

18th MARCH, 1926.

PRESENT:—

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

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

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

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

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

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

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

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

HON. SIR HENRY POLLOCK, K.C.

HON. MR. P. H. HOLYOAK.

HON. SIR SHOUSON CHOW.

HON. MR. A. O. LANG.

HON. MR. H. W. BIRD.

HON. MR. R. H. KOTEWALL, L.L.D.

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

Minutes

The minutes of the meeting held on the 8th inst. having been circulated and approved were signed by the President.

Papers

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

Order made by the Governor in Council under section 24 of the Rents Ordinance, 1922, on January 21st, 1926.

Order made by the Governor in Council under section 24 of the Rents Ordinance, 1922, made on March 4th, 1926.

Order made by the Governor in Council

under section 24 of the Rents Ordinance, 1922, made on March 9th, 1926.

Approval and appointment made by the Governor in Council under section 56 of the Liquors Consolidation Ordinance, 1911, on March 9th, 1926.

Regulations made by the Governor in Council under section 95 of the Liquors Consolidation Ordinance, 1911, on March 9th, 1926.

Order made by the Governor in Council under section 9 of the Post Office Ordinance, 1900, on March 9th, 1926.

Proclamation under the Merchant Shipping Ordinance, 1899, Table L, Quarantine Regulations.

Resolution of Council approving the introduction of legislation as a temporary measure of relief, in order to enable refunds of rates to be made in respect of vacant portions of tenements in certain cases.

Resolution of the Legislative Council fixing the percentage on the valuation of tenements payable as rates for tenements in Stanley.

Finance

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid on the table the Report of the Finance Committee (No. 1) and moved that it be adopted.

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

Notice of Questions

HON. MR. HOLYOAK gave notice of his intention to ask the following questions at the next meeting of the Council:

- (1) What steps are being taken to improve the Fire Brigade—fire fighting appliance and water pressure—in the mains of the Colony?

- (2) Will the Government appoint a Committee of Enquiry into these matters?
- (3) What steps are being taken
- (a) to foster and develop the cultivation of poultry, vegetables and food supplies in the New Territories?
- (b) to assist the cultivation and growth of ginger root and foster the ginger industry in the New Territories?

Hongkong Treasury Bills

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to regulate the issue of Hongkong Treasury Bills in Hongkong. He said: Treasury Bills form a convenient method of borrowing for works of construction which may take some years to complete. It frequently happens in such cases that the ultimate cost of the work cannot in the earlier stages be estimated at all closely. Accordingly it is impossible to say what amount of money will have to be borrowed to carry the work to completion. Also, if a loan for the whole amount be placed at the commencement of the work, more money than is required is obtained, and it may be that part of the money will have to be idle for some time. By issuing Treasury Bills the money can be borrowed as required and at a later stage the total cost of the work can be estimated and the temporary borrowings can be consolidated in a loan. This Bill is based on a draft prepared by the Crown Agents, in consultation with the legal advisers of the Secretary of State, who has suggested to the Crown Colonies that they should take power to borrow by means of Treasury Bills in case any necessity for so borrowing should arise. This Bill provides for the issuing of Treasury Bills in Hongkong. The complimentary Bill, to be introduced next, provides for the issuing of Treasury Bills in London in case it should be more convenient to borrow in London than in the Colony.

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

THE ATTORNEY-GENERAL then moved the first reading of a Bill intituled. An Ordinance to regulate the issue of Hongkong Treasury Bills in London, saying: The remarks that I made in introducing the previous Bill

apply to this one also, except, of course, that this Bill regulates the issue of Treasury Bills in London.

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

Refunds of Rates

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to give the Governor in Council power to order refunds of rates.

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

The Bill was afterwards taken through the Committee stage and on the Council resuming was read a third time and passed.

Repeal of Disabilities on Former Enemy liens

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to repeal certain enactments imposing disabilities on former enemy aliens.

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

The Bill was then taken through the Committee stage and on the Council resuming was read a third time and passed.

Adjournment

HIS EXCELLENCY—The Council will now adjourn *sine die*.

FINANCE COMMITTEE

A meeting of the Finance Committee was afterwards held the Colonial Secretary (Hon. Mr. HALLIFAX, C.M.G.) presiding.

