

7TH APRIL, 1921.

PRESENT :—

HIS EXCELLENCY THE GOVERNOR, SIR REGINALD EDWARD STUBBS, K.C.M.G.

H.E. MAJOR-GENERAL SIR GEORGE MACAULAY KIRKPATRICK, K.C.B., K.C.S.I. (General Officer Commanding the Troops in China).

HON. MR. CLAUD SEVERN, C.M.G. (Colonial Secretary).

HON. MR. J. H. KEMP, K.C., C.B.E. (Attorney-General).

HON. MR. C. McI. MESSER, O.B.E. (Colonial Treasurer).

HON. MR. E. A. IRVING (Director of Education).

HON. MR. S. B. C. ROSS (Secretary for Chinese Affairs).

HON. MR. T. L. PERKINS (Director of Public Works).

HON. MR. H. E. POLLOCK, K.C.

HON. MR. LAU CHU PAK.

HON. MR. P. H. HOLYOAK.

HON. MR. HO FOOK.

HON. MR. H. W. BIRD.

HON. MR. A. G. STEPHEN.

MR. S. B. B. McELDERRY (Clerk of Councils).

New Members

The Hon. Mr. H. W. BIRD took the oath on being appointed a member of the Council during the absence on leave of the Hon. Mr. E. V. D. PARR. The Hon. Mr. A. G. STEPHEN took the oath on being appointed a member in place of the Hon. Mr. J. JOHNSTONE, resigned.

Minutes

The minutes of the last meeting were confirmed by the Council and signed.

Notices of Motion

H.E. THE GOVERNOR asked if there were any notices of motion.

There was no response.

Reports, etc.

By command of H.E. the Governor, the COLONIAL SECRETARY laid on the table the Regulations made by the Governor-in-Council under section 3 (9) of the Vehicles and Traffic Regulation Ordinance, 1912, as amended by the Vehicles and Traffic Regulation Ordinance, 1921; the Bye-laws made by the Governor-in-Council under section 3 of the Holts Wharf Ordinance, 1921; the annual report of the Director of the Royal Observatory for 1920, and the annual report of the Land Officer for 1920.

Finance

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table Financial Minutes Nos. 10 to 17, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and the motion was agreed to.

THE COLONIAL SECRETARY also laid on the table the Report of the Finance Committee (No. 2) and moved that it be adopted.

THE COLONIAL TREASURER seconded, and the motion was agreed to.

Report on Bathing Facilities

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the report of the Committee of the Council on bathing facilities and moved that it be adopted.

THE COLONIAL TREASURER seconded.

H.E. THE GOVERNOR—Does any one wish to say anything?

There being no response, the motion was carried.

Increase in Rates

THE COLONIAL SECRETARY—Before moving the resolution which stands on the Agenda in my name, and two other resolutions which do not appear on the Agenda paper—there is the same reason for bringing forward these resolutions—it will be convenient to the Council that I should make a few remarks which apply to the three resolutions generally. They are of course, brought forward with the object of raising more revenue. It was obvious when the Estimates of revenue and expenditure were before the Council last autumn that some measures would have to be taken to make our revenue and expenditure for 1921 balance as nearly as possible. As the Estimates stand, there is an estimated deficit of \$2,012,800, but in drawing up these Estimates the revenue from stamps was reckoned on as \$1,000,000 more than would be brought in by the stamp duties at their present level. Provision was made also for an increase in the rates paid for buoys in the harbour, and also a considerable increase in revenue was expected from water. There have been various causes for the delay in bringing forward the Bill for increasing the Stamp Duties, and it is unlikely that the Bill will become law before the end of this month, so that out of the million it was proposed to raise from that source probably a much smaller sum will be available. Also, with regard to water no measures have been settled yet for increasing the revenue from water and only a portion of the sum that it was hoped to get will be realised. As regards the buoys in the harbour, the Governor has given a pledge that for this year no increase will be made in taxation on shipping, but as the amount of shipping visiting the Port, or lying in the Port, is far greater than in former years, it is possible that the estimated sum of \$90,000 will be realised without any increase in the present rates. However, it will be clear to hon. members from what I have said that without any increase in taxation, beyond what has already been allowed for, the estimated deficit of \$2,000,000 will be considerably increased. I should add that under the heading of "Opium" the estimated sum will probably not be reached, so that the deficit will be something like \$3,000,000, if the total

of all the expenditure estimated for is all incurred, and no increase is made in taxation. Having regard to that position it has been decided to increase certain taxes and the three resolutions which will be brought forward will provide for that. They refer to increases in the Assessed Taxes, increases in Liquor duties and increases in Tobacco duties. The amount expected to be realised for the portion of the year during which the increased taxes will be collected is about \$900,000. It is hoped—it is practically certain—that under "Expenditure," there will be considerable savings under certain heads, which may amount to \$800,000, so that with the taxes which will be collected under the resolutions, together with the savings in expenditure, it is expected that the deficit by the end of the year will probably be about \$1,300,000.

