

30th April, 1952.

PRESENT:

HIS EXCELLENCY THE GOVERNOR

SIR ALEXANDER WILLIAM GEORGE HERDER GRANTHAM,
G.C.M.G.

THE HONOURABLE THE COLONIAL SECRETARY

MR. ROBERT BROWN BLACK, O.B.E.

THE HONOURABLE THE ATTORNEY GENERAL

MR. G. E. STRICKLAND, Q.C., *Acting*.

THE HONOURABLE THE SECRETARY FOR CHINESE AFFAIRS

MR. BRIAN CHARLES KEITH HAWKINS, O.B.E., *Acting*.

THE HONOURABLE THE FINANCIAL SECRETARY

MR. ARTHUR GRENFELL CLARKE.

THE HONOURABLE THEODORE LOUIS BOWRING, O.B.E.

(Director of Public Works).

THE HONOURABLE DOUGLAS JAMES SMYTH CROZIER

(Director of Education).

DR. THE HONOURABLE YEO KOK CHEANG

(Director of Medical and Health Services).

THE HONOURABLE KENNETH MYER ARTHUR BARNETT

(Chairman, Urban Council).

THE HONOURABLE CHAU TSUN-NIN, C.B.E.

DR. THE HONOURABLE CHAU SIK-NIN, C.B.E.

THE HONOURABLE- LEO D'ALMADA E CASTRO, Q.C.

THE HONOURABLE PHILIP STANLEY CASSIDY.

THE HONOURABLE MAURICE MURRAY WATSON.

THE HONOURABLE CHARLES EDWARD MICHAEL TERRY.

THE HONOURABLE NGAN SHING-KWAN

MR. RONALD THOMPSON *(Deputy Clerk of Councils).*

ABSENT:

HIS EXCELLENCY THE COMMANDER BRITISH FORCES

LIEUTENANT-GENERAL SIR TERENCE AIREY, K.C.M.G., C.B., C.B.E.

THE HONOURABLE LO MAN WAI, O.B.E.

MINUTES.

The Minutes of the meeting of the Council held on 9th April, 1952, were confirmed.

PAPERS.

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

	<i>Subject</i>	<i>G.N. No.</i>
Annual Report on Hong Kong for the year 1951.		
The Summary Offences Ordinance, Chapter 228.		
The Fire-works (Special Permits) (Amendment)		
Regulations, 1952.		A. 70
The Dogs and Cats Ordinance, Chapter 167.		
The Dogs and Cats (Amendment) Regulations, 1952.		A. 71
The Interpretation Ordinance, Chapter 1.		
Notification under section 3(10)		A. 72
The Landlord and Tenant Ordinance, Chapter 255.		
Notification under section 31(1)		A. 73
The Colonial Air Navigation Order, 1949.		
The Air Navigation (Temporary Restrictions)		
(Amendment) Regulations, 1952		A. 74
The Dogs and Cats Ordinance, Chapter 167.		
Inoculation Fees		A. 75
The Defence Regulations, 1940.		
The Price Control Order, 1946—Amendments to the		
Schedule		A. 77
The Motor Vehicles Insurance (Third Party Risks) Ordinance, 1951.		
The Motor Vehicles Insurance (Third Party Risks)		
(Amendment) Regulations, 1952		A. 78

SUPPLEMENTARY PROVISIONS, 1951/52.

THE FINANCIAL SECRETARY moved the following resolution:—

Resolved that the Supplementary Provisions for the quarter ended 31st December, 1951 as set out in Schedule No. 3 of 1951/52, be approved.

He said: Sir, of the total of almost \$21 millions provided in the schedule, no less an amount than $14\frac{3}{4}$ millions is accounted for by the salaries revision carried out at the beginning of the last financial year, following on the decision to consolidate a proportion of the cost of living allowances into basic pay. In accordance with Government's accounting practice, savings are only quoted in these schedules if they are savings under the same Head of expenditure. In the case of the salary revision savings are available from the block vote under cost of living allowances, which is a sub-head of Miscellaneous Services, and in fact a considerable proportion of this $\$14\frac{3}{4}$ millions is offset by such savings. According to the best estimate that we have been able to prepare, the net cost of the consolidation scheme is under $\$1\frac{1}{2}$ millions.