Is the Statistical Office Needed?

THE CHAIRMAN said the subject of restoring the Statistical Office of the Imports and Exports Department was postponed from the last meeting. The department was abolished last year at the time the retrenchment was made in the Estimates, and no criticism was made at the time and in fact the opinion of the Government that it

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money spent on it was supported by several documents and opinions of the commercial community.

THE CHAIRMAN read an extract from a speech made in the Council on October 17th, 1918, by Mr. David Landale who said the Unofficial Members of the Council particularly wished to know in what way the \$50,000 asked for in that year for the Imports and Exports Office was going to be spent. "We hope," he said, "the construction of this building does not foreshadow a continuation of the irksome demands of this office, which are only put up with as a war measure, and have very largely increased the clerical labours in all shipping and other offices. It must not be lost sight of that Hongkong owes its prosperity to the fact that until quite recently it was a free port and the sooner it becomes again a free port the better."

Secondly, the Superintendent of the Imports and Exports Department, Mr. Lloyd, was invited by a letter from the Chamber of Commerce to discuss with the Shipping Committee this very question. We must take Mr. Lloyd's report at its face value because there is no further communication from the Chamber of Commerce on the subject.

The invitation from the Chamber of Commerce dated 28th April, 1924, read:

"With reference to the Government's letter dated 28th March, I am directed to enquire whether the Shipping Sub-Committee of this Chamber may have the advantage of a discussion with the Statistical Officer of the Imports and Exports Department on the subject of the suggested amendments to the regulations under the Imports and Exports Ordinance No. 12 of 1922.

"It is desired to discuss in connection with these amendments some suggestions whereby it is hoped that the clerical work of the statistical department shipping companies and merchants alike may be reduced."

Mr. Lloyd's Report, made to the Colonial Secretary, stated:

"As directed, I attended a meeting of the Shipping Sub-Committee of the Chamber of Commerce to discuss the proposed amendments to the Ordinance for the registration of imports and exports.

"The Sub-Committee at once raised the whole question of permits; they pointed out the trouble in getting permits before shipping or taking delivery of cargo. They suggested that all permits should be abolished and in place the steamship companies should furnish particulars of all cargo, or that merchants should be called on to furnish a periodical return of all cargo shipped or imported.

"The Committee expressed the view that collection of figures for purely Chinese exports and imports by coasting ships was mere waste of time and money and that the Chinese merchants did not make any use of the statistics at all. It was suggested that the keeping of statistics should be confined to the import and export of cargo from and to foreign countries other than China and the neighbouring ports, such as Singapore, Manila, Formosa and Borneo. The Committee were very sceptical as to the value of trade figures at all, and doubted whether the keeping of any figures was worth the time, money and bother involved. Only two members dissented from this view. Much emphasis was laid on 'Freedom of the Port.'

"Some of the shipping representatives present thought that all the necessary information in a 'sufficiently' accurate form could be rendered by the shipping companies supplying a manifest in a slightly fuller form than at present, with values inserted, the amounts being guessed from the standard packing usually employed by various trades. Many members did not see why values should be wanted at all; the merchant interested only wanted quantities. I pointed out that for statistical purposes a common denominator was needed to show tendencies. The reply was that this only interested newspapers and writers of articles and reports.

"The Committee realised that statistics of trade might be of use for revenue purposes where there was regular taxation of various commodities, and the question arose of finding new sources of taxation, but they held that this did not apply to the present circumstances of the Colony.

"The general feeling seemed to be autagonistic to the keeping of any statistics at all.

"I told the Committee that if full figures were required I could not recommend any alteration of the present system taking into consideration the heterogeneous nature of the mercantile community we have here.

"It was made quite plain to me that the average British business man in the Colony makes little use of statistics, and can see little practical use in them. This has been my impression since I have been in this office.

"The Sub-Committee finally decided to ask the Chinese Chamber of Commerce whether the figures for purely Chinese coastal trade were of any use to Chinese merchants, and to ask the General Committee of the Chamber whether statistics were of any practical value, and whether they could not be abolished, or at least very much simplified and confined to foreign ports only."

