

14th February, 1935.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR (SIR WILLIAM PEEL, K.C.M.G., K.B.E.).

HIS EXCELLENCY THE OFFICER COMMANDING THE TROOPS (BRIGADIER H. G. SETH-SMITH, D.S.O.).

THE COLONIAL SECRETARY (HON. SIR THOMAS SOUTHORN, K.B.E., C.M.G.).

THE ATTORNEY GENERAL (HON. MR. C. G. ALABASTER, K.C., O.B.E.).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. N. L. SMITH).

THE COLONIAL TREASURER (HON. MR. E. TAYLOR).

HON. COMMANDER G. F. HOLE, R.N., (Retired) (Harbour Master).

HON. MR. R. M. HENDERSON, (Director of Public Works).

HON. MR. T. H. KING, (Acting Inspector General of Police).

HON. DR. W. B. A. MOORE, (Acting Director of Medical and Sanitary Services).

HON. SIR HENRY POLLOCK, KT., K.C., LL.D.

HON. SIR WILLIAM SHENTON, KT.

HON. MR. R. H. KOTEWALL, C.M.G., LL.D.

HON. MR. J. P. BRAGA.

HON. MR. S. W. TS'O, O.B.E., LL.D.

HON. MR. C. G. S. MACKIE.

HON. MR. T. N. CHAU.

HON. MR. J. J. PATERSON.

MR. R. A. C. NORTH, (Deputy Clerk of Councils).

MINUTES.

The minutes of the previous meeting of the Council were confirmed.

NEW MEMBERS.

His Excellency the Officer Commanding the Troops (Brigadier H. G. Seth-Smith, D.S.O.), and the Hon. Dr. W. B. A. Moore, Acting Director of Medical and Sanitary Services, took the oath of allegiance and assumed their seats as members of the Council.

PAPERS.

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

Maintenance Orders (Facilities for Enforcement) Ordinance, No. 9 of 1921—
Amendment of Rule 3.

Hoihow declared an infected place.

Regulation under section 36 of the Liquors Ordinance, 1931, amending the schedule relating to fees in the Ordinance..

Amendment to regulation 12 in part I of Table C in the Schedule to the Merchant Shipping Ordinance, 1899.

Report of the Committee on Lepers, (Sessional Paper No. 1 of 1935).

QUESTIONS.

HON. MR. J. P. BRAGA asked:—

1.—Will the Honourable the Colonial Treasurer state whether it is not a fact that some years ago an abortive attempt was made to establish a Produce Exchange in Hong Kong; and, if so, whether it is not also a fact that the projected Exchange was compelled to close through threatened legislation by the Government?

2.—Will he state the reasons that led the Government to withhold its licence for the operation of the said Exchange?

3.—Is the Colonial Treasurer aware that there exist in Hong Kong agencies in the nature of "proprietary exchanges" that conduct business by the transmission of local orders for dealings in foreign Exchanges in commodities such as wheat, cotton, rubber, tin, etc.?

4.—Is it within the knowledge of the Colonial Treasurer that the deals in the said commodities rarely, if ever, materialise beyond the act of receiving, or paying for, differences when they become due arising out of the transactions for sale and/or purchase resulting, in a profit or loss, as the case may be and that it has not been known that the delivery of the commodities, or any portion thereof, contracted for has been made in point of fact?

5.—Is it not anomalous that the project for establishing at least one local Produce Exchange was suppressed at its inception while sanction has not been withheld from non-domiciled firms doing business in the Colony in a variety of commodities?

6.—Will the Honourable Member inform the Council:—

- (a) Whether the contracts referred to in Question 4 are stamped and, if so, what is the taxing rule applicable to such contracts?
- (b) Is the stamp duty regulated by any sliding scale determined by the *ad valorem* value of each deal; for example, on the basis that sharebrokers' contracts are taxed at the rate of 20 cents per \$100 of the value thereof, or is *ad valorem* amount of the commodity contracts altogether ignored?

THE COLONIAL TREASURER replied:—

1.—If the Honourable Member refers to the movement which led to the incorporation in 1921 of the South China Stock and Produce Exchange Co., Ltd., the General Exchange Co., Ltd., and the Hong Kong Chinese Merchants Stock and Produce Exchange Co., Ltd., the answer to the first part of the question is in the affirmative.