Apart from this large sum there are a number of items in the Schedule which are of rather more than ordinary interest.

There is a sum of $\$1\frac{1}{2}$ million on page 16 of the Schedule for the Tai Tam—Shaukiwan water supply. This provides for the first part of a scheme which appears in the estimates for the current year, and had to be proceeded with as a matter of urgency because of the provision of a large squatter resettlement area at Chai Wan. At present Shaukiwan obtains its water by a very roundabout route from Tai Tarn through the central area. It has been thought desirable for many years that a direct main should be laid from Tai Tarn to Shaukiwan over Tai Tarn gap, and in view of the urgent need for supplying the new squatter resettlement area, it was decided to go ahead with the first part of the scheme at once.

Also on page 16 is provided the sum of \$130,000 for the removal of a hill. This arises from the visit of the Broadbent Mission to report on Kai Tak. This hill is considered something of a hazard to aircraft taking off or landing, and it was felt that the sooner it was removed the better.

On page 17 there is provided a sum for reinstatement of the statue of Queen Victoria, which used to stand in the centre of Statue Square. This statue was recovered from Japan in a badly damaged condition after the war, and it has now been decided to have it reconditioned. It will be set up on the new reclamation at Causeway Bay when that reclamation is completed.

There are a number of supplementary provisions totalling in all just over \$32,000 as subventions to twenty four organizations and institutions. In the past, a number of such organizations

were allowed to have water free. For two reasons it has been decided to stop this practice; one is that it constitutes a hidden subsidy, and Government's policy is so far as possible to get rid of hidden subsidies; the other is that when water is supplied free there is no inducement to save water, a most important point in these days. In return for withdrawal of the privilege, grants have been made equivalent to the value of water consumed in the past.

The sum of \$350,000 has been provided for the Mission to Lepers. This was to enable the Mission to go ahead with the development of its establishment on Nun Island, which is now called Hay Ling Island, and to transfer thither the lepers now accommodated at Sandy Bay. This expenditure will ultimately be offset in some small degree by reduction of the cost of maintenance of the establishment at Sandy Bay.

It will be observed that there are a considerable number of supplementary provisions for the Defence Force. One or two small ones arise from the revision of salaries but by far the greater proportion arise from the expansion of the Force following on the introduction of compulsory service. The total amount provided exceeds \$480,000 after allowing for savings.

THE COLONIAL SECRETARY seconded, and the Motion was carried.

BUSINESS REGULATION BILL, 1952.

THE FINANCIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to regulate the conduct of business in the Colony". He said: Sir, the legislation which it is proposed to enact in this Bill has been under consideration for a very long time. It arises from the recommendations of the Taxation Committee which was appointed in 1946 to consider methods of raising revenue. The decision to proceed was taken a considerable time ago, and was announced in this Council in the Budget Debate in March, 1951, but the long delay in reaching the present stage has been due to many problems, both of drafting and of administration, which have beset us throughout.

The Bill provides in brief that every person carrying on a business shall register and shall pay a fee for registration. When registering, the person, if unincorporated, shall declare the partners in his business, and shall after registration keep the Director of Commerce & Industry notified of changes in partnership; this information will be available to the Inland Revenue

Department, with a view to securing greater efficiency in collection of profits tax. It will also be available to the public on payment of a small fee.

It will be observed that the authority for registering businesses is proposed as the Director of Commerce & Industry. It was first proposed that registration should be carried out by the Commissioner of Inland Revenue, but that proved impracticable. Then it was proposed that registration should be carried out by the Treasury. This again, for reasons of staffing and space, among others, was found impracticable. Finally the decision was made that the Director of Commerce & Industry, who could make available a little space, should administer the Ordinance. It is perhaps not an inappropriate decision in view of the general interest of that department in the trade and industry in the Colony, and of the fact that he already has a staff of inspectors dealing with such matters as tobacco and liquor retailers' licences.

