

23rd February, 1949.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR (SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM, K. C. M. G.)

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS

(MAJOR-GENERAL F. R. G. MATTHEWS, C. B., D. S. O.)

THE COLONIAL SECRETARY (HON. D. M. MACDOUGALL, C. M. U.) THE ATTORNEY GENERAL (HON. J. B. GRIFFIN, K. C.)

THE SECRETARY FOR CHINESE AFFAIRS (HON. B. C. K. HAWKINS, O. B. E., *Acting*).

THE FINANCIAL SECRETARY (HON. C. G. S. FOLLOWS, C. M. G.)

HON. V. KENNIFF, C. B. E. (Director of Public Works).

DR. HON. I. NEWTON (Director of Medical Services).

DR. HON. J. P. FEHILY, O. B. E. (Chairman, Urban Council).

HON. D. F. LANDALE.

HON. CHAU TSUN-NIN, C. B. E.

HON. SIR MAN-KAM LO, KT., C. B. E.

DR. HON. CHAU SIK-NIN.

HON. LEO D'ALMADA, K. C.

HON. M. M. WATSON.

HON. P. S. CASSIDY.

MR. J. L. HAYWARD (Deputy Clerk of Councils).

MINUTES.

The Minutes of the meeting of the Council held on the 9th February, 1949, were confirmed.

PAPERS.

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid upon the table the following paper:—

Annual Report of the Director of Education for the year 1947/48.

BETTING DUTY (AMENDMENT) BILL. 1949.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled “An Ordinance to amend the Betting Duty Ordinance, 1931.” He said: Sir, this is a very short Bill, the objects and reasons for which are fully explained in the published Objects and Reasons which accompany the Bill. It is not, I think, necessary that I should add any remarks on this occasion.

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:—

It has been the practice for many years for the Jockey Club to insert notices in the Press regarding cash-sweeps organised by the club. Attention has recently been called to the fact that this constitutes a breach of sub-section (2) of section 5 of the Betting Duty Ordinance, 1931. The object of the present Bill is to amend the law so as to enable the practice to continue.

HOTELS BILL, 1949.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled “An Ordinance to make provision for the control of accommodation provided by and charges made by hotels.”

THE COLONIAL SECRETARY seconded.

SIR MAN-KAM LO:—Your Excellency: On the 20th October, 1948 the following resolution was adopted by this Council—

That in the opinion of this Council, as regards matters which are not of emergency to the Empire or of imminent danger to the Colony, Government should not resort to or continue to exercise any emergency powers conferred otherwise than by Ordinances of this legislature, but that any emergency powers which Government might consider it necessary to retain should as soon as practicable be replaced by legislation.

In speaking on this Resolution, the Price Control (Hotels) (Control of Charges) Regulations, 1948, which are to be repealed by the Bill now before Council, were one of the measures which I then

ventured to criticize as having been improperly made under emergency powers in respect of a non-emergency matter. I therefore welcome this Bill and the remarks of my Honourable Friend the Attorney General on its introduction as an earnest of Government's intention to act in accordance with the principles underlying this Resolution.

Sir, I welcome this Bill for another, and perhaps an even more important reason, and that is that the introduction of this Bill affords an opportunity to Honourable Members of this Council, which they would otherwise not have had, to consider, and if necessary, criticize and oppose the provisions embodied in the Bill.

Sir, the circumstances under which the Hotel Rates Advisory Committee was appointed are of course well-known. As its name implies, the chief function of this Committee was to enquire into the prevailing charges against "permanent residents" of various Hotels upon their complaint of exorbitant charges. Now, upon what principle could such an enquiry proceed? Obviously, in my submission, on the principle of Price Control.

I do not pause to take up this Council's time by a general discussion of Price Control. But surely the general acceptance in this post-war world of the principle of Price Control in cases in which it is applicable is founded on the proposition that a few cannot be allowed unduly to enrich themselves at the expense of the community by taking an unfair advantage of a shortage in the community, in other words, that there shall be no exploitation by the few of the many. Therefore, in prescribing a controlled price, the important question is what is the minimum price which would give the "seller" a reasonable return: not what is the minimum price which a "buyer" can afford! For if it were not so, the result of a "Price Control" might be, not that the price should be fair, but that the few should be compelled to subsidise the many, and to carry on their businesses as a sort of charitable institutions.