The draft of an Ordinance to regulate exchanges was published in the *Government Gazette* of the 14th January, 1922, but the proposed legislation was not proceeded with. The Companies in question were dissolved voluntarily in 1922, 1928 and 1932 respectively. It is probable that the expressed opposition of the Government served to check the movement to establish exchanges of this nature, but no compulsion was in fact imposed upon existing companies.

2.—As stated in the reply to Question 1 the proposed legislation was not enacted, and the Government was therefore not in a position to grant or withhold licences.

3.—I am aware that there are brokers in Hong Kong who transmit orders for dealings in Commodities on Foreign Exchanges, but I am not aware of the existence of agencies in the nature of "proprietary exchanges".

4.—The sale and purchase contract forms used by these brokers contemplate delivery. I am not in a position to state whether actual delivery of the commodities contracted for has been made in Hong Kong or elsewhere.

5.—There is no anomaly as the firms to which the Honourable Member refers have not attempted to establish a Produce Exchange in Hong Kong. The Honourable Member is not correct, however, in assuming that sanction has been given to these firms to deal in commodities. No sanction has been given because none is required under local ordinances.

6.—(a) Contracts and agreements covering the purchase and sale of commodities are not subject to stamp duty. The answer to this question is, therefore, in the negative.

(b) In view of the reply given to question 6 (a) this question does not arise.

TOBACCO AMENDMENT ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Tobacco Ordinance, 1931". He said: The object of this Bill is to enable duties to be levied on tobacco grown in the Colony as well as on the tobacco grown elsewhere.

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

Objects and Reasons.

The "Objects and Reasons" for the Bill were stated as follows:—

1. The purpose of this amending Ordinance is to enable duties to be imposed on tobacco which has been grown in the Colony.

2. "Tobacco" is defined by section 2 (*m*) of the principal Ordinance (No. 39 of 1931) as including all tobacco other than growing tobacco, whether manufactured or not.

3. Section 7 (1) of the principal Ordinance permitted the Legislature, by resolution, to impose new duties only on tobacco thereafter imported into Colony or already in the Colony at the time of coming into operation of such resolution. Section 2 of the amending Ordinance removes that restriction.

4. Section 3 of the amending Ordinance adds a new section, 11A, to the principal Ordinance providing for the time of payment of any duty which may be imposed on tobacco grown in the Colony.

THE TUNG WAH HOSPITAL AMENDMENT ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the first reading of a Bill intitled "An Ordinance to amend The Tung Wah Hospital Ordinance, 1930." He said: The object of this Bill is fully explained in the memorandum at its end, and it is to reduce the number of directors and to enable Your Excellency to appoint temporary directors pending the election of ordinary directors for each year.

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

Objects and Reasons.

The "Objects and Reasons" for the Bill were stated as follows:

1. Section 2 of this Ordinance corrects two typographical errors in section 5 of the principal Ordinance.

2. Section 3 makes various amendments in section 8 of the principal Ordinance which result from difficulties which have arisen in securing the election of a sufficient number of Directors of The Tung Wah Hospital for the year 1935.

3. Sub-sections (1) and (2) of section 8 provided that the number of Directors should be not less than eighteen, and not more than thirty of whom at least six should be residents of Kowloon or New Kowloon. This amending Ordinance reduces these numbers to ten, twenty and three respectively.

4. Sub-section (4) of section 8 terminated the period of office of the Directors for any one year at the end of that year, with a proviso to the effect that if the election of the Directors for the following year should not have been completed in time their predecessors should continue in office.

5. The Directors for 1934 have consented to continue in office under the proviso, but only for a short time, and as it may take some time to secure even the reduced number of Directors now contemplated, this amending Ordinance adds a further proviso giving His Excellency the Governor power to appoint a sufficient number of temporary Directors.

URBAN COUNCIL ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to make provision for the substitution of an Urban Council for the Sanitary Board, and to repeal the Public Health and Buildings Ordinance".

