on buildings which are left vacant so that the only loss to the landlord is that he is out of the interest on an extremely exiguous sum for a short period, possibly not more than a month, during which houses remain uninhabited. As I say, if I were sure people, however illogically, would be encouraged to increase the number of buildings in the Colony by the fact that their tenants would be exempt from rates I would sympathise with the resolution but it would be very difficult to discover whether this encouragement had been given, or not. It might be possible to get a line by considering what is the average number of new buildings and seeing whether, if such a resolution as this were to be enforced temporarily, the number of houses increased more than the average allowing for the natural growth of population. It is possible that the excess of the houses so constructed over the average of previous years might give some indication of the amount of encouragement being given by the exemption of rates, and it might, I think, be worth while to try something of that kind. I should in any case hesitate to suggest that we should pass an Ordinance making this a permanent factor. We trust that this shortage of accommodation and reluctance to build is not going to be permanent, and I think a period of three years in any case is much too long. What I should be inclined to contemplate would be something of a more experimental nature, say, that in the case of houses, the plans of which are handed in within a certain period, they will be exempted from rates for one year. I think that would afford considerable encouragement, if encouragement is needed, and it would prevent such an Ordinance remaining permanently on the Statute Book with the concomitant sacrifice of revenue which the Colony needs now and will need more in the future. I do not make this as an actual proposition, but I should like to consider

the matter. I should not like to commit myself at the present moment. I am afraid I cannot agree with the hon. member's motion as it stands.

HON. MR. POLLOCK—Sir, with reference to this motion I would point out that a good deal of the argument of the Hon. Colonial Secretary tends to show that instead of asking for three years' exemption we ought to have asked for six years, because he says it is a very low rate here, a very trivial thing. If that is so, then we are asking for something which is very moderate indeed as a concession on the part of the Government, because we are asking the Government to agree to a comparatively small matter.

H.E. THE GOVERNOR—No, that is hardly so. It is a small matter to the landlord, but to the Government in the aggregate it becomes large.

HON. MR. POLLOCK—I think my friend, the senior unofficial Chinese member, made a very good point indeed. We have had experience of it at Hunghom and Praya East that, when you develop in outlying places—and so far as I can see there is not much room for development except in outlying places—it is difficult, as my hon. friend has pointed out, for the builder of houses to at once get tenants to occupy them, or if he can get tenants, to occupy them at an adequate rent. I think, Sir, that in view of fact that my hon. friend, who, of course, has a very long experience of this Colony, has been for so long a member of this Council, and is capable of speaking for the Chinese, I ought to press this motion to a division.

The motion was then put by H.E. the Governor who declared it lost.

HON. MR. POLLOCK asked for names. Five Unofficials voted in favour and seven Official members against.

### **Facilities for Building**

HON. MR. POLLOCK pursuant to notice then moved:—

"That a Committee of three Members of this Council be appointed for the purpose of considering what measures can be taken:

- (i.) To facilitate the prompt acquisition by applicants of sites which they require:

- (ii.) To facilitate the prompt passing of building plans.

He said: With reference to the first part of the resolution, I cannot help expressing my regret at the answer which the Government have given to-day, to the question which was put by my hon. friend Mr. Bird. It is clear from that question that the hon member was only asking in respect of building sites in non-urban districts, and I can scarcely imagine that, in these cases, it is necessary to put up the land for auction for the purpose of ascertaining the exact sum which it will fetch at auction. Another point I have to urge, in that connection, is that it is common knowledge that some months, as a rule, are expended from the time an application is sent in until the land is actually put up for auction. During these months the applicant is held up, possibly put to a great deal of inconvenience, and, in a case only mentioned to me this morning, the applicant, because of the delay of six months which took place in putting up the land to public auction was put to a very considerable amount of expense by reason of the fact that the price of building went up very considerably in that six months. The experience of that gentleman is not a solitary one. It is common knowledge that, during the past year, the price of building has gone up, and has a tendency to do so, and, therefore, in the building of large business premises, one quite dreads to think what sum of money would be lost by such delays as have been experienced. The Colonial Secretary mentioned, just now, that the Building Office was overflowing with plans for new buildings and the staff is working overtime and there is not really sufficient staff to cope with it. With all deference to the Colonial Secretary, it seems to me that such a state of affairs is a rather serious indictment to bring against the Hongkong Government, because, if the staff is inadequate to cope with the situation, then it ought to have been increased. I think that, if a committee of this Council were appointed, it is very likely that one of the points we should fix upon would be that the staff in the Building Office was



inadequate, and the same opinion has been expressed to me, as a matter of fact, by an architect to whom I have spoken with reference to this motion. It is also very probable that we should find, on enquiry, that the surveyor's staff was insufficient also. It is not only a question of surveying land; sometimes the surveyor may have to go out to the New Territories, and, though the job may not occupy half an hour, it will cut considerably into his day's work. I think the Government should very carefully consider whether they will not, in the case of non-urban sites, refrain from putting the land up at public auction. It occurs to me that perhaps there is not sufficient decentralisation in the Public Works Department. We all of us appreciate the fact that, for many years past, the Director of Public Works has been a very hard-worked, almost an over-worked, official, and it seems to me time to adopt some system of decentralisation in that department. Far too many things are referred to the Director of the Public Works which need not necessarily be so referred, and one of the questions which may be considered by a committee will be whether it is not advisable to create a separate Building department and a separate Surveying department and make the heads of those departments responsible for the speedy carrying out of the work of this kind, instead of the over-worked Director of Public Works being the party ultimately responsible for everything. I have only thrown out a few general suggestions which I think the committee should look into and report upon. My honourable friend Mr. Bird, who will second, will no doubt be able from his expert knowledge to pass a criticism on the present system.

HON. MR. H. W. BIRD—Sir, I trust this resolution will meet with your sympathetic consideration because there is no doubt that some steps should be taken to deal with the matters referred to therein. With regard to clause (1) of the resolution, the state of affairs that exists at present is most unsatisfactory. Three or four months, and more, is a general period that elapses before any reply is received from the Government and, when the reply arrives, it generally takes the following form,— that the Government, not having made up their minds how this particular district is to be dealt with, the application

cannot be considered at present. I submit that the Government ought to look round and find out suitable land, decide upon their lay-out, and what means of transport and water supply can be afforded. They should not wait for applications to come along before they begin to think about the matter. The Attorney-General, when introducing the Rents Bill, remarked that he thought the lack of housing accommodation was due, in some measure, to the lack of private enterprise. I entirely disagree with that suggestion. Private enterprise has never been lacking in Hongkong and, if given a fair show, is a horse one can back without fear. But he is, perhaps, a little fretful and nervous, and, if you keep him hanging about at the post, the chances are that he will not start at all. An incident of this nature occurred, recently, where an applicant, after waiting  $3\frac{1}{2}$  months for a reply from the Government lost interest in the project and withdrew his application. As regards clause (2) of the resolution, if you should decide to appoint a committee I venture to suggest that the passing of the plans would be greatly facilitated if some permanent committee were appointed, consisting of the Director of Public Works, two unofficial members (one European and one Chinese) and two architects. That would relieve the building authority of the responsibility of exercising his powers of modification and exemption, and I would suggest that a few more sections might be added to section 264 (b) of the Public Health and Buildings Ordinance so as to free you, Sir, and the Executive Council, of the trouble and anxiety of having to decide whether a man should have a water closet in his house or a dog kennel in his backyard. If the applicant were dissatisfied with the finding of the committee he could then refer the matter to the Executive Council. I feel sure that such a committee would be of great service and I believe the building authorities will welcome it. If such a committee were appointed, in order to render the good service I anticipate, it would be necessary that the machinery for bringing matters before the members should be better oiled than it is at present because, with regard to references of matters to the  
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Council. It has recently taken over a month for an application to erect a covering to a motor pump in a private lane which is also a *cul-de-sac* to come before the Council and, so far as I know it has not reached there yet. I do not think the Public Works Committee could quite deal with these matters because unless there happens to be a member of the Council with technical knowledge, and conversant with the Building Ordinance, the opinion of the Director of Public Works would carry too much weight.