The fact that full and detailed accounts of the Hotels, etc., were called for and carefully scrutinised by the Committee, and that, on the other hand, the Committee did not regard it as their duty to examine into the financial positions of the Hotel residents affected, either individually or as a class, shows clearly that the considerations which I have ventured to bring to the notice of Honourable Members were fully in the minds of the members of this Committee.

The professional accountants who were members of the Committee were of course experts eminently qualified to analyse and evaluate the detailed accounts submitted. And the personnel of the Committee, under its able and distinguished Chairman, commands public confidence in the absolute impartiality of its recommendations.

Sir, I respectfully associate myself with the high tribute which my Honourable Friend the Colonial Secretary the other day in this Council paid to the Committee for its report, and I share his view

that the Colony is under a debt of gratitude to this Committee. And I have no doubt that the rates recommended, to which effect is being given by the Regulations, and which were the main task of the Committee, will be readily accepted by this Council, even though this acceptance must involve the repudiation of the rates prescribed under emergency powers by the then Competent Authority at the end of July.

There is however, one recommendation in the report to which effect is being given by this Bill and from which I respectfully differ on a point on principle, namely, that which recommends that certain accommodation be reserved for resident guests in each of the Hotels dealt with—that for the Peninsula and Repulse Bay Hotels being 80% and that for the Hong Kong Hotel and Gloucester Hotel being 20%.

According to paragraph 1 of the Report the terms of reference to the Committee were “to enquire into and advise Government concerning the rates to be charged for accommodation, food and service by Hotels and Boarding-houses throughout the Colony.” With great respect to the Committee I cannot see how the recommendation as to reserving a portion of each Hotel for the resident guests can be within the terms of reference. But there it is and the recommendation is being implemented by this Bill.

As regards these particular Hotels, in which I have an interest, I understand that the ratios between “resident” and “transient” accommodations now recommended substantially corresponded in fact with the ratios between these two classes of business which have obtained for a long time, as a matter of voluntary co-operation between Government and the Hotels concerned. For this reason, these Hotels, as I understand, are not making any representations against this recommendation. But the question of principle, which is involved in the recommendation, towards which “the present exceptional circumstances” may incline Honourable Members to adopt an accommodating attitude, should not be ignored. Perhaps it would be more correct for me to say that the absence of any principle on which the recommendation is based should not be allowed to go unchallenged!

Sir, the question of principle is this: under what circumstances is Government justified in seeking legislative sanction for invading the rights of private property without compensation? Or, more specifically, under what circumstances is Government justified to impose legislative control as to what proportion of available accommodation must be reserved for one class of persons on Hotels which have been established under the laws of the Colony on the basis that they can cater for residents only, or for transients only, or for both and in whatever proportion they choose?

On this important question, I confess I have not been able to obtain much guidance from the Report. The only observations contained in the Report which are relevant on this point are set out in paragraphs 11 (*e*) and (*f*) which are as follows:—

11(e) These percentages have been arrived at from the Committee's knowledge that before the outbreak of hostilities in Hong Kong, the Peninsula and Repulse Bay Hotels were in the main more residential than were the Hong Kong and Gloucester Hotels.

(f) We appreciate that this recommendation is contrary to the practice followed in the United Kingdom and other parts of the world and that it interferes with the normal course of the hotel industry. We consider, however, that the present exceptional circumstances justify our recommendations.

If the implication of paragraph 11 (e) is that because a Hotel as carried on before the war was mainly of a residential character, this fact is itself a justification for compelling it, even against its wishes, to continue this character for an undefined period of time, then, with the utmost respect for the Committee, I can only say I cannot follow the logic of such argument.

Paragraph 11 (f), however, is clear and explicit. The Committee say that although their recommendation that a certain proportion of accommodation be reserved exclusively for residents "is contrary to the practice followed in the United Kingdom and other parts of the world" and "interferes with the normal course of the hotel industry", it is justified by "the present exceptional circumstances". Now what are the exceptional circumstances? The only relevant circumstance I know of is the painful one of housing shortage. If the word "exceptional" is meant to be descriptive of the nature and extent of the shortage in Hong Kong I of course would agree. But I must point out acute housing shortages exist, or have existed, in the United Kingdom and other parts of the world, even in the land of plenty, the United States of America, and I am not aware that Hotels anywhere have been compelled to set aside accommodation for residents because of housing shortage.

