

*28th March, 1935.*

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**PRESENT:—**

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

HIS EXCELLENCY THE OFFICER COMMANDING THE TROOPS (MAJOR-GENERAL O. C. BORRETT, C.B., C.M.G., C.B.E., D.S.O.).

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

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

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

HON. MR. M. J. BREEN, (Postmaster General).

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. D. FORREST, (Deputy Clerk of Councils).

**MINUTES.**

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

**PAPERS.**

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

Regulations under sections 36 and 88 of the Liquors Ordinance, 1931, relating to the Forms in the First Schedule and the fees in the Second Schedule to the Ordinance.

Order made by the Chief Justice under section 48 of the Divorce Ordinance, 1932, amending Rule 13 of the Hong Kong Divorce Ordinance Rules, 1933.

Amendment of By-law No. 1 of the Scavenging and Conservancy By-laws, Schedule B of the Public Health and Buildings Ordinance, 1903.

Proclamation No. 1—Immigration and Passports Ordinance, 1934, to come into operation on the 23rd March, 1935.

Report of the Director of the Royal Observatory, Hong Kong, for the year 1934.

Report of the Land Officer for the year 1934.

**FINANCE COMMITTEE'S REPORT.**

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the report of the Finance Committee, No. 5 of 21st March, 1935, and moved that it be adopted.

THE COLONIAL TREASURER seconded, and this was agreed to.

**MOTIONS.**

THE COLONIAL TREASURER.—The resolutions standing in my name are in connection with approved loan works.

It will be recollected that before the issue of 3½% Bonds in July, 1934, and in anticipation of such borrowing the financing of the loan works was done out of surplus balances. At the end of June, 1934, \$8,422,267.62 had been advanced. Between that date and 31st December \$5,654,799.68 was spent leaving \$217,067.30 overdrawn on loan account and this has been met from surplus balances pending further borrowing. Your approval of this is, therefore, requested.

During 1935 further sums must be advanced and as our cash resources will at the moment allow of this form of economical finance I am asking for authority to utilise part of this surplus in this manner and so save interest charges.

Reference to Appendix VI p.117 of the 1935 Estimates will shew that the expenditure on loan works during 1935 is estimated at \$4,727,680 and of this amount \$456,148 (not including Crown Agents charges) was expended at the end of February. I am now asking for \$2,000,000 out of surplus balances to carry on for the first six months of this year when the position will be again reviewed as to whether further borrowing will be necessary or not.

It will be remembered that Ordinance 11 of 1934 authorises the Governor to borrow up to a sum not exceeding 25 million dollars.

I now move—

1. That this Council approves of the sum of \$217,067.30 on account of loan works being met from surplus balances during the financial year 1934 pending the issue of a further loan.

2. That this Council approves of the sum of \$2,000,000 on account of loan works being met from surplus balances during the financial year 1935 pending the issue of a further loan.

THE COLONIAL SECRETARY seconded, and this was agreed to.

### **LIQUOR ORDINANCE RESOLUTION.**

THE COLONIAL TREASURER.—I rise to move the following resolution.—

Resolved pursuant to section 39 of the Liquors Ordinance, 1931, Ordinance No. 36 of 1931, that the Liquor Duties Resolutions of the 30th June, 1932, the 18th August, 1932, the 20th October, 1932, and the 14th June, 1934 (published respectively in the *Gazette* by Notifications No. 417 of the 30th June, 1932, No. 536 of the 19th August, 1932, No. 655 of the 21st October, 1932, and No. 468 of the 15th June, 1934) be rescinded and that on and after the coming into operation of this Resolution the duties to be paid upon intoxicating or spirituous liquors imported into, or distilled, made or prepared in, the Colony shall be assessed as in the following Table: Provided that the dollars and decimals thereof stated in the Table shall be conventional dollars reckoned as the equivalent of one shilling and eight pence sterling; and that consequently to arrive at the

actual amount payable in Hong Kong currency the Conventional dollar stated in the Table shall be multiplied by 20 and divided by a figure settled by the Colonial Treasurer from time to time representing the average opening selling rates for the previous month of the Hong Kong and Shanghai Banking Corporation for demand drafts on London and until so settled the figure shall be 23.70.

**Table.**

Part I.

EUROPEAN TYPE LIQUOR.