H.E. THE GOVERNOR—Would the Council be willing to take the resolution as read?

THE COLONIAL SECRETARY—If the Council will take the resolutions, as read, the Colonial Treasurer will explain the re-arrangement of the assessed taxes and I will explain the changes in the tobacco duties and the liquor duties. The text of the resolutions is rather long.

H.E. THE GOVERNOR—I understand the Council agrees to the resolution being taken as read.

THE COLONIAL SECRETARY—Then I beg to move the resolution that is on the Agenda under section 31 (1) of the Rating Ordinance 1901.

THE RESOLUTION

The resolution was in the following terms:—

Resolved by the Legislative Council that the percentages on the valuation of tenements payable as rates in the under-mentioned districts be altered on and after the 1st July, 1921, as follows:—

(a.)—In the City of Victoria:—

from 13% to 20%

(b.)—In that portion of the Hill District bounded on the north, south and west by the 700 feet contour and on the east by a line drawn north and south passing through the Wanchai Gap; and in such other portion of the Hill District, as may by order of the Governor be notified in the *Gazette*:—

from 13% to 20%

(c.)—In Kowloon Point, Yaumati, Hung Hom, Hung Hom West, Mong Kok Tsui, Taikoktsui, Fuk Tsun Heung with the exception of Kowloon Marine Lots Nos. 26, 28 and 33, Shamshuipo, Homuntin, Hok Un and Kowloon City Road from Hung Hom Police Station to the North as far as and including Kowloon Inland Lot No. 1,150 and Kowloon Marine Lot No. 67, Causeway Bay outside the City Boundary, Tai Hang or San Tsun, Tung Lo Wan, Whitfield, the Shaukiwan Road as far as and including Inland Lot No. 1,706, and in Sai Wan Ho and Shaukiwan East and West along the main road and in Inland Lot No. 1,891 or more particularly in the areas edged red on the plans marked A and B dated the 5th day of April, 1921, signed by the Treasurer and deposited at the Treasury:—

from present percentages to 20%

(d.)—In the remaining portions of Hok Un and Fuk Tsun Heung (*i.e.*, Kowloon Marine Lots Nos. 26, 28 and 33) and the remaining portion of Shaukiwan Road as far as and including Inland Lot No. 1,393 and in the remaining portions of Shaukiwan East and West, Tsing Shui Ma Tau, Po Kau Wat and Sai Wan Ho (Tai Foo Street, etc.), and in Kowloon City or more particularly in the areas edged blue on the said plans marked A and B:—

from present percentages to 17½%

(e.)—In Broadwood Road Nos. 4 to 21 or more particularly in the area edged green on the said plan marked A:—

from present percentages to 18½%

(f.)—In To Kwa Wan, Taipo Road (New Kowloon Inland Lot No. 33 and New Kowloon Farm Lot No. 6):—

from present percentages to 14½%

(g.)—In the remaining portions of the Hill District and in Wong Nei Chung, Sookonpo, Kwat Chun Long, Quarry Bay, Sai Wan Terrace, Aberdeen, Mongkok and Ma Tau Wei or more particularly in the areas edged yellow on the said plans marked A and B:—

from present percentages to 13%

(h.)—In any other place:—

from 7% to 10%

THE COLONIAL TREASURER—In seconding the resolution I take the opportunity for informing hon. members of the way in which the various percentages appearing in the resolution have been fixed. The basis of the system has been fixed. The basis of the system has been to allot certain percentages to certain services, the total of such percentages being the percentage payable. The services taken for this purpose have been the Police, Fire Brigade, Water and Lighting. At present Police is taken at 8½ per cent., reduced to 7 per cent. in outlying districts; Fire Brigade at ¼ per cent.; Water at 2 per cent. and Lighting at 1½ per cent., making a maximum of 13 per cent. In the last few years the cost of these and other services has greatly increased and the necessity for an increase in revenue has arisen. During the war an extra 7 per cent. was added all round, and the money received therefrom paid to Imperial Funds. This increase was, however, temporary and ceased on the termination of the war. In increasing the assessed taxes it seems more equitable to follow the system that has stood the test of time and adjust the increases according to certain services received, rather than to add a fixed percentage all round. In the resolution that is before this Hon. Council the existing system has been retained, but the percentages allotted to the various services increased as follows:—

Police from 8½ per cent. to 13 per cent.;
in outlying districts from 7 per cent.
to 10 per cent.