It seems to me that, under existing circumstances, if a person has been accepted by a Hotel as a resident, the Hotel should not be allowed to turn him out merely to make room for another person. This security of "stay" which is given by the Regulations is in accord with the principle underlying the Landlord and Tenant legislation under which a landlord of 'a controlled house cannot evict a tenant except on clearly defined grounds. But surely this is an entirely different matter from compelling a Hotel to reserve a definite proportion of its available accommodation for residents.

If this Bill does become law it seems to me to be inevitable that, apart from any question of principle, defects and anomalies will emerge as the result of the practical working of this legislation. It may well be that after a certain interval another Committee will have to be appointed to enquire into and recommend to Government what alterations, if any, should be made to the Ordinance or to the

Regulations made thereunder in order to improve the administration of this measure and remove injustice. At all events, I hope Government will give an assurance that the actual working of this law will be carefully watched and that representations from those affected as to the result of such working will receive the attention and consideration of Government.

Sir, it is my submission that the provisions of this Bill go beyond the accepted principles of Price Control, that they go beyond what is necessary to secure that existing permanent residents, and those hereafter to be accepted as such by the Hotels, will be subjected only to approved charges and rates, and that they constitute a legislative sanction for compelling Hotels to undertake or continue a kind of boarding house business irrespective of the wishes of their owners. For these reasons, I shall vote against the Bill.

HON. CHAU TSUN-NIN:—Sir, as Chairman of the Hotel Rates Advisory Committee, I should like, with Your Excellency's permission, to refer briefly to some features of the report which has led to the introduction of the Bill now before this honourable Council.

First of all, I wish to make it clear that the Committee, in recommending control of the rates charged for accommodation in hotels, was aware that it is against the principle of free trading— as indeed is any form of control; but they felt justified in their recommendation in view of the unprecedented shortage of housing in Hong Kong, and they regarded the proposal as being in line with the objects of the Landlord and Tenant Ordinance.

Since the publication of the Committee's report, there has been criticism in the Press of the recommendation that the Paramount and Cathay Hotels should be exempted from control. That recommendation was based on cogent reasons. These two hotels were established after the Pacific War—one in an extensively renovated building, and the other in a much rehabilitated building. Their capital expenditure, including the outlay on costly furniture and air-conditioning, was very high and their accommodation is comparatively limited, so that the Committee felt that even if their rates were controlled they would have to be high to give a reasonable return on the capital invested. Thus any rates that might be computed would be beyond the means of the ordinary resident. In other words, these two hotels cater only for those who can afford to pay rates higher than those charged by other and larger hotels. In these circumstances, and on the analogy that new buildings are exempted by law from rent control, I submit that it is not illogical to exempt those two comparatively small hotels.

I now come to a rather knotty problem—the reservation of a prescribed percentage of accommodation in hotels for permanent residents. This problem received the very careful and anxious consideration of the Committee. They realised that the point did not come within their terms of reference; but as it is a point intimately bound up with the important problem on which they were charged

by the Government to investigate and to advise, they deemed it their duty to make the recommendation. This recommendation did not seem to them to be either arbitrary or harsh, in as much as the suggested ratios between residents and transients correspond closely to the ratios between these two classes before the war.

In their report the Committee stated that this recommendation was contrary to the practice followed, in other parts of the world, that it would interfere with the normal course of the hotel industry, but that it was justified by the present exceptional circumstances. It has been argued that since such a method has not been adopted in the United Kingdom, the United States of America, and elsewhere, the hotels in Hong Kong should not be shackled with the restrictions recommended by the Committee. I would now refer to the phrase used in our Report—"the present exceptional circumstances". What are those "exceptional circumstances"? An acute housing shortage does exist in the United Kingdom and the United States of America, but the position there cannot be in any way compared to that prevailing in Hong Kong. Elsewhere the influx of aliens is regulated, whereas here, every house, every day, without any let or hindrance, there have been and are pouring into our territory a countless and unceasing number of refugees, rich and poor. These refugees have created a housing situation which, I believe, has no parallel in any other part of the world at the present moment. Who are the sufferers from this inflow? Our permanent residents. And the recommendations which the Committee have made are designed to protect one section of those people—those who have no choice but to live in hotels—and to ensure that some accommodation is reserved for them at prices they can afford to pay.