It has been Government's object in considering this legislation to cause the minimum of inconvenience to the public, and at the same time to administer it with the minimum of expense. We have had in mind the annual difficulties that arise over the renewal of motor car licences and motor car drivers' licences, when all licences have to be renewed at the one time. Clearly this not only represents a certain inconvenience to the public, but it causes additional expense to Government in that for that one period of the year staff has to be augmented to cope with the seasonal rush of work. Accordingly the method of administration proposed here is that within the first three months from the enactment of the Ordinance, everybody liable shall put in his application to register. This means that within that three months' period there will be a flood of possibly 20,000 applications into the department. We propose to provide sufficient staff to deal with these applications and to issue licences roughly at the rate of 100 a day, or at whatever other rate may be proved necessary by experience, which will mean that all businesses will be licensed within a year. Each licence will be valid for one year from the date of issue, and after the first rush, the licensing and re-licensing will be a continuous routine which will keep the minimum staff fully occupied. Thus a business which puts in an application for registration and does not get back its business registration certificate within a short interval need not be unduly perturbed; its turn will come.

Sanctions are provided for failing to apply for registration, and inspectors will be appointed to check up on all businesses who have not registered. One sanction has been provided which should take care of the business which is not obviously a business, such as, for example a man who may do quite a substantial business from a room in an hotel, or even in his private residence. It is provided that no business which has not got a valid registration certificate may sue for a debt. In view of the delay that will be incurred over the first year in issuing certificates, it is provided that this particular provision in the Bill will not come into force until so ordered by the Governor in Council. This order will be made when the work of initial registration has been completed. Two other clauses in the Bill, 9 and 10, also will come into force only when initial registration is complete.

The Bill provides that certain persons and classes of persons need not register. Among them are such minor businesses as that of shoe shining; and also those professional men such as dentists, who are obliged to pay a fee under the Stamp Ordinance for a certificate to practice. For cases where these fees are less than that proposed for business registration, a separate Bill is being introduced today providing that they shall be raised to that figure. Power to exempt further businesses or classes of business is given in clause 13, and clause 7 provides that any particular business may be exempted in whole or in part on the recommendation of the Secretary for Chinese Affairs or the District Commissioner, New Territories, if it is small enough.

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:—

In 1946 a Committee appointed by the Governor to review the system of taxation then subsisting and to consider new-sources of revenue recommended the imposition of an annual licence fee on all businesses whether incorporated or unincorporated. The intention of this recommendation was primarily to supplement the contemplated Profits Tax which was imposed by the Inland Revenue Ordinance, Chapter 112. Many persons carrying on business already pay substantial annual fees under the existing law, *e. g.* auctioneers, bankers, members of various professions. The objects of this Bill is to carry out the recommendation

of the Committee and to this end it requires all persons carrying on business in the Colony to pay an annual fee of \$200, if carrying on one business at one place only, or if carrying on business at more than one place or more than one business a fee of \$600 yearly. Persons already carrying on business for which a fee of similar or greater amount is payable have in general been exempted from its provisions. Opportunity has been taken to make provision for the registration of all businesses covered by the Bill and of business names so that the public may know with whom they are dealing.

2. Clause 4 provides that every person carrying on "business" (as denned in clause 2) shall apply to the Director of Commerce and Industry for registration of his business. The actual manner of making such application is set out in the rules appearing in the Second Schedule. The Director of Commerce and Industry then has a duty to register the business (clause 4) unless it is an unlawful business (clause 21), but he is given power in clause 6, if necessary, to summon persons before him in order to obtain further information necessary to him in carrying out his duties.

3. The Bill provides for the issue to the person carrying on business, where business has been registered, of one of two types of business registration certificate (clause 7). Type 'A' is to be issued to a person carrying on one business only at one place; Type 'B' to a person carrying on one business at more than one place or more than one business whether at one place or at more than one place. The appropriate certificate is to be issued on payment of fees set out in the First Schedule, namely, \$200 per annum for a Type 'A' certificate, and \$600 per annum for a Type 'B' certificate. The certificate will be valid for twelve months from date of issue and must be renewed on expiry (clause 8).

4. Every business registration certificate must be displayed for the public to see (clause 9) and inspectors may be appointed to find out if persons are complying with their obligations under the Ordinance (clause 10).

5. Provision is made in clause 11 for reference for decision to the Supreme Court in case of dispute of questions which may arise, *e. g.* as to whether a particular concern is a business, or whether such concern requires a Type 'A' or a Type 'B' certificate.