THE DIRECTOR OF PUBLIC WORKS—I should like to make a few remarks upon the general criticisms that have been passed upon the Public Works Department. As to the motor pump mentioned by Mr. Bird there has not been a minute's delay because the pump was erected before the matter ever got to the Council.—(Laughter). With regard to the staffing of the office I may say that the Colony has always been going ahead quicker than the staff had been able to keep up with it. The staff to-day is double what it was four or five years ago, and, even so, it is not up to the work. There is no town that has gone ahead like this, or one that presents greater difficulties to contend with. Also I may say, that even if we have a larger staff we have no accommodation for them; the office is congested everywhere; if you give us permission for ten more men we could not find room for them. With regard to decentralisation there is no one more anxious to decentralise than myself. As far as I can, I leave matters to the heads of departments and content myself with minuting them and forwarding them, but to gather up important matters in my own hands is absolutely essential. With regard to plans for building before I took charge, I had established systems that directly the engineer had finished a road I got him to indicate possible sites on the roads, and for the last two or three years we have had plans to refer to the Government as early as possible for them to reserve plots and for the others to be put up to the public. The worst of it is people in Hongkong always want "spurs" and all kinds of places where no water pipes had been laid. It is not like towns at home where sites are regular. We are already dealing with many modifications that I hope will tend to bring lots for sale on the market quicker but, at the present moment, I do not suppose there has ever been a time when there have been so many building sites in process of being dealt with. The number, in the last three months, is double that in any other previous three months in the history of the Colony, and sometimes one

lot represents twenty-five houses. With regard to building plans being submitted, we are undoubtedly under-staffed and the officer in charge is over-worked. I may say, his work is not rendered less by any little evasions that appear on plans sent in. I know architects have a right to do the best they can for their clients, but the staff has to look to the interests of the community to see that these evasions do not take place. We have also, very often, to see that the land proposed to be built on is actually the man's own; sometimes he is proposing to build on someone else's. Then again, something is sent in which is totally unallowable and the plans are sent back and the architect sends in the plans again and says, "Perhaps they won't notice it this time." We do notice it, and back they go again, and so on. At the present time there are more new buildings and new roads being constructed than ever in the history of the Colony and never has the work gone through in quicker time.

H.E. THE GOVERNOR—I do not wish to say anything to prejudice the decision of the committee but I cannot resist saying that I have been myself a member, president or secretary of many committees and I have never yet found a committee of five or six persons which did work in less time than one man did it. If six people are going to examine plans it will take at least six times as long as the Director of the Public Works takes. However, I have much pleasure in appointing a committee and suggest the members be the Director of Public Works, the mover of the resolution and Mr. Bird.

### **The Supplementary Appropriation Ordinance**

THE COLONIAL SECRETARY—I beg to move the first reading of the Bill to authorise the appropriation of a supplementary vote of \$1,457,787.74 to defray charges for the year, 1920. I regret that this Bill has come forward rather later in the year than usual. The amount to be provided under this Bill is considerably less than it has been during the last few years. I think I need only refer to the

three items which make up the bulk of the sum required. The first is Miscellaneous Services \$742 979. This may practically be stated to be the balance between the million dollars which the Colony voted to the University of Hongkong and a sum of over \$300,000, that was realised by the sale of rice. That sale of rice reduced the loss under all transactions in rice from August, 1919, up to the end of the Rice Ordinance, to the sum of rather over \$2,700,000. Under Police and Prison Department there is a large supplementary vote of \$378,000, due not only to the considerable increase of salaries, but the high cost of equipment. Under Charitable Services, the sum of \$100,000 was voted by this Council towards the relief of the famine in China. I move the first reading.

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

#### **General Loan and Inscribed Stock Ordinance**

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to amend the General Loan and Inscribed Stock Ordinance, 1913.

The "Objects and Reasons" state:—This Bill is introduced on instructions from the Secretary of State for the Colonies in order to bring our existing loan legislation into line with present day requirements."

He said: That Ordinance deals with the questions of loans raised in England and does not apply, of course, to loans raised locally. With regard to loans raised in England, it supplies a skeleton form and lays down terms and conditions of such loans to be raised for the Colony in England. Two kinds of loans are authorised; one, raised by the issue of debentures, and the other, loans raised by the issue of inscribed stock. The Bill proposes to make a few small changes in the principal Ordinance which lapse of time has rendered necessary. Clauses 2, 3, and 4 refer to the debenture form of loan, and clauses 5 and 6 to the inscribed stock form of loan. Clause 2 amends section 6 of the principal Ordinance. That section provides that the maximum interest to be charged on debenture loan is to be 5 per cent. per annum. Unfortunately, times have changed and that rate is too low. It is proposed, therefore, to delete the maximum and

leave the rate unrestricted. Clause 3 corrects a slight mistake in the principal Ordinance. The section which it amends—section 13—provides that funds for the payment of interest shall be set aside to meet the interest on all outstanding debentures. Some debentures, though outstanding, have ceased to carry interest because the time has come for redemption, although redemption has not been claimed. This clause will provide that funds to pay interest need only be provided in respect of debentures which are outstanding and on which liability to interest has not ceased. Clause 4 deals with the sinking fund to be provided for the redemption of the debenture loan. The section of the principal Ordinance amended by clause 4 lays down that the amount to be set aside each half year for the sinking fund shall be not less than one half per cent. on the total nominal value of the debenture issued. The clause in this Bill proposes to remove that restriction and it provides that in future the amount to be set aside for the sinking fund shall be such amount as may be specified in the prospectus of the loan or the terms of issue. Clause 5 deals with the maximum interest of inscribed stock. Under the principal Ordinance the maximum is 4 per cent. This clause proposes to abolish that maximum and, in fact, to provide that there be no statutory maximum at all. Clause 6 deals with the sinking fund for the redemption of inscribed stock and is similar to the provisions of clause 4 which deals with the sinking of the debenture loan.

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

#### **Praya East Reclamation Ordinance**

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to provide for the reclamation of the foreshore and sea bed off Praya East, Victoria, in the Colony of Hongkong.

The "Objects and Reasons" state:—

1.—The object of this bill is to legalise and to provide for the Praya East Reclamation Scheme.

2.—It seems unnecessary to go into details because the bill represents the

result of negotiations between the Government and the marine lot holders, and has been approved by the latter.

3.—Power is taken in the bill to carry out all works which may be necessary for the purpose of constructing and completing the reclamation, *e.g.*, altering streets, moving pipes and cables, running construction tramways, etc.

He said: This Bill contains a considerable amount of technical matter, but, as it is the result of negotiations between the frontagers, and the Government and as it has been approved by the frontagers, I do not think it is necessary for me to go into it in detail. Power is taken to carry out all works that may be necessary to make the reclamation, such as altering streets, moving cables, and general construction works.

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

#### **Bills of Exchange Ordinance**

THE ATTORNEY-GENERAL moved the first reading of An Ordinance to amend further the Bills of Exchange Ordinance, 1885.

