

4th April, 1935.

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, K.T., K.C., LL.D.

HON. SIR WILLIAM SHENTON, K.T.

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. 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 section 2 of the Emergency Regulations Ordinance, 1922, relating to movement of equines from the New Territories.

Amendment to Form No. 1 in the First Schedule to the Liquors Ordinance, 1931.

Amendment to Schedule A of the Pharmacy and Poisons Ordinance, 1916.

Resolution under section 39 of the Liquors Ordinance, 1931.

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. 6 of 28th March, 1935, and moved that it be adopted.

THE COLONIAL TREASURER seconded, and this was agreed to.

STAMP AMENDMENT ORDINANCE, 1935.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Stamp Ordinance, 1921." He said: The effect of this Bill is explained fully in the memorandum of Objects and Reasons and I need only add that since this Bill was published it has been suggested in regard to Clause 9, which refers to No. 33 heading, there should be another amendment which would exempt payment of duty on sums not exceeding \$20. Receipts for \$20 or less do not require duty under head 36 and there seems no special reason why they should not have the same exemption under heading 33. If this Council approves an amendment to that effect it could be moved after the second reading.

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 amends paragraph (28) of section 3 of the principal Ordinance by the insertion of certain words to make it clear that debentures of the marketable security class are included in the expression "share" when used in the Ordinance.

2. Section 3 of this Ordinance inserts a new section 16A in the principal Ordinance. The object of this amendment is to incorporate in the Colony the amendment made by section 42 of the Finance Act, 1933 (23 & 24 Geo. 5, c. 19) in the English law, on which the local provisions relating to bills of exchange are based. The effect of the amendment is that a bill presented for acceptance, or accepted, or payable outside the Colony is not invalid by reason only that it does not comply with the stamp laws: if unstamped, or not properly stamped, it may be received in evidence on payment of the proper duties and penalty under sections 6 and 16 of the principal Ordinance.

3. Section 4 of this Ordinance adds a sub-section to section 21 of the principal Ordinance imposing civil liability for the duty on persons required to take out certificates to practise. It is similar to the civil liability imposed on other persons by section 5 (5) of the principal Ordinance.

4. Section 5 inserts a new section 25A in the principal Ordinance in order to incorporate the provisions of section 23 of the Stamp Act, 1891. The new section follows that section except that in sub-section (1) the word "stock" is omitted and in sub-section (2) the word "share" is substituted for "stock". These variations from the model are due to the fact that section 3 (28) of the principal Ordinance gives to "share" the definition which section 122 of the Stamp Act, 1891, gives to "stock". The effect of the amendment will be that instruments under hand (not being promissory notes or bills of exchange) given upon the deposit of shares transferable by delivery, by way of security for a loan will be charged with the stamp duty of \$1 as Agreements under heading No. 3 in the Schedule to the principal Ordinance.

5. Section 6 adds a new heading No. 14B to the Schedule to the principal Ordinance imposing on Cashier orders, if passed through a bank other than the bank of issue, a stamp duty of 10 cents similar to the duty payable under heading 14A (as amended by section 5 of Ordinance No. 30 of 1930) on Compradore orders, if passed through a bank.

6. Sections 7 and 8 amend Headings Nos. 15 and 29 (4) in the Schedule to the principal Ordinance by substituting references to shares and mortgages for references to marketable securities. The effect of these amendments will be that transfers of debentures which are marketable securities will in future be charged 20 cents for every \$100 under Heading No. 40 (1) instead of as hitherto 10 cents for every \$100 under Heading No. 29 (4) in the Schedule to the principal Ordinance.

7. Section 9 amends Heading No. 33 (2) in the Schedule to the principal Ordinance by raising from 5 cents to 10 cents the duty on renewal receipts of Life policies.

BUILDINGS ORDINANCE, 1935.

THE DIRECTOR OF PUBLIC WORKS moved the first reading of a Bill intituled "An Ordinance to amend and consolidate the law relating to the construction of Buildings". He said: Sir, This Bill, as published in the *Gazette* of March 29th, incorporates material amendments to the Bill which was published in the *Gazette* of 7th December, 1934, and introduced for the First Reading to this Council on January 10th of this year.

Consequent on submissions made to this Government by representative property owners, it has been decided not to proceed with the Bill as originally introduced, but to start afresh with this one which embodies concessions agreed to after full discussion.