Fire Brigade from $\frac{3}{4}$ per cent. to $1\frac{1}{2}$ per cent.

Water from 2 per cent. to 3 per cent.

Lighting from $1\frac{1}{2}$ per cent. to $2\frac{1}{2}$ per cent.

Making a maximum of 20 per cent., against a previous maximum of 13 per cent.

The increase of Revenue should be about \$1,000,000 a year.

The resolution was put and passed *nem con.*

Increased Liquor Duties

THE COLONIAL SECRETARY—I beg to move the resolution made under the provisions of Section 41 (1) of the Liquors Consolidation Ordinance, 1911, Ordinance 9 of 1911. I will explain to the Council the figures that appear in the resolutions about the increases. On all brandies and liquors the increase is from \$6 to \$10 a gallon; whisky, gin, rum and other spirituous liquors, \$4 to \$6; champagnes and other sparkling liquors, \$4 to \$10; port, sherry and madeira, \$3 to \$4; still wines in bottle, \$2 to \$3; other still wines in wood, \$1.50 to \$2.50; all other intoxicating liquors, 30 cents to 40 cents; all spirits of wine and arrack, \$4 to \$6 a gallon. The other figures, for native liquors under (a) the increase is to 60 cents from 40 cents; (b) 80 cents from 50 cents; (c) \$1 from 60 cents; under (d) \$1.20 is at present 80 cents; (e) \$1.50 is \$1; and (f) 20 cents instead of 10. I may point out certain changes in clause (2). After "Hongkong, New Kowloon" "or Cheung Chau" is added in three places where the names occur. Under clause (3) the rates are 8 and 7 cents in place of 6 and 5 cents.

THE COLONIAL TREASURER seconded, and the resolution was carried.

THE RESOLUTION

The resolution dealing with Liquor duties was in the following terms:—

Resolved that on and after the 7th day of April, 1921, the duties payable upon

intoxicating liquors heretofore or hereafter imported into, distilled, made or prepared in the Colony shall be as follows, namely:—

On all brandy and
liqueurs\$10.00 per gallon.

On all whisky, gin, rum,
and other spirituous
liquors 6.00 ..

On all champagnes and
other sparkling wines. 10.00 ..

On all port, sherry, and
madeira 4.00 ..

On all other still wines
in bottle 3.00 ..

On all other still wines
in wood 2.50 ..

On all other intoxicat-
ing liquors excepting
spirits of wine and
native wines and spirits 0.40 ..

On all spirits of wine
and arrack 6.00 ..

On all native wines and spirits:—

(a.) \$0.60 cents a gallon on the native liquors known as Liu Pun and Sheung Ching and on the following sweetened, prepared, and medicated wines:—

No Mai Tsau, Hak No Mai, Mau Kan, Yuk Lan, Ning Mun Tsau, Tsing Mui, Muk Kwa, Sun Fung, Wu Tau, Shut Li Tsau, Shan Kat, Lung San Tsau, Tei Kuk, Sam Pin, Tit Ta, Fung Shap, and Wai Shang.

All such liquor shall contain not more than 25 per cent. of alcohol by weight.

(b.) \$0.80 cents a gallon on the native liquor known as Sam Ching, containing not more than 35 per cent. of alcohol by weight.

- (c.) \$1.00 a gallon on the native liquor known at Fa Tsau and on the following sweetened, prepared, or medicated wines:—

Ng Ka Pei, Mui Kwai Lo, Sz Kwok Kung, Fu Kwat Muk Kwa, Yan Chan Lo, and Ko Leung Kon.

All such liquor shall contain not more than 45 per cent. of alcohol by weight.