The "Objects and Reasons" state:—

Paragraph (4) of section 72 of the Bills of Exchange Ordinance, 1885, provides that where a bill is drawn out of but payable in this Colony, and the sum payable is not expressed in the currency of this Colony, the amount shall, in the absence of some express stipulation, be calculated according to the rate of exchange for sight drafts at the place of payment on the day that the bill is payable. This paragraph was a copy of paragraph (4) of section 72 of the Bills of Exchange Act, 1882, 45 and 46 Vict. c. 61. It is not in accordance with the banking practice in this Colony. According to that practice the amount in Hongkong currency is calculated according to the rate of exchange on the actual date of payment. This seems reasonable, as exchange might vary considerably between the day when the bill was payable and the day when it was actually paid. The bill is intended to amend the Ordinance so as to agree with the local banking practice.

He said: The Bills of Exchange Ordinance provides that where a bill is drawn out of the Colony and is payable in the Colony and the

amount payable is not expressed in the currency of Hongkong, that amount—when the bill comes to be paid—must be calculated according to the rate of exchange for sight drafts on the day the bill is payable. That is not in accordance with the banking practice in Hongkong and other parts of the Far East. The practice is to take the rate of the day on which the bill is paid. That seems an obvious and reasonable course, because the rate may change between the day when the bill is payable and the actual day when it is paid. It may seem strange that this amendment has not been made in England. I understand that the reason is that bills on London are nearly all drawn in sterling and, therefore, the question does not arise so acutely there as here. Some are drawn in francs, but these contain an express clause providing that the rate is to be the rate on the day of payment. This Bill merely brings the Ordinance into accordance with the local banking practice.

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

#### **Indemnity Ordinance**

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to restrict the taking of legal proceedings in respect of certain acts and matters done during the war and to provide in certain cases remedies in substitution therefor.

He said: This, sir, is an indemnity Bill such as is always introduced after any war of any importance. I say that because it has been suggested that this is not really an indemnity Bill, at all, and that the indemnity clauses are really intended to cover another object with which I shall deal in a few minutes. I do not agree with that view. When the war was going on, and we were fighting for our national existence, many things had to be done for which, perhaps, no strict legal justification could be found, but the occasion was urgent and conditions were new. Both in police, and censorship, and matters connected with the liquidation of German firms, things had to be done, on the spur of the moment, because there was no time to get definite legislative authority and no time to explore

thoroughly the law on the subject. I think it would not be fair that particular officers, or even the Government, should now stand to be shot at by people who have had all this time to rake over the law and pick holes in what was done in emergency.

But, though this is an indemnity Bill, it would be foolish to deny that one object of it is to bar certain shipping claims in respect of ships requisitioned here during the war. The intention of the Bill is that compensation for the use of those ships shall be restricted to the rates which were given by the Boards of Arbitrators in England, in the case of ships requisitioned there, with, of course, any additional amount which may have been promised here by the local government on account of the special conditions of the local shipping. Any shipowner whose ship was requisitioned, or controlled, and who is not satisfied with the amount offered will have to go before the Board, which will consist of one judge, one member appointed by you, sir, and one appointed by the claimant, and that Board will be limited in their grant of compensation by the same principles that guided the corresponding board in England. In other words, they will only be allowed to give Blue Book rates with certain additions which it is not necessary to specify here.

The first observation I should like to make is that this is, at least, no surprise to shipowners because the policy was announced at the very start, and shipowners must have known it was the fixed policy of the Government. I do not overlook the fact that the shipowners patriotically refrained from making any claim during the war. I do not altogether blame them for seeking to enforce whatever legal rights they have now, but, at least, they cannot say they were misled, because the policy was announced at the time and they must have known that the Government intended to carry it out by all means in their power. I would also point out that shipowners as a body have not done at all badly in the war. Freights were high, the values of ships appreciated, and those ships requisitioned here were not requisitioned at all until long after the war had started—one at the end of 1917 and the rest at the beginning of 1918. They had all that time before they were controlled by the Government at all. The position is this, that all over the world certainly in the United Kingdom, the great majority of shipowners accepted the terms which the Government offered; in other words—they

accepted the Blue Book rates. A certain minority in England reserved their rights; that minority have now been compelled to accept the rates which the great majority of the industry accepted voluntarily. Is it fair then, sir, that these few ships out here should evade their share of the common burden which British shipowners throughout the world have either accepted voluntarily or been required by law to accept? It is a difficult matter to speak of questions of sacrifice, especially when one speaks from a safe position, but I think that it is not unfair to remind the shipowners concerned that many men had their businesses ruined, their health shattered or their lives forfeited in the war, and I do not think that the Government of the Colony are acting unfairly in asking these shipowners to shoulder their share of the common burden. The opponents of this Bill may think that it is an unfair one, but I would remind them that if it is not passed another act of unfairness will be perpetrated. I would like to quote from a speech of Sir Gordon Hewart in the House of Commons in the debate on the Indemnity Bill, which passed into law last year—the Act on which this Bill is founded.

The quotation was as follows:—

"Are we to have two classes of persons in the country, who have given up, voluntarily or involuntarily, their property for the defence and the safety of the realm; those who have taken their compensation at the hand of the Losses Commission, and those who have waited for the ultimate fighting out of certain cases, and then want by Petition of Right to insist upon their pound of flesh, and insist with success! I think that would be a deplorable result. I submit that in this case, as in all cases, the only proper standard for the Government is that there must be one weight and one measure." (*Hansard*, H. of C., Vol. 128, pp. 1845 and 1846).

The hon. member after reading the extract went on to say:—

I would also like to remind the shipowners concerned that the Government in carrying out this shipping scheme accepted the war risk on these ships. That risk, as it happened, was not serious, but the possibility of a raider finding its way into these waters was not an impossible one. There was also the danger of explosions amongst cargo, explosions

engineered by enemy agents in the East. The Government took the risk of any damage due to any operations of war. If a raider had appeared in these waters and had sunk even half these ships the resulting loss would, at a time of very high value of shipping, would have been most crippling. It was a risk contemplated with considerable anxiety at the time by the Government, and if the loss had occurred it would have been a most severe one for the Colony from which it would not have recovered for a long time. Are we, then, to get nothing in return for that risk which the Colony as a whole took? I admit that does not cover the whole ground, but it does cover at least part of the ground. It may not be generally known that we did at one time offer the Imperial Government the whole of the collections from this requisition scheme if they would also accept the risk, and the Imperial Government refused to do so. We, therefore, had to carry it through on our own.

I do not propose to go into the details of the Bill. It is based on the English Act and the details are explained, I think, sufficiently, in the Objects and Reasons. The special words inserted in clauses 3 and 4 to cover the case of claims in respect of requisitioning of ships have been inserted by way of extra caution. I say that because I think that the English Act did cover them and was intended to cover them. The debate in the House of Commons shows that; it lasted six hours and turned mainly on the shipping question involved. It was pointed out that if the Bill was not passed an additional burden of £328,000,000 would be thrust on the taxpayers of the country. I mention that to show that it was intended to apply to shipping claims. By way of extra caution words have been inserted in this Bill to make that perfectly clear.

We made, from this Colony, during the war certain contributions to the Imperial Government for the carrying on of the war. We sent home out of ordinary revenue over five millions; and out of special rates imposed for war purposes over two millions. We also raised a loan of three million dollars and sent that to the Imperial Government. The cash payments have gone; the loan remains, and what it is proposed to do with the money collected by the Government under the requisition scheme is to place it in a fund for the redemption of that war loan.

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

The Objects and Reasons state:—

1.—The Bill is based on the Indemnity Act, 1920, 10 and 11 Geo. 5, chapter 48.

2.—The definition of the term "war risk" in clause 2 is taken from clause 19 of Admiralty Charter Party T. 99, as being the risk assumed at the time of requisitioning when certain ships were first placed under control in 1917 and 1918. The other definitions in clause 2 are taken from the Act.