6. One of the principal sanctions imposed by the Ordinance is contained in clause 12 which precludes a person who fails to take out a business registration certificate as required from recovering debts, fees, costs, etc., in any cause of action arising from such business, until he has complied with the requirements of the Ordinance. Other sanctions are contained in Clause 1f) which include as criminal offences failure to apply for registration or to display the business registration certificate issued.

7. Clause 13 enables the Governor in Council to make rules for divers matters, including the manner of application for registration and the forms of business registration certificates. The Second Schedule contains such rules.

8. Clause 15 provides for exemptions. The majority of persons expressly exempted are those who already, under other laws, have to pay a substantial annual fee for carrying on business. Others may, if thought fit, be exempted by the Governor in Council. In addition to classes of persons who have been or may be exempted, there may still be persons carrying on business in a small way for whom it would be a hardship to pay the prescribed fee of \$200. Provision for remission of the fee in whole or in part has accordingly been made in sub-clauses (5)—(9) inclusive of clause 7.

9. Provision is made in clause 18 for the supply upon payment of fee of certified copies of documents kept by the Director under the Ordinance.

10. The provisions of clauses 9 and 10 which respectively require business registration certificates to be displayed and authorize the appointment of inspectors, and the provisions of clause 12 which restrict actions by persons not in possession of business registration certificates, are to come into force on dates specified by the Governor in Council, (clause 20).

STAMP (AMENDMENT) BILL, 1952.

THE FINANCIAL SECRETARY moved the First reading of a Bill intituled "An Ordinance to amend the Stamp Ordinance, Chapter 117". He said: Sir, as I have already indicated, this Bill is a companion measure to the Business Regulation Ordinance. Its purpose is set out in the Objects and Reasons to which I have nothing further to add.

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:—

This Bill is mainly a companion measure to the Business Regulation Bill, 1952. That Bill requires all persons carrying on business in the Colony to pay an annual fee of \$200 in respect of a business carried on in the Colony. There have, however, been exempted from those provisions professional men who by reason of section 25 of the Stamp Ordinance, Cap. 117, (the principal Ordinance) already have to pay stamp duty for an annual practising certificate. Under head 17 of the Schedule to the principal Ordinance this duty is at present \$50 and therefore in order to make it correspond with the fee payable by other persons under the Business Regulation Bill, 1952, the Bill seeks to increase the duty to \$200. Such purpose would be effected by the enactment of clause 3(a).

The opportunity of the presentation of this Bill is, however, taken to remove two anomalies which have been noticed in the interpretation section and in the Schedule to the Stamp Ordinance. For such purpose clause (2) repeals the definition of “share contract note” as being inconsistent with the purpose of the Stamp (Amendment) Ordinance, 1947, and clause 3(b) raises the *ad valorem* duty on a foreclosure order from \$1 PER CENT to \$2 PER CENT in conformity with increases in analogous duties made by the Stamp (Amendment) Ordinance, 1948.

MISCELLANEOUS LICENCES (AMENDMENT) BILL, 1952.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled “An Ordinance to amend the Miscellaneous Licences Ordinance, Chapter 114”. He said: Sir, I have one or two observations to add to the Objects and Reasons. As the Objects and Reasons explain, the principal object of the Bill is to add dancing schools and table tennis saloons to the establishments which can be controlled by virtue of regulations made by the Governor in Council. These regulations would, in due course, be laid on the table in this Council. It has been the case within the course of the last two years that dancing schools, so called, have been set up which are really public dance halls in disguise. It is clearly desirable that such establishments should be governed by the same kind of regulations as now control public dance halls. The penalties imposed by the principal Ordinance have been found to be inadequate, particularly in the case of massage establishments. Clause 5 of the Bill seeks to remedy this.

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 Miscellaneous Licences Ordinance, Cap. 114, provides machinery for prescribing fees for licences for certain trades businesses and occupations. Whenever it is desirable to make a licence requisite for a matter not already included in the Schedule to the Ordinance, an amending Ordinance is required. After amendment the Governor in Council is enabled to make regulations under section 3.