It has been contended that the question of principle involved in these recommendations should not be ignored. But exceptional measures must be, and have been, taken to meet exceptional conditions, for the good of the general public. For instance, we have price and rent control. Because of this, Sir, the Committee have ventured to go beyond their terms of reference and make the recommendations now being accepted.

HON. P. S. CASSIDY:—Your Excellency, my Honourable Friend who has just *sat* down has dealt with the criticisms of the Honourable Sir M. K. Lo, and I should like to approach the question from perhaps a different angle, at the same time I should like to acknowledge the handsome tribute paid by Sir M. K. Lo to the Committee, and I would like to say that it was a pleasure to serve under the skilled chairmanship of my Honourable Friend there. Despite the fact that we were quite a mixed bunch we arrived at our conclusions with a minimum of dissension. I think we were a pretty good working team.

I feel I ought to be standing here in a white sheet confessing that I have sinned against the light. I am all for freedom, in business as in other walks of life. I do not like controls and although some

are inevitable I want to see them reduced to a minimum. Yet, I find myself partly responsible for a Bill which seeks to deprive the hotel owner of his right to charge what the business will bear. It is a bill which admittedly discriminates between one set of hotels and another and it contains some regulations which will not be too easy to apply. But for all that I support the Bill. It puts into effect what the Advisory Committee recommended and in such details as the definition of a Hong Kong resident and the substitution of weekly for daily rates it improves upon the recommendations. I should like to have seen a Board of Review or Board of Appeal set up as suggested not only in our Report but also in the Report of the Gillespie Committee which went into the Hotel question when these establishments were being derequisitioned in June, 1948. There is, of course, provision under Section 4(2) (a), for a dispute as to allocation to be referred to arbitration, but what we had in mind was a Board of Review to which disputes in regard to rates could be taken. I myself feel that the maximum rates in the fifth schedule may not necessarily be justified in all cases. Circumstances might arise which would result in serious loss to the Hotels if these rates are not capable of revision.

Only late yesterday afternoon I was furnished with the accounts of one of the Hotels which we have put into Group "B" in which undoubtedly on the present scale of rates it looks as though they will be running at a loss. That is a sort of case which might possibly have gone to the Board of Review. I understand, however, that the Government do not consider it a practicable measure on the grounds that it would encourage a flood of appeals, some of a trivial nature, and I therefore do not press the point.

If I might add a few observations I should like to say this. The hotel industry makes a valuable contribution to the economy of the Colony. It should not be subjected to a policy of pin pricks. There is no doubt that the transition period in 1946 was handled very well by the then Quartering Authority and that if it had not been for the tremendous rise in the wage bill most hotels would have been content to maintain the rates agreed upon when the hotels were derequisitioned. The steps taken in July, 1946, were most regrettable and have had very serious consequences. It is no good indulging in recrimination and we had better accept this bill as the best way out of a most unfortunate muddle. It seems to have been forgotten that a by no means negligible section of the community has suffered hardship through the great shortage of housing accommodation. I have not so much sympathy for those who have enjoyed the advantages of living in our leading hotels. Some of them I regard as leading a sheltered existence for there is no doubt that if they were exposed to the economic strain of house-keeping they would very soon realize that in some respects they are better off in a hotel. But, however much the hotel owners may protest that this bill is driving them to ruin the fact is that in many cases they have taken unfair advantage of those residents who have had no possibility of obtaining housing accommodation. It is all very well to argue that a mere 300 people