3.—Clause 3 of the Bill is practically a copy of clause 1 of the Act, except that words have been inserted in order to make it quite clear that the clause will include claims for the recovery of money held by the Government of the Colony in consequence of such acts as are referred to in the main part of the clause. These words are inserted by way of extra caution as it seems obvious that the section in the Imperial Act is intended to cover such claims and probably does cover them.

4. — Speaking generally, clause 3 gives protection to all persons in the public service, in respect of any act done during the war and before the passing of the Ordinance, if such acts were done (a) in execution of a public duty, and (b) in good faith. Sub-clause (3) provides that a certificate by the Colonial Secretary that any act was done in execution of a duty shall be sufficient evidence of that fact and that any act so done shall be deemed to have been done in good faith unless the contrary is proved.

5.—The clause in question, clause 3, bars all legal proceedings in respect of any such acts, including legal proceedings for the recovery of money held by the Government in consequence of any such act. Certain legal proceedings, are excepted from this bar, and amongst the excepted cases is the institution of proceedings in respect of breach of contract, provided that such proceedings are commenced within one year from the termination of the war or from the date when the cause of action arose, whichever may be the latter date. This limitation of time is imposed in order that claims may not be held back unduly but may be presented while the evidence on behalf of the Government is more

likely to be available. Temporary organisations set up for the purposes of a war are dissolved when the war comes to an end, or even before that event, and the longer the time which elapses the more difficult it is to obtain evidence on matters dealt with by such temporary organisations.

6.—Clause 4 makes an exception to the general bar on legal proceedings imposed by clause 3. It gives a definite legal right to payment in respect of the requisition and control of shipping by or on behalf of the Government of the Colony, and a right to compensation for damage directly due to war risk during the period of requisition or control. The payment in respect of requisitioning and control is to be in accordance with the Blue Book rates, together with any additional payment which may have been expressly promised in writing, or credited to the owner, by the Government. This addition does not appear in the Imperial Act but is peculiar to the Bill. Compensation for damage due to war risk is limited, as in the Imperial Act, by the provision that, in assessing such damage, no account is to be taken of any increase of market values of tonnage due to the war.

7.—The tribunals for assessing payment or compensation under the Imperial Act are (a) the Admiralty Board of Arbitration, (b) the Defence of the Realm Losses Commission, and (c) any special tribunal prescribed by the Defence of the Realm Regulations for any particular case. As none of these arbitrational boards exist in Hongkong, clause 3 provides for tribunals which are to consist of one of the judges as president, and of two other members, one nominated by the Governor and the other by the claimant. The Imperial Act provides for an appeal on a point of law from the arbitration tribunal to the Court of Appeal. Clause 5 provides that the president of the local tribunal may reserve any point of law for the decision of the Full Court, and that the decision of the Full Court on such point of law shall be final. The Imperial Act provides for an appeal from the Court of Appeal to the House of Lords, but only by leave of the Court of Appeal.

8. — Clause 6 saves all Prize Court proceedings from the operation of the Bill.

9.—It may be pointed out that sub-clause (1) of clause 3 provides that if any legal proceedings which is barred by the Ordinance

shall have been instituted before the commencement of the Ordinance it shall be discharged, subject to such order as to costs which the Court may think fit to make. Sub-clause (4) of the same clause provides that nothing in the clause shall affect a final judgement given before the passing of the Ordinance.

### **Deportation Ordinance**

THE ATTORNEY-GENERAL moved the first reading of the Bill intituled, An Ordinance to amend the Deportation Ordinance, 1917.

He said: This Bill falls into two portions. Clause 2, clause 4 and clause 5 are founded on the recent aliens legislation in the United Kingdom. The important part of clause 3 is founded on a recent China Order in Council. I do not know that I need refer in detail to the clauses based on the aliens legislation of the United Kingdom, but I would like to refer to section (b) of clause 3. That is the part of the Bill which is based on the China (Amendment) Order in Council, No 3, 1920. It gives the Governor in Council power to deport any person who it is considered has acted or is about to act in a manner prejudicial to the public safety. That power to deport can only be exercised after what we may call the "long procedure" of the Deportation Ordinance has been gone through. It is not a summary power; the person whom it is proposed to deport has to have a definite charge put before him and is given the opportunity of answering that charge.

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

The "Objects and Reasons" state:

1.—The object of this bill is to amend the Deportation Ordinance, 1917, by remedying certain apparent defects therein and by inserting certain new provisions in order to conform with recent legislation in the United Kingdom.

2.—Clause 2 of the bill is based on a combination of the present section 3 (2) of the Ordinance and the provisions of Article 12 (6) (c) of the Aliens Order, 1920, which reads as follows:—

"A deportation order may be made in any of the following cases:—

- (c) if the Secretary of State deems it to be conducive to the public good to make a deportation order against the alien."

The reference in the existing section to the Peace Preservation Ordinance is out of date, as the Ordinance has not been used for years.

3.—The object of the first amendment effected by clause 3 is to remedy a difficulty that might arise from a literal construction of the opening words of section 4 (14) of the Ordinance. It might be argued that, as the law stands at present, no part of section 4 applies to British subjects, except to those classes specified in sub-section (14). The result would be that any proceedings under the section against a British subject would be illegal, though the nationality of the person in question might be discovered only in the course of the proceedings. It is, therefore, considered advisable to amend sub-section (14) by providing that sub-section (11) only, which deals with the actual deportation, shall not apply to British subjects, except the classes particularly specified.

4.—The second amendment effected by clause 3 of the bill is based on Article 2 of the China (Amendment) Order-in-Council, No. 3, 1920, which was published in the *Gazette* of May 20th, 1921. It is considered necessary to take power to deport any person whatsoever who, in the opinion of the Governor-in-Council, has acted or is about to act in a manner prejudicial to the public safety, etc.

5.—Clause 4 effects an amendment in Form No. 7 of the Schedule to the Deportation Ordinance, 1917, by deleting the reference to the Peace Preservation Ordinance, 1886.

6.—Clause 5 is new and is based on Article 21 (3) of the Aliens Order, 1920. It provides that any person deported under the Deportation Ordinances, 1917, and 1921, shall be deemed for the purposes of the deportation order to retain his nationality as at the date of the order, unless the Governor otherwise directs.

### **Tobacco Ordinance**

The ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to

amend the Tobacco Ordinance 1916.

He said: This Bill deals, almost entirely, with matters of detail which might be better considered in committee than in the introduction of the Bill on its first reading. I would only like to say that clause 7—which deals with penalties—proposes to give the magistrate power to impose a fine of ten times the duty, instead of the ordinary fine authorised by the present Ordinance, in any case where the magistrate is of opinion that there has been an intent to avoid payment of duty. Lately, large quantities of tobacco have been brought in without paying duty and the fine authorised by the present Ordinance—\$500—has been quite insufficient in view of the inducement offered to the smuggler to get a large quantity of tobacco through. Clause an attempt to close up gaps in the net so as to provide that any tobacco imported by railway shall be brought into Kowloon Station. At present it may be taken off at an intermediate station and in that way escape duty. Clause 2 deals with the powers of the Governor-in-Council to alter the tobacco duties. Of course, the Legislative Council has full control in this matter as it is a matter of taxation, but it is obviously necessary to have the power to amend the tobacco taxes at short notice, to prevent dealers getting tobacco out of bond and so escaping the new duties. The present section is not quite full enough to deal with all cases. For example, the Governor-in-Council cannot reduce duties. It might be found that some were too high and it might be desirable to reduce them. At present that cannot be done, but under this clause it will be possible.

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

The "Objects and Reasons" state:—

1.—The object of this bill is to amend the Tobacco Ordinance in certain respects where experience has shown it to be defective.