2. The main object of the present Bill is to provide the machinery for licensing dancing schools and table tennis saloons. This is effected by clause 2 of the Bill which inserts definitions of “dancing school” and “table tennis saloon” and by clause 6 which adds these items to the Schedule. The reason for including these items is a desire to achieve control by the imposition of conditions in the respective licences. In the case of dancing schools the aim is to control the larger type of dancing school and in particular the type which is really a public dance hall disguised as a dancing school. This explains why dancing schools for children under 16 and other dancing schools where the aggregate of the persons present at any one time does not habitually exceed 12, are excluded from the definition.

3. The opportunity has been taken to make minor amendments to the principal Ordinance. They are as follows—

- (a) by clause 2(b) a proviso is added to the definition of “public dance hall” in section 2 so as to clarify that dancing in hotels and restaurants does not normally make these establishments public dance halls;
- (b) by clause 3(a) the scope of the Ordinance is extended by adding the word “undertaking” after the word “business” in section 3(a);
- (c) by clause 3(b) coupled with clause 5 control is improved by enabling provision to be made for the furnishing of particulars by applicants for licences and by making it an offence to furnish false information;
- (d) by clause 3(c) express power is given to prescribe penalties for breach of the regulations;

- (e) by clause 4 a justice of the peace as well as a magistrate is empowered to issue a search warrant; and
- (f) by clause 5 offences and penalties are more specifically described and the penalties are increased.

Experience has shown that the penalties are quite inadequate. The penalties were not revised by the Law Revision (Penalties Amendment) Ordinance, 1950, as it was then anticipated that the principal Ordinance would be amended before the end of law revision.

**MOTOR VEHICLES INSURANCE (THIRD PARTY RISKS)
(AMENDMENT) BILL, 1952.**

THE ATTORNEY GENERAL moved the First reading- of a Bill intituled "An Ordinance to amend the Motor Vehicles Insurance (Third Party Risks) Ordinance, 1951". He said: Sir, the object of the Bill is to substitute the new definition of "road" for the reasons explained in the Objects and Reasons. I would call attention to the fact that "road" as so defined will include roads habitually marked "No Motor Roads" upon which persons are allowed to drive motor vehicles if in possession of a special permit. I would remind Honourable Members that as a result of an Order made by the Governor in Council, section 4 of the principal Ordinance which makes it an offence to use a motor vehicle on a road without being insured against third party risks, comes into force on the 1st June this year.

I trust that the press will call the attention of their readers to this fact so that when that day comes those persons who have or use motor vehicles will be properly insured.

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:—

Section 2 of the Motor Vehicles Insurance (Third Party Risks) Ordinance, 1951, incorporates the definition of "road" contained in the Vehicle and Road Traffic Ordinance, (Cap. 220).

That definition reads as follows—

“ “road” includes every highway, thoroughfare, street, lane, alley, court, square, archway, passage, path, way and place to which the public have access, either continuously or intermittently and either of right or by licence, whether the same be the property of the Crown or otherwise. “

This definition, which was originally contained in the Vehicles and Traffic Regulation Ordinance, 1912, was included in the principal Ordinance for the sake of conformity in all traffic legislation. The definition is however an extremely wide one and in its application to the principal Ordinance might be interpreted to mean that it would be necessary to have third party insurance in respect of a motor vehicle used or driven in places where it is not in other territories customary to require such insurance, such as on farm land, factory premises, the driveway of a private house or a garage.

2. Such effect was not intended and therefore the Bill seeks to modify the definition by bringing it substantially into accordance with that contained in U. K. legislation, but modified to suit local conditions. A highway is a way over which all members of the public are entitled to pass and the words “any other road to which the public have access” bring into the definition of “road” for the purposes of this Ordinance any way to which the public do *in fact* come. Insurance is not required when a vehicle is upon private property.

PENSIONS (AMENDMENT) BILL, 1952.

THE ATTORNEY GENERAL moved the First reading of a Bill intituled “An Ordinance to amend the Pensions Ordinance, Chapter 89”. He said: I have one observation to add to the Objects and Reasons. Honourable Members will recall that when I was introducing the Royal Hong Kong Defence Force Ordinance and the other legislation, amendment of which became necessary by the Compulsory Service Ordinance, I mentioned the desirability of providing for cases where persons might become entitled to pensions payable under the Pensions Ordinance and under the Royal Hong Kong Defence Force Ordinance, or the Emergency (Special Constabulary) Regulations or the Police Reserve Ordinance, or the Essential Services Corps Ordinance. I indicated then that the best course appeared to be to make comprehensive provision in such cases by amendment of the Pensions Ordinance.