are affected. Actually it is a good deal more than 800, for it does not follow that because only that number replied to the questionnaire the remainder were content. Local apathy could account for a good portion of the difference. But even if only 300 odd were affected they deserve consideration. They represent a very important factor in the running of the Colony. Their work is bound to be affected if they suffer physical discomfort and financial anxiety and I see no reason why in the present abnormal housing circumstances they should not receive some protection. They have been grossly exploited. In company with my colleagues of the Committee I visited some of the less pretentious hotels and frankly I was appalled at what I saw. Dark and shabby rooms, not a few having originally been servants' quarters or bath-rooms, were let at \$20 or more a day. Some residents had gone to the expense of providing furniture to supplement the rickety rattan chairs and tables which the management had provided. There was plenty of evidence that the occupants had done something to create a homelike atmosphere but the result was pathetic. The work of the 'Committee was hampered by the non-production of accounts and apart from the hotels we grouped under "A", there were only one or two cases where proper accounts were rendered and they made it clear to us that the proprietors were not doing at all badly.

I consider that this bill is fully justified. I hope it will not be necessary to extend it beyond the end of 1950, but unless the supply of housing overtakes the demand an extension may be inevitable. I contend that the section of the community who are affected by this bill should have been relieved long before this. Their hopes were raised at the end of July only to be dashed a few days later. They have been kept in suspense for over six months and the least this Council can do is to implement this Ordinance without further delay. I hope it will be enacted irrespective of the petition which is being presented to the Secretary of State for the Colonies. To my mind the petition is a misleading document and it will be a scandal if it is allowed to hold up the Ordinance.

THE ATTORNEY GENERAL:—Your Excellency, arising out of the debate which has already taken place on this the motion for the Second reading of the Bill, I would like to endeavour to wind up the debate by treating lightly and perhaps inadequately with certain points which have emerged from the speeches of the Honourable Members to which we have just listened. The Honourable Member, Mr. Cassidy, has touched on one point, I think only one point in actual criticism of the Bill, and that is the Bill does not go the whole way in giving effect to the recommendation of the Committee, that there should be a Board of Review or Appeal. The Honourable Member has in fact answered or given the reasons why the Bill merely provides for a form of arbitration in one respect, and it does so because it is only on the question of what accommodation should go into reserve allocation that it should be accepted that there should be any controversy in the working of the Bill upon its enactment.

For the rest it was felt after consideration that to include a general right of appeal from any activities of the Quartering Authority or any consequences flowing from giving effect to this enactment, would be merely to provide a slowing-up process which would make the whole legislation virtually unworkable. In this connection it has been borne in mind that the Colony already has tribunals under the Landlord and Tenant Ordinance which has had the greatest difficulty in discharging the work falling upon it. Not only has there been much work brought to them, but there has inevitably been the greatest difficulty in finding the personnel to man the tribunals or to serve them in the capacity of clerks or interpreters. A similar situation could be anticipated were a general tribunal to be established in connection with the legislation now before Council.

My Honourable Friend, Mr. T. N. Chau, has given a very full description of the motives and views which have guided the Committee in making the recommendations they did. If I had any criticism to offer on my Honourable Friend's speech it is this: that I think he has today, and perhaps the Committee also, in their consideration, made what I see to be a mistake and that is to stress too greatly the actual incursion of a mass of refugees into the Colony. Happily, such a situation has not, I think, arisen in any big way as yet, and in fact, at the moment, the tide of entry into the Colony is somewhat receding. But I think my Honourable Friend has really in mind the situation which has existed for some years since the liberation and that is that the Colony independently of any incursion of refugees has been greatly over-populated, with the consequence that the housing situation has been and remains acute even to-day. There is a further criticism which I venture to make on the Honourable Member's speech and that is I think he was a little unnecessarily apologetic about the recommendation which the Committee made that there should be a reservation for accommodation for the Hong Kong resident.

That brings me to the speech of my Honourable Friend, Sir Man-kam Lo. He concluded his speech, and I will deal with that part of his speech first, with the request that Government should give the assurance that this legislation, if it is passed by this Council and becomes law, shall be carefully watched and that representations made to Government about its operation coming from persons affected should be given every consideration. Sir, I am placed by Your Excellency in a position which enables me to give that assurance unreservedly. The very fact that this Bill by clause 11 is limited in duration is an indication that this Government regards the legislation as temporary, but it does remain in force, according to clause 11, to the 31st December, 1950, and, as I have said before, the actual working of the Ordinance will be most carefully studied and consideration given to any representations made in the course of its operation.