HON. MR. HOLYOAK said that to the best of his recollection Mr. Lloyd met the Shipping Sub-Committee of the Chamber and the question as a whole had never been dealt with by the Committee of the Chamber of Commerce. The first occasion they had of dealing with it in recent years was in September 1925 when they had a communication from the Government which gave them exactly five days in which to discuss the matter and the Chairman should carefully note that the question had been discussed only by members of the shipping sub-committee. The feeling of the general mercantile interests of the Chamber and the Colony was that a first-class port like Hongkong could not afford to stand alone in the world as lacking trade statistics.

THE CHAIRMAN—A free port cannot keep accurate statistics.

HON. MR. HOLYOAK — Even so, sir, statistics can be kept within a certain degree of exactitude, and can be made more useful by more sub-division than in the past. The returns of imports and exports are of immense service both to this Colony and to people at home. The comparatively small sum per annum involved is well worth spending on it, and it is a penny wise pound foolish policy not to compile these statistics. They are essential and we cannot afford to do without them.

THE CHAIRMAN — The opinion of the Government is distinctly adverse, but His Excellency is anxious to see whether any convincing reasons can be put forward to justify a reconsideration of the decision.

HON. MR. BIRD—Can you tell us, sir, how many copies of the Trade Statistics were bought by merchants?

THE CHAIRMAN—Very few. Mr. Lloyd can possibly tell us.

MR. J. D. LLOYD, Superintendent of the Imports and Exports Department, who attended the meeting by request, said that in 1922 the total number of the Returns sold was about 294. This represented sales for the whole year, in which five sets of Returns were issued.

HON. MR. HOLYOAK—The value of the Department cannot be estimated by the sale of the Reports.

THE CHAIRMAN remarked that the Committee must consider the matter as a whole. The expenses of compiling and publishing these Returns would be \$70,000, and in addition accommodation must be provided for the rather large staff required.

HON. MR. HOLYOAK said the Chamber of Commerce considered it a retrograde step to close the office. It was obvious that the shipping community would be opposed to it on general grounds because it gave them a good deal of trouble. Whilst unquestionably the compilation of these Returns meant a great deal of extra work, yet after the system had been in operation some time, it began to work quite smoothly.

HON. MR. BIRD inquired why the Chamber of Commerce appointed a sub-committee of shipping men only to consider the matter.

MR. LLOYD explained that he had proposed certain small amendments to the Regulations. The Government referred them to the Chamber of Commerce. The Chamber then said: "We would like the matter to be discussed between our sub-committee and the Statistical Department." Instead of the discussion being strictly confined to these small amendments it broadened out into a general

discussion as to whether the statistics were any good. The sub-committee decided that it was a question for the general committee and the proposal was made finally that the whole question of whether the Statistical Department should be abolished or not should be referred to the General Committee who could take the opinion of the members as to whether the department should be carried on or not.

HON. SIR H. POLLOCK—Has that meeting of the General Committee taken place?

THE CHAIRMAN—Not to our knowledge.

THE CHAIRMAN then read the following from the Secretary of the Chamber of Commerce to the Government dated December 11th, 1925:—

"I have the honour to refer to the decision of the Government to abolish the Statistical Branch of the Imports and Exports Department as from 1st October, 1925, announced in a letter to the Chamber from the Superintendent of Imports and Exports, dated 25th September. This decision has been carefully considered by several Committees of the Chamber and they are unanimous in urging that trade statistics are of vital service to the commerce of the Colony, and that the Statistical Branch should be reinstated, the system of Import and Export Declarations being revived in order to provide the material from which the statistics are compiled.

"It appears from discussions during the introduction of the Budget that the consideration of expense weighed largely with the Government in deciding to abandon the compilation of statistics. The Chamber would urge that the saving of \$44,000.00 achieved by closing the Branch, is of comparatively small account in comparison with the normal trade of the Port, which last year amounted to £135,800,000. The statistics provide information of great value respecting foreign competition with British goods, the movement of commodities, and the fluctuations which occur from time to time in the staple trades of the Colony, for example, the rice trade, which in recent years has passed through vicissitudes clearly indicated in the statistics.