I now invite attention to clause 6 of the Bill which endeavours to provide for such cases by the introduction of a new section, 17(a), to the Pensions Ordinance. Briefly, that clause gives an option to the person who would be entitled to pension to choose whether such pension should be payable under the Pensions Ordinance or under the provision of the legislation affecting the Corps, or body, in which the person who, or whose dependants, become entitled to the pension. In certain cases, however, where there might be conflict between the interests of the widow and that of her children or children of previous wives of the deceased, the exercise of the option by the widow will be watched by the Governor in Council and, and if wrongly exercised by the widow, the option will become exercisable by the Governor in Council in the best interest of the class of beneficiaries concerned.

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:—

This Bill seeks to make five amendments to the Pensions Ordinance, Cap. 89, (the principal Ordinance).

2. The first amendment, contained in clause 2, is to section 5 (2) of the principal Ordinance. That subsection lays down as the general rule that no officer dismissed the service for misconduct shall be granted any pension gratuity or other allowance, but in exceptional cases permits the Governor in Council with the approval of the Secretary of State to direct otherwise. When an officer is granted a pension on retirement he is permitted to elect to receive in lieu of his pension a pension at the rate of three quarters of such pension together with a gratuity equal to ten times the amount of the normal reduction so made in thy pension. It is thought that an officer who is dismissed the service for misconduct but who is in exceptional circumstances granted a pension should not have the right to make such election, but that the decision as to the form the pension should take should also rest with the Governor in Council and the Secretary of State. Clause 2 provides accordingly.

3. The second amendment, contained in clause 3 is to section 6 of the principal Ordinance. That section sets out the circumstances under which an officer who retires from the public service in Hong Kong may be awarded a pension or other

retiring benefit, *e.g.* if he has attained the normal age of retirement, if his office is abolished, if he is medically unfit to perform his duties. Under paragraph (b) of section 6 a pension may be granted under the principal Ordinance to an officer transferred to other public service on attaining the age at which he is permitted to retire by the law of that service. The amendment to this paragraph effected by clause 3 of the Bill deals with the case of an officer transferred to Colonial Universities, University Colleges and certain other institutions accepting the Federated Superannuation System for Universities. The effect of the amendment is that if the officer continues to serve in the new appointment until such time or such conditions arise as would have rendered him eligible for a pension under the principal Ordinance, then his pension rights under the principal Ordinance are preserved. This amendment accords with an amendment to the Model Pensions Ordinance.

4. The third amendment, contained in clause 4, amends section 8 of the principal Ordinance which provides that the normal age of retirement of an officer other than a judge shall be fifty-five but also permits the Governor in Council to require an officer other than a judge to retire prior to that age. No provision is contained in the principal Ordinance for a retiring age for judges. The amendment is designed to place judges, as a matter of law, in the same position as other officers in this regard, though approval for continued service after the age of fifty-five in the case of judges is to be given in accordance with the directions of the Secretary of State. The effect of this is that the existing practice whereby a judge of the Colonial Service is not normally called upon to retire until the age of sixty-two, and in exceptional cases sixty-five can continue to prevail. Clause 7 expressly preserves the position of judges appointed before the enactment of this Bill.

5. The fourth amendment contained in clause 5 is to section 17 (1) of the principal Ordinance. That section enables the Governor in Council to grant a pension to the dependants of an officer killed on duty and provides that the minimum annual amount of such pension shall be four hundred and eighty dollars. This figure was determined at the time of the enactment of the principal Ordinance as the fair minimum amount payable in relation to the lowest salaries then received. The amendment seeks to increase the amount to seven hundred and eighty dollars per year, this figure being determined as the fair minimum amount payable in relation to the lowest salaries now received.