2.—Clause 2 gives the Governor-in-Council a wider power of dealing with



tobacco duties in anticipation of a resolution of Legislative Council. The powers now conferred correspond with those entrusted to the Legislative Council by section 7 of the Ordinance.

3.—Clause 3 provides that duty shall be paid on tobacco manufactured in the Colony which is removed into a bonded or licensed warehouse, before removal from such bonded or licensed warehouse.

4.—The object of clause 4 is to prevent the smuggling of tobacco into the Colony by rail. As the law stands at present, it is possible for persons to bring tobacco into the Colony by rail from Chinese territory, and to evade detection by alighting with the tobacco at any of the stations before the Kowloon terminus. As long as they remain on the train and do not remove the tobacco from the train, they are within the law and cannot be arrested, and detection at intermediate stations is difficult. Clause 4 requires all tobacco imported by the railway to be consigned through to Kowloon by railway invoice, and any persons found on the train in possession of tobacco not so consigned will be liable to arrest and prosecution.

5.—Clause 5 gives certain Railway officials the same powers under the Ordinance as are given to revenue officers, the object being to enable arrests and seizures to be made on the train by Railway officials.

6.—Clause 6 effects two formal amendments in section 41 of the Ordinance, both of which tend towards a clearer interpretation of the section.

7.—Clause 7 amends section 59 of the Ordinance, which is the general penalty section, by empowering a magistrate to impose a fine of ten times the duty on the tobacco in question, instead of the fine authorised by section 59, whenever he is of the opinion that there has been an intent to avoid payment of duty. There have recently been cases of smuggling tobacco which have obviously required a pecuniary penalty greater than that authorised by the principal Ordinance, and it has been thought advisable to give the magistrate the option of imposing a fine of ten times the duty, where such will be greater than the present maximum fine. The power of the magistrate to inflict imprisonment in lieu of or in addition to any fine remains unaltered.

### Stamp Amendment Ordinance

The ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to amend the Stamp Ordinance, 1921.

He said: Much of this Bill is purely formal; for example, clause 2, which supplies a drafting omission and corrects a drafting mistake in the principal Ordinance. Another part of the Ordinance consists of the clauses which propose to collect together and place in the new Ordinance certain regulations which have been made under the principal Ordinance. It seems more convenient to have them embodied in the Ordinance and the schedule than to have them scattered about in regulations. Clause 3 deals with what is called "splitting." A section of the principal Ordinance which prohibits splitting—the execution of more instruments than would be ordinarily required for the transaction in order to evade duty thereby; that is to say, if I receive payment of \$16 and make out two receipts for \$8 each to avoid the stamp duty: that is not allowed. The prohibition is clear: the difficulty is to enforce it. It is very difficult for the Collector to prove, affirmatively, that there has been splitting to evade duty, and the effect of this clause is to throw the onus of proof on the person who asserts that there has been no splitting. He is the person who knows all the facts, and it is only fair that he should be required to show that the splitting up into two documents or more was done *bona fide* and not be evade duty. Clause 4 deals with exchange contracts. It makes three main changes in the collection of that duty. In the first place, it imposes on the banker, if either party to the contract is a banker, the duty of seeing that the stamp duty is paid. If both parties are bankers, the seller is to put the stamps. If neither party is a banker, the seller again has to put the stamp. The reason for the first of these requirements is that bankers are used to collecting these duties, they have the necessary stamps and they are less likely to find difficulty and less likely to overlook the necessary stamping. Another change is to give the Collector

power to remit the duty on exchange contract cancellation notes, if the Collector is satisfied that, owing to bankruptcy or other cause, the banker cannot recover duty from the person liable to pay it. The third change is to make it clear that in the case of genuine cancellation of exchange contracts, as distinct from a set-off, the duty is payable only on the original exchange contract, although, for the purposes of a banker's accounts, the cancellation may appear in his books as a second exchange contract. This applies only if the cancellation agreement is come to, and the exchange for the cancellation is fixed, and the transaction is completed, on the same day. That is to prevent evasion and to avoid parties to an exchange contract pretending that a set-off is a genuine cancellation. One of the most important clauses in the Bill is paragraph (c) of clause 6, relating to conveyances. At present, conveyances under \$20,000 pay duty at the rate of 50 cents per thousand and those above at \$1 per thousand. It is found that this has led to considerable splitting to avoid the higher scale. It is very hard to prove it but the conclusion is almost irresistible that splitting has occurred, and the proposal is to abolish the lower scale and apply the \$1 throughout. Paragraph (i) of the same section alters the heading relating to the duty on transfers of shares. At present duty is calculated on the market value. "Market value" is not a suitable term for shares which has no market value, *e.g.*, shares in private companies. It is proposed to omit the word "market" in heading 14 (a) in the schedule of the Bill. Another provision secures that if a compradore order is passed through a bank it must pay the same duty as a cheque.

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

The "Objects and Reasons" state:—

1.—The object of this bill is to make is the Stamp Ordinance, 1921, certain amendments which experience has shown to be necessary.

2.—Clause 2 supplies a drafting omission, and corrects a drafting error, in section 3 of the principal Ordinance.

3.—Clause 3 amends section 10 of the principal Ordinance so as to throw the onus of proof upon the person who asserts that there has been no splitting in order to evade stamp duty.

4.—Clause 4 deals with exchange contracts. The insertion of the words "or carried out" is proposed because it might possibly be argued that the present section 22 of the principal Ordinance applies only to cases where something in the nature of cancellation takes place. Paragraphs (b) and (e) of clause 4 are explained in paragraph 10 below. The proposed new sub-section (7) of section 22 gives the Collector power to remit the duty on exchange contracts cancellation notes, executed by bankers, if the Collector is satisfied that, owing to bankruptcy or any other cause, the banker cannot recover the duty, or cannot recover all the duty, from the person who is liable to pay the duty. The proposed new sub-section (8) provides that in the case of a genuine cancellation, as distinguished from a set off, the exchange contract cancellation note duty shall be payable only in respect of the original contract, although for the purposes of the banker's accounts the cancellation may take the form of a second exchange contract. The conditions of this concession are that the cancellation agreement must be come to and the exchange for the cancellation be fixed, and the transaction be completed, on the same day.

5.—Where an adjudication is applied for the Collector has, under section 14 (2) of the principal Ordinance power to call for an abstract of the instrument and for evidence to show whether the necessary facts have been set out in the instrument. He has no such power in the case of an instrument which is merely tendered for stamping. Clause 5 proposes to give him this power.

6.—Clause 6 proposes to make certain amendments in the schedule to the principal Ordinance. These amendments are explained below.

7.—Paragraph (a) is a repetition of a regulation which was made on May 13th. It is inserted here because it seems convenient to collect in this bill as many as possible of the amendments which have already been made by regulation. Three sets of regulations have already been made under the Ordinance. Some of these regulations are temporary and will not be required after the end of this present year. Others have been worked into this bill, and the intention is to consolidate all the remaining  
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early next year. Any regulations which are worked into this bill will be repealed as soon as the bill becomes law.

8.—Paragraph (b) corrects a drafting error in Heading No. 12.

9.—Paragraph (c) proposes to abandon the system of a double scale for conveyances, and to charge \$1 per 100 in every case. There is reason to believe that the existennce of a scale has been taken advantage of for the purpose of evading duty, though it is almost impossible in any given case to prove that such evasion has been intended.

10.—Paragraph (d) deals with the question of the liability for stamping exchange contract cancellation notes. The object is to impose the liability on the banks wherever a bank is concerned. If neither party to the contract is a banker, the seller will remain liable to put on the stamps, as at present. The liability to see that the stamp duty is paid does not affect the question of the liability for the duty as between the parties to the contract: see section 22 (4) of the principal Ordinance, as amended by this bill.