"Through the present suspension of the Statistical Branch the effect of the anti-British

Boycott upon the Colony's trade can only be vaguely estimated, although it is of the greatest importance to know as precisely as possible the strength and effectiveness of the attack now being made upon the Colony's vital resources. This year, *Export* Trade is principally affected, but in 1926, the full effect will begin to be felt upon *Import* Trade, and it will be highly desirable to resume the compilation of statistics with the beginning of the year, in order that the hiatus may be as far as practicable reduced.

"As to possible means of reducing the cost of compiling statistics, it appears to this Chamber that clerical work might be lessened by classifying Chinese cargo under as few headings as possible. The Chinese Chamber of Commerce, in a letter to this body dated 27th May, 1924, expressed the opinion that the statistics of Chinese Trade with Far Eastern Ports have not much value to the Chinese shipping and trading community. Totals cannot be neglected, because the purely Chinese trade forms so large a proportion of the whole, but until Chinese merchants express a desire for differentiation of particular items it is considered that native trade might be treated under a few general headings for Statistical purposes, and the Department concentrate on articles of foreign commerce, in regard to which statistics are generally desired, and are more accurately obtainable.

"The cost of the statistics might also, it is suggested, be reduced by: abandonment of quarterly publication; publication of summaries only once a year; and sale of the statistics of each commodity on separate sheets as applied for, at a certain price, say \$1, per sheet.

"The Chamber trusts that the Government will find it possible to resume the compilation of the Trade Statistics at an early date."

THE CHAIRMAN remarked that the saving was larger than \$44,000. It was \$70,000, apart from the housing of the Office.

HON. MR. HOLYOAK read extracts on the subject from the Report of the Chamber for the year 1924.

THE CHAIRMAN said he did not think the Chamber was quite unanimous on the subject.

HON. MR. HOLYOAK—There never will be unanimity on this question, because shipping men will be opposed to it because of the extra trouble necessary in connection with obtaining permits, and the holding up of shipping.

HON. MR. LANG—It does not inconvenience the shipping offices to any extent whatever. The permits were obtained by the shipper or importer.

THE CHAIRMAN—Are the returns worth the cost of their compilation?

HON. MR. LANG—That is a point I cannot give an opinion on. One must ask oneself what use can be made of these figures? I cannot see myself that they are of very great use to merchants.

THE CHAIRMAN—That is the opinion of the Government.

HON. MR. LANG—It has been my opinion all through, but my colleagues out-voted me and I could only bow to their opinion.

THE CHAIRMAN repeated that he had been asked to lay the subject before the Committee in order to see whether any reasons which might possibly be convincing could be given to His Excellency why the Government's decision should be reversed.

HON. MR. LANG—If I could ascertain what use these figures are I might change my mind. I certainly purchased every quarter two or three copies which I keep in my office, but I cannot remember having referred to them for a considerable time. I also sent some home, but my people did not think the figures quite accurate.

HON. MR. HOLYOAK commented that if they desired, for instance, to find out what had been

the effect of recent conditions in the Colony those statistics were necessary.

THE CHAIRMAN—Are they worth the money?

HON. MR. HOLYOAK—In itself, perhaps not, but it is anomalous that such a trading port as Hongkong should be without them.

HON. MR. LANG—Is it not possible to get practically all the information that is necessary from the Chinese Maritime Customs reports? Hongkong is only a distributing centre and most of the goods exported from here naturally go through the Chinese Maritime Customs to the consuming districts.

THE CHAIRMAN asked the Chinese members of the Committee whether the statistics were of any particular value to Chinese merchants.

HON. DR. KOTEWALL replied that two years ago the matter was considered.

THE CHAIRMAN—There was no great enthusiasm about it?

HON. DR. KOTEWALL—My hon. colleague and I would ask that an opportunity be given to the Chinese Chamber of Commerce to have the matter considered again by the General Committee.

Finally the further discussion of the subject was adjourned in order that both Chambers of Commerce might consider it, the Chairman remarking that it was not entirely a question of the expense of the Department but inconvenience to the community was also to be considered.

HON. SIR SHOUSON CHOW—We should like the Government to write officially to the Chamber of Commerce.

THE CHAIRMAN said that would be done.