- (d.) \$1.20 a gallon on the native liquor known as Fan Tsau, if containing 50 per cent. or under of alcohol by weight, with the addition of six cents for every one per centum between 50 per cent. and 55 per cent. of alcohol by weight.
- (e.) \$1.50 a gallon with the addition of ten cents for every one per centum above 55 per cent. of alcohol by weight on any native liquor containing above 55 per cent. of alcohol by weight.
- (f.) \$0.20 cents per gallon on all native liquor distilled in the New Territories, not including New Kowloon and the Island of Cheung Chau, for consumption in the said Territories.

Further resolved that:—

- (1.) On native wines and spirits declared or labelled as belonging to any of the above divisions the appropriate duty therein laid down shall be paid except that on any native liquor however declared or labelled found by the Government Analyst or such person as the Governor may from time to time appoint in that behalf to contain more alcohol than is permitted in the division to which it is declared or labelled as belonging there shall be paid the appropriate duty of the division in which the amount of alcohol found has placed it: each division in such case shall represent native liquor of the limit of strength in alcohol therein stated and irrespective of any definition or description of such liquor, and on any native wines and spirits not

declared or labelled as belonging to any division there shall be paid the duty appropriate to the division in which the amount of alcohol found by the Government Analyst or such person as the Governor may from time to time appoint on that behalf has placed it.

- (2.) Stills in the New Territories (not including New Kowloon and the Island of Cheung Chau) shall be prohibited from sending liquor produced in these stills to Hongkong, New Kowloon or Cheung Chau: provided that any licensee of a distillery who desires to send such liquor to Hongkong, New Kowloon, or Cheung Chau may be granted a permit to do so, upon payment of the duties charged in Hongkong, New Kowloon, or Cheung Chau.
- (3.) On intoxicating liquors, other than spirits of wine, arrack, and native wines and spirits, stored in a general bonded or licensed warehouse at the date of the passing of this resolution, imported into, distilled, made, or prepared in the Colony above the strength of 18deg. under proof there shall be paid an additional duty of 8 cents for every degree above such strength in the case of brandy, and of 7 cents for every degree above such strength in the case of any other liquor.

The resolution made by the Legislative Council under the provisions of Section 41 (1) of the Liquors Consolidation Ordinance, 1911, on the 1st day of March, 1916, and published in the *Gazette* of the said 1st day of March, 1916, as Government Notification No. 90, is hereby cancelled.

Increased Tobacco Duties

THE COLONIAL SECRETARY—I beg to move the resolution that is in the hands of hon. members, under the provisions of Section 7 of the Tobacco Ordinance.

THE RESOLUTION

Resolved that on and after the 7th day of April, 1921, the duties payable

upon tobacco heretofore or hereafter imported into or manufactured in the Colony shall be as follows, namely:—

- (a.) Cigars valued at not less than \$2.20 per lb. and snuff of whatever value...\$2.50 per lb.
- (b.) Cigars valued at less than \$2.20 per lb. and not less than \$1.19 per lb. 1.50 „
- (c.) Tobacco and cigarettes valued at not less than \$1.60 per lb 1.50 „
- (d.) Tobacco, cigars and cigarettes valued at less than \$1.10 per lb. and not less than \$1.10 per lb. 0.70 „
- (e.) Tobacco, cigars and cigarettes valued at less than \$1.10 per lb. and not less than 60 cents per lb. 0.50 „
- (f.) Tobacco, cigars and cigarettes of any other kind not herein otherwise provided for 0.30 „

The Resolution made by the Legislative Council on the 3rd day of August, 1916, under the provisions of Section 7 of the Tobacco Ordinance, 1916, Ordinance No. 10 of 1916, and published in the *Gazette* on the 4th day of August, 1916, as Government Notification No. 343 is hereby cancelled.

THE COLONIAL SECRETARY said—I may point out that the changes are:—

- (a) the present \$1.50 raised to \$2.50
- (b) „ 0.70 „ 1.50
- (c) „ 0.70 „ 1.50
- (d) „ 0.30 „ 0.70
- (e) „ 0.20 „ 0.50
- (f) „ 0.10 „ 0.30

THE COLONIAL TREASURER seconded.

HON. MR. HOLYOAK—In regard to the extra duties, I take it, it is not the intention of the Government to alter its policy; in other words, the policy of the freedom of the port is maintained. When these duties were first imposed, it was understood that passengers landing in this port should not be molested by searches, as this would mean a large increase in the number of port officers, and

the freedom of the port would be interfered with. I take it the old policy will be maintained in connection with the new duties.