11.—Paragraphs (e), (f) and (g) reproduce regulations which were made on the 17th June.

12.—Paragraph (h) corrects a drafting error in Heading No. 33, sub-heading (7).

13.—Paragraph (i) proposes to delete the word "market" in the sub-heading relating to the duty on transfer of shares. The reason for this amendment is that the term market value is not very appropriate to the case of shares in private companies, or even to the case of shares in public companies which in fact have at the time no general market.

14.—Paragraph (j) proposes to insert certain headings in the schedule to the principal Ordinance.

15.—The proposed new Heading No. 12A, deals with duty on bonds given under Ordinance No. 16 of 1915, Section 11 (2), to secure the payment of estate duty. In the Stamp Ordinance, 1901, such bonds were liable to the same duty as mortgages. The effect of the Stamp Ordinance, 1921, was to render them liable to a fixed duty of \$20. This was a hardship in the case of small estates, and accordingly, by a regulation made on the 17th June, it was provided that such bonds should

pay at the same rate as mortgages up to the maximum of \$20. It was necessary to fix this maximum because there is no power to increase stamp duties by regulation, but it seems obvious that such bonds should pay at the same rate whatever the amount. The new Heading No. 12A therefore renders such bonds liable to the same rate of duty as mortgages, whatever the amount of the bond.

16. — The proposed new Heading 14A provides that if compradore orders are passed through a bank they must pay the same duty as cheques. This is only a revival of the rule which was in force from 1903 to 1921.

17. — The proposed new Heading 17A reproduces a regulation which was made on the 13th May, 1921, except that it provides for the case of dividend warrants issued before the 13th May, 1921. This case is not unimportant, because the practice of issuing in coupon form warrants to receive any dividends that may be declared is sometimes employed by Chinese companies.

18.—In noting up in the schedule to the Stamp Ordinance, 1921, the amendments made by Clause 6 of this bill it will be found that in some cases the sign "Do" will give a wrong meaning unless it is read without reference to the insertions made by this bill. For example, the sign "Do" in the fourth column of Heading No. 15 will still refer to the word "Overembossed" and not to the word "Adhesive" and should be altered accordingly to "Overembossed." It might be supposed that these formal alterations ought to have been made by this bill. The reason why this has not been done is that, as it happens, no such alterations are necessary in the official copy of the Ordinance, which is in foolscap form, and in which the paging of the schedule is different from that in the octavo form of the Ordinance. The octavo form of the Ordinances is the form in which they appear in the annual volume. The lines of the sections are of the same length in both forms of the Ordinances. The copy of the Ordinance deposited in the Registry of the Supreme Court is here described as the official copy in reliance on the provisions of Section 10 of the Interpretation Ordinance, 1911. It would of course have been better if the sign "Do" had not been used in the principal Ordinance at all, but no difficulty ought to arise in actual practice.

### **Estate Duty Ordinance**

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to amend the Estate Duty Ordinance, 1915.

He said: The position, at present, is not quite clear as to the liability of land in the New Territories to estate duty. The old rule was that probate duty was not payable at all in respect of New Territory land where the grant was made by the Supreme Court or by the Land Officer at Taipo or by the Southern District Officer. What the Bill proposes is to make it quite clear that no estate duty is payable on any grant made by the Land Officer, but that it shall be payable if the land forms part of an estate grant of administration of which has been made by the Supreme Court in Hongkong. It is desirable to encourage the system of grants by the land officer: it is a simpler and cheaper system and one which lends itself better to the application of Chinese custom. Any estate which comes before the Supreme Court would probably be of such a character that the estate duty payable on the New Territories portion would be a comparatively small amount and the estate would also be of such a character that the application of Chinese custom would not be of such importance. At all events, the arrangement made in this Bill is that no duty is payable if the land officer makes the grant but is payable if the Supreme Court makes the grant.

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

The "Objects and Reasons" state:—

1.—The object of this bill is to amend the Estate Duty Ordinance, 1915. The chief reason for doing so is that the position of land in the New Territories in relation to death duties is not clear. The New Territories Regulation Ordinance, Ordinance No. 34 of 1910, Section 29, provides that no probate duties are to be payable upon the registration by the Land Officer of a successor. There is perhaps a doubt whether this section exempts such successions from estate duty' and it has been thought advisable to make this quite clear by adding a paragraph to Section 6 of the Estate Duty Ordinance definitely exempting such successions from estate duty. This is done by Clause 3 of the bill.

2.—The chief difficulty, however, arises not

on these successions, but on grants of probate or administration by the Supreme Court which include New Territories land. Such grants were exempted from probate duty, in so far as the value of the New Territories land was concerned, by Regulations dated August 1st, 1905. under the Stamp Ordinance, 1901. (Regulations of Hongkong, 1914, page 572). It is very doubtful whether this exemption now extends to estate duty, and it seems only reasonable that where recourse is had to the Hongkong Courts, all the duties and fees payable in respect of Hongkong property should be payable.

It has been thought advisable therefore to append a proviso to the paragraph added by Clause 3 of the bill to the effect that the exemption from estate duty there given shall not apply to any land which forms part of an estate of which the Supreme Court has granted probate or letters of administration.

3.—Clause 2 and 4 of the Bill effect small textual corrections in the Ordinance.

### **Legal Practitioners Amendment Ordinance**

THE ATTORNEY-GENERAL proposed that the Order of the Day relating to the Bill intituled. An Ordinance to amend further the Legal Practitioners Ordinance, 1871, which was on the Agenda for first reading, should stand over until the next meeting of the Council.

The motion was agreed to.

### **Public Health and Buildings Ordinance**

The second reading of the Bill intituled, An Ordinance to amend further the Public Health and Buildings Ordinance, 1903, was postponed until the next meeting of the Council.

### **Crown Lands Resumption Ordinance**

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to amend the Crown Lands Resumption Ordinance, 1900.

THE COLONIAL SECRETARY seconded, and the motion was carried.

The Council then went into committee to consider the Bill clause by clause. Clause 2 was amended by the omission of the words "by a willing seller" in the sixth line of para. (b). In clause 5 a minor amendment was made. A new draft was substituted for clause 6, and clause 6 was renumbered 7.

THE ATTORNEY-GENERAL explained that the object of the new clause 6 was to make it clear that the Board could give compensation in respect of damage to a business due to removal.

HON. MR. POLLOCK — This embodies a point which the unofficial members desired to have introduced.

Council then resumed.

THE ATTORNEY-GENERAL moved the third reading of the Bill; the COLONIAL SECRETARY seconded, and the motion was carried.

The Bill passed accordingly.

### **The Adjournment**

H.E. THE GOVERNOR—With regard to the adjournment, it will be impossible to take all these Bills at the next meeting if we held it next week, but we could probably take them all if we adjourned for a fortnight. But I think it would be better to get some of them out of the way, and I propose that we meet this day week and take such of the business as we feel disposed to deal with.

HON. MR. POLLOCK asked whether the counsel was to be heard with regard to the Indemnity Bill.

THE ATTORNEY-GENERAL — The Government have no objection to their being heard. The counsel who is instructed to appear is coming from another Colony and cannot be here either next week or the following week.

HON. MR. POLLOCK — I suppose that, in that case, the Bill will be taken later.

H.E. THE GOVERNOR — The Council will adjourn to this day week at 2.30 p.m.

### **FINANCE COMMITTEE.**

A meeting of the Finance Committee was

held after the Council had adjourned, the COLONIAL SECRETARY presiding.

### **Upper Air Research**

The Governor recommended the Council to vote a sum of \$2,000 on account of Royal Observatory, Special Expenditure, Instruments for Upper Air research.