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

THE ATTORNEY GENERAL.—I move that this Bill be referred to the Standing Law Committee of this Council instead of the Committee of the whole Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

PUBLIC HEALTH (SANITATION) ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the law relating to town cleansing, domestic sanitation, the licensing of certain premises and trades and the disposal of the dead".

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

THE ATTORNEY GENERAL.—I move that this Bill be referred to the Standing Law Committee of this Council instead of the Committee of the whole Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

PUBLIC HEALTH (FOOD) ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to make better provision for the maintenance of Public Health in relation to Food and Hawkers".

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

THE ATTORNEY GENERAL.—I move that this Bill be referred to the Standing Law Committee of this Council instead of the Committee of the whole Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

ADULTERATED FOOD AND DRUGS ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to make better provision for the Sale of Food and Drugs in an unadulterated state".

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

THE ATTORNEY GENERAL.—I move that this Bill be referred to the Standing Law Committee of this Council instead of the Committee of the whole Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

**PUBLIC HEALTH (QUARANTINE AND PREVENTION
OF DISEASE) ORDINANCE, 1935.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend and consolidate the law relating to Quarantine and the Prevention of Disease among human beings".

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

THE ATTORNEY GENERAL.—I move that this Bill be referred to the Standing Law Committee of this Council instead of the Committee of the whole Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

PUBLIC HEALTH (ANIMALS AND BIRDS) ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend and consolidate the law relating to Quarantine and the Prevention of Disease among animals and birds".

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

THE ATTORNEY GENERAL.—I move that this Bill be referred to the Standing Law Committee of this Council instead of the Committee of the whole Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

BOARDING HOUSE AMENDMENT ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Boarding-house Ordinance, 1917".

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

THE ATTORNEY GENERAL.—I move that this Bill be referred to the Standing Law Committee of this Council instead of the Committee of the whole Council.

THE COLONIAL SECRETARY seconded, and this was agreed to.

BUILDINGS ORDINANCE, 1935.

H.E. THE GOVERNOR.—The second reading of this Bill has, at the request of the Unofficial Members, been deferred.

ADJOURNMENT.

H.E. THE GOVERNOR.—Council stands adjourned until 28th February.

FINANCE COMMITTEE.

Following the Council a meeting of the Finance Committee was held, the Colonial Secretary presiding.

Votes totalling \$23,180, being \$12,030 under Estimates 1934, and \$11,150 under Estimates 1935, were considered.

Item 3.—27, Defence A.—Volunteer Defence Corps:—Field Training Expenses for Voluntary Aid Detachment of Hong Kong Volunteer Defence Corps, \$400.

HON. SIR WILLIAM SHENTON.—I was away from the Colony when this particular matter came forward and I would like to ask a certain question. I understand the position is that the work is usually done either by St. John Ambulance Association or Brigade or by the Red Cross Society and that as regards the Crown Colonies there is a mutual understanding between the two Associations that where one of them is established in a Colony the other will not intervene. What is the reason for this new organisation?

THE CHAIRMAN.—The Nursing Detachment was started on a suggestion from the Volunteer Commandant, supported by the General Officer Commanding the Troops, that a Nursing Detachment of the H.K.V.D.C. should be instituted and run in co-operation with St. John Ambulance Brigade, the Detachment to be composed of ladies whose training should be based on that of a Voluntary Aid Detachment.

The matter was referred to the War Office. The War Office stated that the Voluntary Aid Detachment Scheme, as the Scheme is now framed, is capable of administration only at Home and, therefore, it could not be approved in the form in which it had been applied for. A further communication on the subject was promised,

but it has not yet arrived. Meanwhile, as the Volunteer Force did not wish to suspend the formation of the Voluntary Aid Detachment, it was decided to institute it as a separate body working with the Volunteers. The final form which it is to take has not yet been decided.

HON. SIR WILLIAM SHENTON.—So there is no particular reason why the existing organisation in the Colony should not be used.

THE CHAIRMAN.—I am afraid I cannot explain exactly why St. John Ambulance Brigade in its present form did not suit the purpose of the Volunteers.

HON. SIR WILLIAM SHENTON.—Then you are expecting further communication on the subject?

THE CHAIRMAN.—Yes, we are.

All the votes were approved.