6. The fifth amendment, contained in clause 6 consists of the addition to the principal Ordinance of a new section (17A). If a Government servant who is a member of the Royal Hong Kong Defence Force, or the Essential Services Corps is injured or killed while serving as such, the benefits payable to him or his dependents are computed in accordance with the Royal Warrant—if the Government servant is a member of the Special Constabulary or the Police Reserve they are in similar circumstances computed in accordance with the Emergency (Special Constabulary) Regulations, 1950, or the Police Reserve Ordinance (Cap. 233), as the case may be. Clause 6 enables such officer or his dependants to elect to receive the benefits for which eligibility exists under the principal Ordinance in lieu of the benefits payable under the Royal Warrant or the legislation relating to the Special Constabulary or Police Reserve.

SUPPLEMENTARY APPROPRIATION FOR 1950-51

BILL, 1952.

THE FINANCIAL SECRETARY moved the Second reading of a Bill intituled “An Ordinance to authorize the appropriation of a supplementary sum of seventy-six million one hundred and forty-two thousand nine hundred and forty-five dollars to defray the charges of the financial year ending 31st March, 1951”.

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

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

Council then resumed.

THE FINANCIAL SECRETARY reported that the Supplementary Appropriation for 1950-51 Bill, 1952 had passed through Committee without amendment, and moved the Third reading.

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

AGRICULTURAL PRODUCTS (MARKETING) BILL, 1952.

THE COLONIAL SECRETARY moved the Second reading of a Bill intituled “An Ordinance to provide for the marketing of agricultural products, to encourage co-operative markets and for purposes connected therewith”.

THE ATTORNEY GENERAL seconded, and the Bill was read a Second time.

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

Council then resumed.

THE COLONIAL SECRETARY reported that the Agricultural Products (Marketing) Bill, 1952 had passed through Committee without amendment, and moved the Third reading.

THE ATTORNEY GENERAL seconded, and the Bill was read a Third time and passed into law.

PLACES OF PUBLIC ENTERTAINMENT

(AMENDMENT) BILL, 1952.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Places of Public Entertainment Ordinance, Chapter 172".

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

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

Council then resumed.

THE ATTORNEY GENERAL reported that the Places of Public Entertainment (Amendment) Bill, 1952 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 into law.

PASSPORT BILL, 1952.

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to repeal and replace the Passport (Miscellaneous Offences) Ordinance, Chapter 213".

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

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

Council then resumed.

THE ATTORNEY GENERAL reported that the Passport Bill, 1952 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 into law.

BY-LAWS UNDER PUBLIC HEALTH (FOOD) ORDINANCE,

CHAPTER 140.

THE CHAIRMAN, URBAN COUNCIL moved:—

That the By-laws made by the Urban Council on the 8th day of April, 1952 under section 5 of the Public Health (Food) Ordinance, Chapter 140, be approved.

He said: Sir, this is a new market by-law which merely gives legal effect to established practice and is self-explanatory.

THE COLONIAL SECRETARY seconded, and the Motion was carried.

DUTIABLE COMMODITIES ORDINANCE, CHAPTER 109.

THE FINANCIAL SECRETARY moved the following resolution:—

RESOLVED pursuant to section 4 of the Dutiable Commodities Ordinance, Chapter 109, as follows:—

That the DUTIES ON LIQUOR as set forth in the Resolution of the Legislative Council published as Government Notification No. A. 49 in the *Gazette* of the 18th March, 1952, be revoked with effect from 2 o'clock p. m. on Tuesday, the 29th April, 1952, and that thereafter duty shall be payable on liquors at the following rates per gallon:—

PART I.

<i>On—</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>
	\$	\$	\$
Liqueurs and Brandy	—	47.00	55.00
Whisky, Gin and other spirituous liquors	44.00	44.00	52.00

<i>On—</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>
	\$	\$	\$
Champagne and other sparkling wines	—	36.00	44.00
Port, Sherry and Madeira	—	20.00	25.00
Other still wines	—	16.00	20.00
Cider and perry	—	2.00	2.50
Concentrated beer in whatever form, whether ale basis, or malt and hops concentrate, or otherwise	1.15	1.50	1.90
and in addition, for every degree by which the original gravity exceeds 1045 degrees	0.03	0.04	0.05
Other beer, except cider and perry, not exceeding 1055 degrees original gravity	1.00	1.50	1.90
and in addition, for every degree by which the original gravity exceeds 1055 degrees.	0.03	0.04	0.05
Intoxicating liquors in this Part above the strength of 22 degrees under proof, for every degree above such strength, in addition to the duties specified above	0.50	0.50	0.60

PART II.