THE CHAIRMAN said that this sum was for certain apparatus, such as steel cylinders of hydrogen, balloons theodolites, tripods sliding rules and thermometers, etc., which the Director of the Royal Observatory, wishes to use in upper air research, and the sum asked for was the dollar equivalent of the cost in sterling.

Approved.

### **Fire Brigade Sub-Station**

The Governor recommended the Council to vote a sum of \$10,700 on account of Public Works, Extraordinary, Hongkong, Buildings, Conversion of the old Cinema shed at Wanchai into a fire Brigade Sub-station.

THE CHAIRMAN said this matter had been before the Finance Committee who had approved the expenditure.

Approved.

### **Royal Observatory Laboratory**

The Governor recommended the Council to vote a sum of \$400 in aid of the Royal Observatory, Laboratory Expenses.

THE CHAIRMAN said this was for meteorological instruments at the Peak Station.

Approved.

### **X-Ray Apparatus**

The Governor recommended the Council to vote a sum of \$650 in aid of the Medical Department, B. — Hospital and Asylums, Other Charges, Upkeep of X-Ray Apparatus.

THE CHAIRMAN—This sum has been spent in putting the X-ray apparatus at the Government Civil Hospital in order.

It is not new apparatus; it is for repairing existing apparatus. A report was made on it by an electrician in Hongkong—Mr. Frost.

HON. MR. HOLYOAK inquired if there was anybody in the Colony qualified to use it.

THE CHAIRMAN—I understand it is in constant use.

HON. MR. HOLYOAK—I should like to know if it is in constant use and whether there is a qualified person to use it.

THE CHAIRMAN—I will make inquiries.

The vote was approved.

#### **Furniture for Government House**

The Governor recommended the Council to vote a sum of \$1,000 in aid of the vote Governor, Other Charges, Furniture.

THE CHAIRMAN said there had been a considerable replacing of very old furniture by new, and the vote made for it had proved insufficient.

Approved.

#### **Fire Protection at Kowloon Railway Station**

The Governor recommended the Council to vote a sum of \$50 in aid of the vote Kowloon-Canton Railway, Special Expenditure, Additional Hydrants and Main for Kowloon Station.

THE CHAIRMAN said the amount previously voted had proved insufficient by \$50.

Approved.

#### **Motor Vehicles for Public Works Department**

The Governor recommended the Council to vote a sum of \$1,408 in aid of the vote Public Works, Extraordinary, Hongkong, Miscellaneous, (32) Motor-lorry and Motor-bicycle in connection with Maintenance of Roads.

THE CHAIRMAN explained that owing to the fall in the sterling value of the dollar the cost of the Dennis lorry recently obtained by the P.W.D. exceeded the estimate by \$1,408.

Approved.

#### **Water Works and Typhoon Damages**

The Governor recommended the Council to vote a sum of \$37,800 in aid of the following votes:—

Public Works, Recurrent, Water Works:

(20)—Maintenance of Shaukiwan \$ 800  
(22)—Water Account (Meters, etc.) 6,000

Miscellaneous:—

(34)—Typhoon and Rainstorm  
Damages ..... 6,000

Public Works, Extraordinary, Water Works:—

(38)—Additional Rising Main to  
the Peak ..... 25,000

Total ..... \$37,800

THE CHAIRMAN—The amount of \$800 is for water supplied at Shaukiwan by the Taikoo Sugar Refinery during a time of shortage. The \$6,000 is required, owing to the large amount of building. Since January 1st new meters have been supplied to the value of \$4,000. Secondly, heavy costs have been incurred in repairs to meters due to the large extra consumption of water. The next item of \$6,000 is due to very heavy rainfall. There was a considerable number of washouts of roads. I will read them out if you would care to hear it. The last item of \$25,000 for additional rising main to the Peak is due practically entirely to the enormous increase in cost at home and the fall of the dollar. A pipe which before the war cost £997 now costs £4,661 and that combined with the fall in the dollar raised the supplementary vote required to \$25,000. Of this sum \$15,000 was provided for in the estimates for 1920 and has been revoted.

HON. MR. POLLOCK—It is a pity we did not get these pipes when exchange was higher.

The vote was approved.

#### **Reclamation at Aplichau**

The Governor recommended the Council to vote a sum of \$10,000 in aid of the vote Public Works, Extraordinary, Hongkong, Miscellaneous, (24) Aplichau, Reclamation Scheme.

THE CHAIRMAN—This is really a re-vote. The total estimate for the whole of the work is \$48,000. The amount provided in the estimates was \$25,000, and now \$10,000 is asked for. It is proposed to provide \$13,000 in next year's estimate for completing it.

Approved.

#### **Dredging Foreshores**

The Governor recommended the Council to vote a sum of \$5,500 in aid of the vote Public Works, Recurrent, Hongkong, Miscellaneous, (16) Dredging Foreshores.

THE CHAIRMAN explained the vote as being due mainly to increased cost of material and to the amount charged by the Dock Co. for repairs to dredger.

Approved.

#### **Incidental Expenses**

The Governor recommended the Council to vote a sum of \$100 in aid of the vote Attorney General's Office, Other Charges, Incidental Expenses.

THE CHAIRMAN — This represents an addition to the library and \$60 for dental fees for one of the officers—the Attorney General's clerk. The Government is paying half the fee.

Approved.

#### **Furniture for Treasury**

The Governor recommended the Council to vote a sum of \$170 in aid of the vote Treasury, Special Expenditure, Furniture.

Approved.

#### **Railway Vote**

The Governor recommended the Council to vote a sum of \$28,350 in aid of the following votes:—

Kowloon-Canton Railway:—

Locomotive, Carriage, and Wagon Expenses,  
Other Charges:

Coal.....	\$28,000
Loading Coal .....	350
Total .....	<u>\$28,350</u>

THE CHAIRMAN—This large sum is not an addition to the cost of running the railway. The estimates for coal had been reduced in the estimates in anticipation of an earlier use of motor coaches. Hon. Members will see what a great saving there would be in the running of motor coaches where trains are not absolutely necessary.

Approved.

#### **Purchase of a Steam Launch**

The Governor recommended the Council to vote a sum of \$68,000 on account of Police Department, A. — Special Expenditure, purchase of Steam Launch *Shun Lee*, and building of a new Harbour Launch.

THE CHAIRMAN said this had been already before the Finance Committee and approved.

Approved.

#### **Drainage in the New Territories**

The Governor recommended the Council to vote a sum of \$13,400 in aid of the following votes:—

Public Works, Extraordinary, New Territories,  
Drainage:—

(78)—Training Nullahs: (b) General Works .....	\$ 9,700
(79) — Miscellaneous Drainage Works: (a) Kowloon City Reclamation Sewerage Scheme .....	3,700
Total.....	<u>\$13,400</u>

THE CHAIRMAN explained the first item as being for the extension of the nullah in Shamshuipo which had to be undertaken owing to the rapid development of the district. The other amount was also required because of the unexpected building development necessitating the extension of Government sewers.

Approved.

#### **Document Presses**

The Governor recommended the Council to vote a sum of \$130 in aid of the vote Colonial Secretary's Office, Special Expenditure, Document Presses.

Approved.

### **Compensation for Development Promoters**

The Governor recommended the Council to vote a sum of \$7,500 on account of Miscellaneous Services, in aid of expenses incurred by the Promoters of the South of the Island Development Scheme.

THE CHAIRMAN — Hon. members will remember the big scheme for the development of the south side of the island. After years of negotiations the scheme has fallen through, and the Government found it necessary to terminate the whole business, but on the application of the promoters it was felt that there was some reason for their being led to expect that this scheme would go through. They had, therefore, incurred certain unavoidable expenditure. They were asked for particulars, but we could not get definite particulars of much of the expenditure. After negotiations with the agents of the promoters locally it was agreed to pay a sum of \$7,500.