Now, my Honourable Friend, Sir Man-kam Lo, has found it impossible to feel himself free to vote for the Second reading of this Bill for two main reasons. He has mentioned first of all that the

terms of reference of the Committee whose Report has been reflected in the Bill before Council did not permit of the Committee going so far as to make recommendation for the reservation of accommodation for a class of guests. Further, he found or he could locate in the Committee's Report no guiding principle which led the Committee to formulate the suggestion that accommodation in hotels should be reserved. And further, notwithstanding that hotels are not being deprived by this legislation of the right to receive payment for reserved accommodation, the Honourable Member suggests that, by this legislation, there is an invasion of the rights of private property without compensation paid. Now, Sir, I suggest that in point of fact the recommendation made by the Committee was within their terms of reference. Sir, they were appointed to enquire into and advise Government concerning rates to be charged for 'accommodation, food and service by Hotels and Boarding Houses throughout the Colony.

Now, Sir, on these terms of reference it would have been perfectly open to the Committee to have suggested rates chargeable by the various types of hotels and to make those controlled rates apply universally, that is to any type of guests staying in the hotel there should attach a controlled rate. But here emerges a principle which I see implicit in the Report. They thought to themselves our aim is that if we must 'agree that there should be control it should be only such control as is strictly necessary and we should therefore evolve the Hong Kong resident and make any controlled rates which we recommend apply only to Hong Kong residents. Thus there has emerged a principle as to the absence of which my Honourable Friend made complaint, and having done this was it to be the case that they would merely say that the rates which they recommend should apply to the Hong Kong resident, and do no more? No, they logically had to go further, in my submission, because were they to declare that controlled rates should apply only to Hong Kong residents and do no more, the way would be clear, anyway to certain hotels, to make quite sure that no Hong Kong residents would figure in their lists of guests.

For these reasons, Sir, I suggest that the point which my Honourable Friend, Sir Man-kam Lo, has advanced that there is an absence of principle or a question of principle deeply involved, which would enforce any member of this Council to give or refuse to give a Second reading to this Bill is not an argument which should appeal to or be accepted by this Council, and it is for this reason and with some confidence that I feel this Council will give to this Bill its Second reading.

The Bill was read a Second Time.

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

Schedule.

THE ATTORNEY GENERAL:—Sir, I rise to move certain amendments to the Regulations which appear as a schedule to the Bill before Council. In the first place, I propose that Regulation 8 of the Regulations which appear in the schedule to the Bill be amended by the addition of the following sub-regulation as sub-regulation (3):—

“(3) An allocation of accommodation for Hong Kong residents made and accepted as suitable in accordance with this regulation may thereafter be amended from time to time upon application to the Quartering Authority and with his consent.”

The additional sub-regulation proposed to be inserted will enable amendment to be made to the approved reserved accommodation in a hotel in cases where the convenience of hotel management or guest will be served.

THE ATTORNEY GENERAL:—Sir, I rise to move that Regulation 9 of the Regulations which appear in the schedule to the Bill be deleted and replaced as follows:—

“Maximum rates for the accommodation of Hong Kong residents.

9. (1) The rates for the accommodation of Hong Kong residents shall relate to the types of rooms specified in the Second Schedule hereto and shall apply only to rooms reserved in accordance with the provisions of regulation 8 and, subject to sub-regulation (3) of the regulation, shall not exceed the rates prescribed in Column III of the Fifth Schedule.

(2) Such rates shall apply from the date upon which the manager receives a declaration in writing made by a Hong Kong resident, and addressed to the manager, declaring his intention to stay in the hotel for a period of not less than four weeks: Provided that such rates shall not be applicable if a Hong Kong resident, notwithstanding the making of a declaration as aforesaid, leaves the hotel before the expiry of the said period.

(3) The consent of the Quartering Authority may be obtained, upon application in writing by the manager, for the rates prescribed in Column III of the Fifth Schedule to be exceeded for particular rooms having extra amenities: Provided that any such permitted increase shall not exceed the figure specified in Column IV of the said Schedule.