<i>On—</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>
	\$	\$	\$
Chinese type liquor and Sake	5.00	5.00	6.00
and in addition, for every one Per cent by which the alcoholic strength by weight exceeds 25 per cent.	0.20	0.20	0.24

PART III.

<i>On—</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>	<i>Hong Kong Origin</i>
	\$	\$	\$
Spirits of wine, arrack, and liquors other than intoxicating liquors	5.00	5.00	6.00
and in addition, for every one Per cent by which the alcoholic strength by weight exceeds 25 per cent.	0.20	0.20	0.24

Provided that the Director may assess the duty on intoxicating liquors, not specified in Part I or II, at the rate prescribed for liquor which in his opinion most nearly approximates to the liquor on which duty is to be assessed;

Provided also that the Director may in his discretion assess the duty on any quantity of liquor of less than two gallons, imported at any time in one consignment at \$50 per gallon.

He said: Sir, I have to apologise to Honourable Members for proposing yet another resolution altering the rates of duty on liquor.

When the last major change was made in the rates of duty in 1946 there was nothing to prevent us altering the preferential margins as much as we wished; but after that, in 1947, there came the Geneva Tariff Negotiations which resulted in the General Agreement on Tariffs and Trade, popularly known as G.A.T.T. In the first article of that agreement it is provided that the preferential margins may not be increased beyond the figures at which they stood on the 10th April, 1947. This agreement was known to us and we maintained the preferential margins in the new rates of duty brought in last month at the same percentage. Unfortunately our interpretation was incorrect. Preferential margin does not mean a percentage margin, but means the absolute margin. It means that if the preferential rate was \$8 a gallon less than the full rate on the 10th April, 1947, as in fact it was with us, then, when any revision of duties is undertaken the preferential margin must not exceed \$8.

The effect of the last change we made was that the margin was increased from \$8 to \$12. Accordingly, under GATT, we must correct this.

The object of the change last month was to increase revenue and accordingly the adjustments now made have been worked out with the object of losing as little as possible of this increase. It will be seen that the rate of duty on non-Empire brandy and on Empire whisky remains unaltered, these being the largest sources of revenue. Hence the rate of duty for Empire brandy has had to be increased and the rate of duty for non-Empire whisky has had to be decreased. In the case of Chinese type liquor, by far the largest part of the revenue is derived from locally distilled liquor. Accordingly the rate for locally distilled liquor is left unchanged and the rate for imported liquor has been slightly reduced.

I estimate that these changes will reduce the figure of \$4,100,00 which I gave as the probable increase in revenue last month, by approximately \$20,000.

THE COLONIAL SECRETARY seconded, and the Motion was carried.

ADDRESS BY THE GOVERNOR.

H.E. THE GOVERNOR:— Gentlemen, this is the last occasion on which Mr. Cassidy will be sitting here as a member of this Council because, as you know, he goes to England on retirement early next month. Mr. Cassidy has been a member of Legislative Council since 1948, but he has for very many years before that served on innumerable Government and non-Governmental boards and committees of one kind and another, because amongst the many attractive attributes that Mr. Cassidy has is his devotion to public service and he has done that not from any idea of self-advertisement or for getting in the limelight, but because he has the interest of the community at heart.

I am sure you would agree with me, gentlemen, that he is going to be sorely missed and on your behalf I should like to wish him and Mrs. Cassidy every happiness in the future, and may he continue to be and to look as fresh, physically and mentally, as he is today. (Applause).

HON. P. S. CASSIDY:— Your Excellency, I should like to thank you for the very tasteful tribute which has rather touched me. It has been a great privilege to serve on this Council. I realize that I have not attained the standard of those whom Sir Henry May called the “giants of the past”, but nevertheless I have enjoyed the work here during the last four years. I should like to thank you, Sir, and my colleagues, both Official and Unofficial, for the happy association that I have had with you. (Applause).

ADJOURNMENT.

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