HON. MR. BIRD—It was a private enterprise, was it not, sir?

THE CHAIRMAN — It was a private enterprise but the Government had supported it and it would have been of great public advantage. It would have gone through probably but for the war. The war intervened and prevented them from raising the capital, if they ever could have raised the capital. On the other hand the Government were somewhat in the wrong in not having stated a time for the definite conclusion of the work. The time dated from a hypothetical passing of an ordinance. That has been very carefully considered, and it is felt that it would be equitable to pay this sum to cover certain expenses. I do not think it will cover all the expenditure to which they have been put.

HON. MR. POLLOCK—Has this sum been agreed to?

THE CHAIRMAN—Yes, it has been agreed to by the Government, and the representative of the promoters.

The vote was approved.

### **Expenditure on Exhumations**

The Governor recommended the Council to vote a sum of \$2,000 in aid of the vote Sanitary Department, Special Expenditure, Exhumation at Kai Lung Wan Cemetery.

THE CHAIRMAN said exhumations would proceed early next year at Chai Wan and it was now becoming feasible to complete the exhumation at Kai Lung Wan. It was proposed in future Estimates to provide one sum for all exhumations.

Approved.

### **Temporary School at Morrison Gap Road**

The Governor recommended the Council to vote a sum of \$30,000 on account of Public Works, Extraordinary, Hongkong, Buildings, Proposed erection of a temporary school near Gap Road.

THE CHAIRMAN—The building in which the Praya East school had been housed for some years had become unsafe, and the scholars had to be removed to temporary accommodation in the Indian School. It is now proposed to erect temporary buildings in Morrison Gap road which will last until a site for permanent buildings is available.

HON. MR. POLLOCK—Will these buildings be of use for anything else later on?

THE CHAIRMAN—I do not know that they will last longer than they will be required. They will be wanted for six years.

THE DIRECTOR OF PUBLIC WORKS—I am afraid they will not be of much use by the time the Government has finished with them.

HON. MR. POLLOCK—It is a fairly big price.

THE CHAIRMAN—The price surprised me, but it is a fairly big building.

THE DIRECTOR OF PUBLIC WORKS agreed.

The vote was approved.

### **Incidental Expenses**

The Governor recommended the Council to vote a sum of \$1,600 in aid of the vote Public Works Establishment, Incidental Expenses.

THE CHAIRMAN gave details and explained that the amount was in excess of the sum of \$2,000 provided in the Estimates.

Approved.



### Cost of Chinese Police Uniforms

The Governor recommended the Council to vote a sum of \$60,000 in aid of the following votes:—Police and Fire Brigade—A. —Police, Other Charges: Clothing and Accoutrements, \$30,000; Passages and Bonuses in lieu of passages, \$30,000; total \$60,000.

THE CHAIRMAN—These are very large sums. The first item, \$30,000 for Clothing and Accoutrements of the Police, is involved by the change in style of uniforms of the Chinese Police. A thousand pairs of black Blucher light boots are required for the Chinese Police at a cost of £874. The old Chinese shoes cost 85 cents a pair. Helmets and caps, instead of bamboo hats, cost \$8 for each man as compared with 25 cents each, for bamboo hats. In February last, £1,090 was spent on blue serge uniforms. All this expenditure was not provided for. The change in the style of the uniforms was under consideration for sometime; it was dropped during the war and only recently was decided on. I think hon. members considered it for some time.

HON. MR. POLLOCK — It seems a very expensive change to make.

THE CHAIRMAN—The Police authorities advocated the change. Each Chinese police officer, this year, has received four suits of summer clothing, instead of one, as previously. Each man gets two pairs of boots, costing 12s. 7d., each, and two new suits of winter clothing (blue); one helmet and puggaree; and one hat and cap. Each man gets a normal issue, which is costing very much more, owing to two causes—increased prices and difference of exchange. Further, the cost of uniformed police lent to other departments is now borne on the Police Estimates.

As regards the second item—passages—we have given up the old arrangement by which, if the Police did not take their leave, they were given a bonus. That was under consideration for a long time. Various members of the Council objected to the system and it has been given up. The men now go on leave in greater numbers — with their families—and the result is a large extra sum has been incurred for passages.

HON. MR. HOLYOAK — Will these figures be annually recurrent?

THE CHAIRMAN — Uniforms will not be

so high. This item represents a complete outfit. The men will only have renewals now. The passages I think, will always be a large item. We have not yet reached a figure which we can guarantee to be, more or less, the annual figure.

HON. MR. POLLOCK — How many Chinese Police are there?

THE CHAIRMAN—The number is getting larger. It is round about 600.

HON. MR. HOLYOAK — Before changes involving large sums of money are made, the Council ought to know something more about the cost.

THE CHAIRMAN—I was surprised to hear of the expenditure that had taken place.

HON. MR. POLLOCK — I think the Finance Committee should have been consulted, first.

The vote was approved.

### Purchase of Hakka Dictionaries

The Governor recommended the Council to vote a sum of \$750 in aid of the vote Miscellaneous Services, Other Miscellaneous Services.

THE CHAIRMAN—This item is for the purchase of 50 copies of the second Hakka dictionary from the English Presyterian Mission of Swatow. The vote has been already considered and approved by the Finance Committee.

Approved.

### Fire Brigade Motor Vehicle

The Governor recommended the Council to vote a sum of \$2,400 on account of the vote Police and Fire Brigade.—B.—Fire Brigade, Special Expenditure, Motor-Cars.

THE CHAIRMAN—This is required for a secondhand motor-car, purchased on the recommendation of the C.S.P., to carry men and hose and to tow the light steam fire engine, if necessary. One would not have bought a secondhand car in ordinary circumstances, but this is urgently required and costs one third of what a new vehicle would cost. It was desirable to get this for Kowloon.

HON. MR. BIRD — What type of car is it?

THE CHAIRMAN—It is a Cadillac chassis; we are going to build on it.

Approved.

**Searchlight for Fire Float**

The Governor recommended the Council to vote a sum of \$4,000 on account of the vote Police and Fire Brigade.—*B.*—Fire Brigade, Special Expenditure, Electric Plant and Search Light for No 1 Fire Float.

THE CHAIRMAN—This is for the electric plant and searchlight on the fire float; it is the amount of the accepted tender.

Approved.

**Medical Department**

The Governor recommended the Council to vote a sum of \$3,300 in aid of the following votes:—

Medical Department:—

Civil Hospital, other charges:—

Bedding and Clothing .....	\$1,600
Cleansing Materials .....	350
Furniture and Repairs .....	650

Lunatic Asylum, Other Charges:—

Bedding and Clothing .....	350
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Victoria Hospital, Other Charges:—

Bedding and Clothing .....	350
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Total ..... \$3,300

THE CHAIRMAN—The excess of all these votes is due to the fall in sterling value of the dollar and rising prices at home.

Approved.

**New Chinese Cemeteries**

The Governor recommended the Council to vote a sum of \$1,000 in aid of the vote Public Works, Extraordinary, Kowloon, Miscellaneous, (61) Chinese Cemeteries: Laying out new areas.

THE CHAIRMAN — The extra sum is required for road formation and terracing.

Approved.

**Miscellaneous Services**

The Governor recommended the Council to vote a sum of \$50,000 in aid of the vote Miscellaneous Services, Other Miscellaneous Services.

THE CHAIRMAN—The vote for "other miscellaneous services" has had to bear some exceptional charges this year. There is an item of \$35,000 for prisoners of war in Australia, up to date of repatriation; it was not anticipated when the estimates were drawn up.

Approved.