	<i>Per gallon</i>
On all liqueurs, and on all champagnes and other sparkling wines .....	\$10.00
On all brandy consigned from and grown or produced in the British Empire .....	3.00
On all other brandy and on gin, whisky and other spirituous liquors .....	6.00
On all port, sherry and madeira.....	4.00
On all other still wines .....	3.00
On cider and perry .....	0.60
On beer (as defined in the Ordinance but exclusive of cider and perry) not exceeding 1055 degrees original gravity, that is to say, the specific gravity of the worts before fermentation .....	0.60
with the addition of \$0.01 per gallon for every degree by which the original gravity of the worts for such beer, if brewed or made in the Colony, exceeds 1055 degrees as measured by the "Bates" standard saccharometer.	
On all other beer (as defined in the Ordinance but exclusive of cider and perry) imported in a concentrated form, or as ale basis, or malt and hops concentrate .....	0.60
with the addition of \$0.01 per gallon for every degree by which the original gravity exceeds 1045 degrees as measured by the "Bates" standard saccharometer.	
On all intoxicating liquors above the strength of 18 degrees under proof, for every degree above such strength in addition to the appropriate duty as above .....	0.07

## Part II.

## CHINESE TYPE LIQUOR.

*Per gallon*

On all Chinese type spirits containing not more than 24 per cent of alcohol by weight .....	\$1.20
For every one per cent. of additional alcoholic strength by weight.....	0.05

## Part III.

## JAPANESE TYPE LIQUOR.

*Per gallon*

On all sake containing not more than 24 per cent of alcohol by weight.....	1.20
For every one per cent. of additional alcoholic strength by weight .....	0.05

## Part IV.

## OTHER LIQUORS.

*Per gallon*

On all spirituous liquors other than intoxicating liquors, but including spirits of wine or arrack containing not more than 24 per cent. of alcohol by weight	\$1.20
For every one per cent. of additional alcoholic strength by weight .....	0.05

Provided that it shall be lawful for the Superintendent of Imports and Exports, in his discretion, to assess the duty on any intoxicating liquor not specifically mentioned in Parts I, II or III above at such rate as is provided in such Parts for the liquor which the Superintendent shall deem to approximate most nearly to such intoxicating liquor; and Provided also that it shall be lawful for the said Superintendent, in his discretion, to assess the duty on any spirituous liquors imported in a consignment of less than two gallons at one time at \$5.00 per gallon.

This resolution has been necessitated by the rise in the sterling value of the dollar above 1s/8d. the conventional rate taken in 1931 when all imported liquors and beers were assessed on a sterling basis.

Locally produced beer and Chinese type liquor remained on a silver basis and it is evident that with a dollar reckoned above 1s/8d. the local article would pay slightly more in duty. This resolution brings local beer and Chinese type liquor on to the conventional dollar and prevents what would otherwise be an unfair preference on imported liquor. No other alteration has been made. For purposes of easy reference, advantage has been taken to rescind all previous resolutions dealing with duties under the Liquors Ordinance, 1931, and consolidate them in the one resolution which I have moved.

THE COLONIAL SECRETARY seconded, and this was agreed to.

### **BUILDINGS ORDINANCE, 1935.**

H.E. THE GOVERNOR.—Certain representations have been made to the Government and I propose with the permission of the Council to postpone the first reading of the Buildings Bill.

This was agreed to.

### **PEAK TRAMWAY AMENDMENT ORDINANCE, 1935.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Peak Tramway Ordinance, 1883."

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

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

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through Committee without amendment and moved the third reading.

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

### **RETIREMENT OF HON. MR. C. G. S. MACKIE.**

H.E. THE GOVERNOR.—I had thought that we would have Mr. Mackie with us for one more meeting. I understand, however, that this is the last occasion on which he will sit with us on this Council and I take this opportunity therefore to say how very much we regret his parting from us. Mr. Mackie has been associated with China and Hong Kong for a number of years and has been associated with most of the important undertakings in this Colony, including many important companies, among them being the outstanding

public utility companies. He has also been a member of this Council for something like six years and has sat on the Executive Council for various periods totalling something like two and a half years, and his services on this Council have been of immense value to the Government. His sane, solid and shrewd outlook and knowledge of business and other matters have been invaluable and his departure from this Colony will involve a very serious loss. I trust, however, and feel confident that though he proposes to live far from us he will still retain great interest in Hong Kong affairs and will always be ready to help us in any way possible.

On behalf of the Government, of which I am head, I thank him sincerely for all the advice and assistance he has given us; and speaking for myself personally I thank him for his friendship and great help he has always been to me. On behalf of this Council I wish him great happiness in his retirement.

HON. MR. C. G. S. MACKIE.—Thank you very much, Sir, for your kind remarks.

### **ADJOURNMENT.**

H.E. THE GOVERNOR.—Council stands adjourned until Thursday, 4th April.

### **FINANCE COMMITTEE.**

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

Votes totalling \$37,037 were considered.

All the votes were approved.

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