H.E. THE GOVERNOR—No change in the present policy of the port is intended, though, of course, if the increase results in a large amount of smuggling, it might be necessary to reconsider that.

The resolution was carried.

Constitutional Reform

HON. MR. H. E. POLLOCK, K.C., asked the following question:—Did the Secretary of State give any, and if so, what reason in his despatch on Constitutional Reform for “not being convinced that any change is desirable.”

THE COLONIAL SECRETARY—The answer is in the negative.

The Adjournment

H.E. THE GOVERNOR—I propose the Council adjourn till this day week. I am sorry I am compelled to be away. The question is whether 12 o'clock or 2.30 suits hon. members best. The meeting is not likely to be a long one.

HON. MR. HOLYOAK—I think 2.30 is a much more suitable time.

H.E. THE GOVERNOR—If nobody has a distinct preference for 12 I suggest the Council adjourn to 2.30 p.m. on the 14th April.

The Council adjourned accordingly.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held immediately after the adjournment of the Council, the COLONIAL SECRETARY presiding.

Typewriters

The Governor recommended the Council to vote a sum of \$25 in aid of the vote Public Works Establishment, Special Expenditure, Typewriter.

THE CHAIRMAN—Typewriters have been purchased for the Public Works Department and the amount provided in the estimate was not sufficient, so this small amount is asked for.

Approved.

A Railway Vote

The Governor recommended the Council to vote a sum of \$8,200 in aid of the vote Kowloon-Canton Railway, Maintenance of Way and Works, Personal Emoluments.

THE CHAIRMAN—This sum is required for the salary of Mr. Fenwick, an additional engineer of the Railway Department. His salary is £700 a year, with \$100 a month house allowance.

Approved.

Kowloon British School

The Governor recommended the Council to vote a sum of \$290 in aid of the vote Education, Special Expenditure, Department of Director of Education, Equipment of Kowloon British School. (Furniture and Materials).

THE CHAIRMAN—The numbers at the Kowloon British School have increased greatly and it has been necessary to indent at once for maps, books and other material for the school because there is not enough of these things. The present vote is \$3,000 and this provision will be exceeded by \$288.34, so we are on the safe side in asking for \$290.

Approved.

The Wanchai Gap Approach Road

The Governor recommended the Council to vote a sum of \$3,000 in aid of the vote Public Works, Extraordinary, Hongkong, Communications, branch road, from road contouring hillside in Wongneichong and Tai Hang Valleys, to Wanchai Cap.

THE CHAIRMAN—There was a sum of \$7,500 set aside in last year's estimate for surfacing this branch road with asphaltum. Only one coating could be put on before the end of the year. This is in the nature of a re-vote to complete the second coating.

HON. MR. POLLOCK—Is this a motor road?

THE DIRECTOR OF PUBLIC WORKS—Yes.

Approved.

Increased Subscription to Imperial Institute

The Governor recommended the Council to vote a sum of \$3,690 in aid of the

vote Miscellaneous Services, Grant in aid of other Institutions, Imperial Institute.

THE CHAIRMAN—The Government has agreed to increase its annual subscription to the Imperial Institute from £125 to £500 a year, and this sum is now required.

Approved.

Ships' Buoys

The Governor recommended the Council to vote a sum of \$89,000 in aid of the vote Harbour Department, A.—Harbour Office, Other Charges, purchase of buoys and moorings.

THE CHAIRMAN—The number of ships visiting the port, and a certain number lying here for periods, make it necessary to increase the number of buoys by 2 A class and 4 B class with the necessary anchors and cables. This sum is the amount required for doing that.

Approved.

Tsimshatsui Police Station

The Governor recommended the Council to vote a sum of \$2,000 on account of Public Works, Extraordinary, Kowloon, Buildings, Tsimshatsui Police Station.

THE CHAIRMAN—This sum is required, among other things, for the supply and fixing of three geysers. There was an unexpended balance of \$782 on the buildings, and to that extent this is a re-vote.

Approved.

Pokfulum Road Improvements

The Governor recommended the Council to vote a sum of \$7,000 on account of Public Works, Extraordinary, Hongkong, Communications, Roads: Pokfulum Road Improvements.

THE CHAIRMAN—This is for widening a portion of the Pokfulum Road from the junction of Victoria Road to Aberdeen Docks. A supplementary vote of \$15,000 was provided for this, but owing to the large amount of rock work it was found insufficient and this \$7,000 is required to complete the work.

Approved.