The objects and reasons for the Bill remain the same as those advanced in support of the previous Bill and the alterations of note are:

- (a) in proviso (iii) to clause 17 (1) no storey shall exceed 16 feet without the permission of the Building Authority. In the earlier Bill it was 15 feet.
- (b) Clause 43 (4) dealing with staircases has been redrafted.
- (c) A third sub-section has been added to clause 74 providing for compensation where exemption or modification is refused in respect of land required to be left unbuilt upon in excess of the open space required by section 82. A similar sub-section appeared in section 151 of Ordinance No. 1 of 1903.
- (d) Clause 82 (1) has been redrafted with a proviso allowing domestic buildings on sites leased prior to the 21st February, 1903, and having a depth of forty feet or under to have an open space not less than one third of the roofed over area. Under favourable circumstances modifications may be granted in cases of lots of a greater depth. There is also a right of appeal under section 161 of the Bill.
- (e) Clause 82 (8) has been redrafted to exclude any portion of a street being included as an open space and to exclude any portion of open space being treated as a street.
- (f) An addition has been made to clause 82 providing that a lane shall not be required in the case of a detached or semi-detached building and in any other case where the Building Authority considers a lane unnecessary.

- (g) Clause 85 has been redrafted so that the erection of reinforced concrete stairs, lintels or kitchen or bath-room floors only in an existing building shall not be deemed to make such building an exceptional building.
- (h) A proviso, effective until the end of 1940, has also been added to clause 85 which saves existing buildings, provided with open space equal to not less than one third of the roofed-over areas, from being deemed exceptional if reinforced concrete floors only are put into them.
- (i) Clause 86 has been redrafted to require the owners of every building provided with open space to provide access thereto to the satisfaction of the Building Authority.
- (j) Clause 88 has been revised and paragraphs (c) and (d) of the proviso thereto have been deleted.
- (k) A suspending clause has been substituted for clause 173.

I now beg to move the first reading of the Bill.

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. One of the recommendations in the Report of the Director of Medical and Sanitary Services on the need for re-organization of the Medical and Sanitary Services is that Regulations regarding the construction of buildings should come under a Buildings Ordinance.
2. Hitherto this subject has been dealt with under the Public Health and Buildings Ordinance (No. 1 of 1903).
3. It is felt that there are disadvantages in mixing provisions as to the design and construction of buildings, which concern mainly the Public Works Department, with provisions relating to house-cleansing and the prevention of disease, which are the special concern of the Sanitary and Medical Departments.
4. This Ordinance extracts from Ordinance No. 1 of 1903 (which it is intended shortly to repeal and replace by another Ordinance or Ordinances dealing with Sanitation and the Prevention of Disease) those provisions which deal with the construction of buildings and concern the Public Works Department and amends them where amendment is considered necessary.

5. A Table of Correspondence attached to the Bill shews the origin of its various clauses and the nature of the amendments.

ADJOURNMENT.

H.E. THE GOVERNOR.—Council stands adjourned until Thursday, April 11.

FINANCE COMMITTEE.

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

Votes totalling \$480,788 contained in Message No. 7 from H.E. the Governor, being \$470,061 under Estimates, 1934, and \$10,727 under Estimates, 1935, were considered.

Item No. 159.—Miscellaneous Services:—Depreciation of Sterling Funds, \$413,119.

HON. MR. KOTEWALL.—Will the Hon. Colonial Treasurer be good enough to give a little more detailed information on this item?

THE COLONIAL TREASURER.—The Colonial Regulations governing accounting make it necessary finally to dispose of any difference due to exchange fluctuation to Revenue or Expenditure as the case may be.

Between the years 1929 and 1933 the following amounts were written on to revenue:—

| | |
|-------------|----------------|
| 1929 | \$ 261,123.00 |
| 1930 | 1,480,590.26 |
| 1932 | 224,439.90 |
| 1933 | 21,244.65 |
| | _____ |
| Total | \$1,987,397.81 |
| | _____ |

The greater part of the amount shewn above in 1930 was in respect of the years 1920 to 1925 but only carried to revenue account in that year.

In 1931 the exchange rate rose from $1/0\frac{5}{8}$ to $1/4.9/16$ a difference of $3.15/16d.$ to the dollar causing our sterling funds to depreciate by \$385,962 for which a vote was approved by the Legislative Council.

During the year 1934, exchange rose from $1/4.13/16$ to $1/7.15/16$ a difference of $3\frac{1}{8}d.$ to the dollar thus causing a considerable depreciation of our sterling funds. The average rate of exchange during 1934 was $1/6.1/16$ as against the budget rate of $1/3$. This has resulted in a Budget saving on our sterling expenditure (salaries, sterling loan, pensions, stores, &c.) of approximately two million dollars. The rates of exchange quoted above are Treasury rates.

HON. MR. PATERSON.—What are the Treasury rates of exchange?

THE COLONIAL TREASURER.—The average of the opening daily selling rate of the Hongkong and Shanghai Bank between the 15th of one month and the 15th of the next.

All the votes were approved.