(4) No charge shall be made to a Hong Kong resident for any service other than a service in respect of which a charge is prescribed by these regulations: Provided that—

(a) a charge may be made for the service of meals elsewhere than in the appropriate public rooms;

(b) a charge may be made for the provision of air conditioning or for the electricity used by an air conditioning apparatus;

(c) a charge may be made for the provision of such further services as are rendered by the hotel upon the request of a Hong Kong resident: Provided that the manager shall have submitted a list of such charges to the Quartering Authority and received its approval of them.”

The changes, by comparison with the existing regulation 9, which will be effected upon acceptance of the above proposal for amendment are as follows: —

(1) The rates for the accommodation of Hong Kong residents will relate only to Hong Kong residents accommodated in accommodation reserved for Hong Kong residents. Regulation 9(1) as at present drafted applies the rates to Hong Kong residents whether or not in reserved accommodation.

(2) Such rates will apply only when the management has *received* from a Hong Kong resident a declaration in writing of intention, to stay in a hotel for a period of not less than 4 weeks and not, as now provided by regulation 9(2), merely upon the making of such a declaration.

(3) Charges for services (other than services prescribed by the regulations) will be permissible where a Hong Kong resident requests such services, e.g. laundry service. The proviso is made, however, that the manager shall submit a list of such services and related charges for the prior approval of the Quartering Authority. By operation of regulation 14 a Notice setting out such approved charges would require to be displayed at a reception desk.

THE ATTORNEY GENERAL:—Sir, I rise to move that the Regulations which appear as a Schedule to the Bill be amended by the addition of a regulation 16 as follows:—

“Transitional provisions.
Rates and charges.

16. The rates for the accommodation of, and charges for services payable, a Hong Kong resident who on the coming into force of these regulations is accommodated in a hotel but cannot be accommodated in a room reserved for the accommodation of a Hong Kong resident in accordance with the provisions of regulation 8, shall not exceed the rates and charges payable by such person on the 1st February, 1949.”

It is anticipated that on the coming into force of these regulations certain hotels will be occupied by persons, who qualify to be Hong Kong residents, to a number in excess of the accommodation required to be reserved, in such hotels, for Hong Kong residents. In view of the fact that amendment proposed to regulation 9 will confine the application of prescribed rates to Hong Kong residents accommodated

in reserved accommodation, it is necessary to make transitional provision (controlling rates and charges) applicable to Hong Kong residents not so accommodated. The proposed regulation 16 will require that in such cases rates and charges payable shall not exceed those prevailing on the 1st February, 1949.

THE ATTORNEY GENERAL:— I move that the Form I in the Third Schedule to the Regulations which appear in the Schedule to the Bill be amended by the deletion of the word “entitled” appearing in the fourth line of the Form and by the substitution therefor of the word “eligible”.

Sir, the amendment will enable the declaration to express more clearly the purpose and intention of the declaration of the Quatering Authority, i.e., that a person is a Hong Kong resident and as such is a person qualified to be accommodated in accommodation reserved for Hong Kong residents when and where such accommodation is available.

THE ATTORNEY GENERAL:—Sir, I move that the Sixth Schedule to the Regulations which ‘appear in the Schedule to the Bill be amended by the deletion of the item—

“Hot Plates	500	10
	1000	12”

It has been represented that by operation of Clause 7(d) of the Bill, upon enactment, a hotel management will be under obligation (unless and until excused by a Magistrate upon prosecution being brought) to supply a Hong Kong resident with electricity for a “hot plate”. It has been represented that any such obligation should not be imposed upon hotel managements since to do so would make it impossible to prevent or curtail the practice of cooking in private rooms which entails risk of fire and causes inconvenience to other users of a hotel.

The amendments were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Hotels Bill, 1949, had passed through Committee with five amendments to the Schedule to the Bill, and moved the Third reading.

THE COLONIAL SECRETARY seconded, and the Bill was read a Third time and passed into law.

ADJOURNMENT.

H.E. THE GOVERNOR:—That concludes the day’s business, Gentlemen. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL:—A fortnight’s time, Sir.

H.E. THE GOVERNOR:—Council will adjourn until this day fortnight.