

29TH SEPTEMBER, 1910.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT, HON. SIR F. H. MAY, K.C.M.G.

HON. MR. A. M. THOMSON (Colonial Secretary).

HON. MR. W. REES DAVIES, K.C. (Attorney-General).

HON. MR. C. McI. MESSER (Colonial Treasurer).

HON. MR. W. CHATHAM, C.M.G. (Director of Public Works).

HON. MR. F. J. BADELEY (Captain Superintendent of Police).

HON. MR. E. A. IRVING (Registrar-General),

HON. MR. WEI YUK, C.M.G.

HON. MR. E. A. HEWETT.

HON. MR. MURRAY STEWART.

HON. MR. E. OSBORNE.

MR. C. CLEMENTI (Clerk of Councils).

Minutes

The minutes of the last meeting were read and confirmed.

Financial Minutes

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table Financial Minutes (Nos. 77 to 82), and moved that they be referred to the Finance Committee.

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

Financial

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the report of the Finance Committee (No. 12), and moved its adoption.

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

THE ESTIMATES.

THE COLONIAL SECRETARY moved the second reading of the Bill entitled, "An Ordinance to apply a sum not exceeding six million and forty-two thousand five hundred and forty-three dollars to the public service of the year 1911."

THE COLONIAL TREASURER seconded.

HON. MR. HEWETT—Sir, I have been asked by the unofficial members to reply on their behalf to the remarks made by your Excellency when laying the estimates for next year before the Council. For the sake of convenience, I will take the various items in the order in which they appear in the draft estimates, but before doing so there are one or two minor points as to the manner in which these are prepared, to which I will refer. On page 5, Light Dues (Special Assessment), amounting to \$96,000, are presumably the dues levied for the part payment of the Mongkoktsui refuge. If so, we would suggest that it should be clearly stated that this money is earmarked for that purpose. On page 19 we find the actual expenditure of last year, the approved and revised estimates for this year, and the estimates for 1911 appear summarised. Then, commencing on page 22, follows a comparative estimate of the details of expenditure between the estimates now before us and the approved estimate for 1910. There is, however, as we know, at times a very large difference between the approved estimate for one year and the revised estimate, and we think that it is advisable in going through the details of the estimate—it would certainly be a great advantage to those of us who are called upon to criticise them—that the details should be shown. I will mention but one case to illustrate my meaning. "Miscellaneous," on page 37. The total estimate for 1911 is \$152,407 compared with \$144,307 approved estimate for 1910, but as a matter of fact the revised

estimate for this year was \$311,430, an increase of expenditure over the estimate of rather more than 100 per cent. The estimate for next year therefore is about 50 per cent. under the actual expenditure for this year, but reference to page 37 would probably lead many of those who peruse these figures to the conclusion that there would be an increase of \$8,000 in expenditure over that of this year, and the searcher after truth would be still more misled in this respect were he to extend his investigations to the valuable document headed, "Abstract showing difference between the estimates of Expenditure 1910 and 1911," where Miscellaneous Services are entered as showing an increase in expenditure of \$8,100 next year as compared with this. We are very glad to learn that the Colony will no longer be called upon to pay for the loss incurred on the British Postal Agencies in China, and that, as the Imperial Treasury will shortly take them over, there will be no question of these establishments being closed; for, as I have stated on a previous occasion, I consider it would be a serious loss to British prestige were our post offices in China to be abolished while other Powers maintained theirs. There is, however, another point in connection with the postal revenue which we are agreed requires consideration. While entirely supporting the penny postage scheme, so long as this does not result in a loss, we do not believe in incurring the heavy and annually increasing loss which is incurred on postal matter sent *viâ* Siberia. The quicker transit thus given will, we believe, always ensure its being freely made use of. We therefore consider that for this advantage those using that route will be willing to pay, and that the postage therefore *viâ* Siberia should be raised to such a figure as to cover the actual cost to the British Post Office, reverting if necessary even to the old $2\frac{1}{2}$ d rate. With regard to the Imperial contribution on account of loss on opium revenue, this sum we see stands at \$102,857. We do not, however, gather from the remarks your Excellency made a fortnight ago that this sum has been definitely fixed, and we await further information on this point. If this is all we are to receive for the one year, the unofficial members wish to place on record their strongest possible protest against so parsimonious an act on the part of the Imperial Government, and in the name of the ratepayers of Hongkong to state that such treatment is in their opinion little short of scandalous. His Excellency Sir Frederick Lugard, speaking in this Council on the 14th April last, made the announcement that the Imperial Government were inserting £9,000 in their estimates for the financial year as a grant to Hongkong in respect to the loss of the opium revenue. The unofficials had no opportunity then of discussing the matter, nor indeed did there

appear to be need to do so at the moment; it was better that we should wait until the estimates were before us, or a more definite statement was made to the Council. It is true some approval was expressed by certain of the members at his Excellency's statement, but this, I think, was not because the unofficials considered the sum named sufficient, but to endorse the remark made with regard to the Secretary of State, having accepted the principle of compensation. We do not consider the sum named sufficient. The loss in the opium revenue for this year is apparently \$222,500, and for next year \$268,800 (nearly half a million dollars for the two years), while for the third year the loss will probably be proportionately higher. We were assured that His Majesty's Government were prepared to grant to Hongkong a "substantial contribution" on the ground that we were forced, against our will, to carry out a policy dictated to us from Home, a policy which we believe has resulted in harm to the Colony, rather than in good. This lac of dollars cannot be considered in any way as a fitting redemption of the promise made us, and on behalf of the ratepayers of Hongkong we therefore strongly protest against such treatment, and would ask your Excellency to lay our views before the Secretary of State. Turning to the Financial Statement, it would be interesting to know how the sum of four lacs as being the value of Subsidiary Coin with which the Colony is credited has been arrived at. Is this the face value of the coin in stock or the redemption value? as I presume all the benefit the Colony will ever derive from this stock of subsidiary coin is when it goes into the melting pot. Dealing with the accounts as a whole, the estimates for 1910 were \$6,951,542 and those for 1911 are \$7,385,320, a nett increase of \$433,778. In view of the large public works still in course of construction, at first glance this may appear fairly satisfactory, but I think a closer examination of the

accounts will show this is not so. There is a total decrease in expenditure under certain heads amounting to \$537,607 and a total increase of \$971,385, giving a nett increase as already stated. But the decrease is almost entirely made up of abolition of posts (which, however, merely appears to be a book entry, as I gather most, if not all, are transferred from one department to another), and a saving of \$374,605 for Special Land Resumption. If this latter sum were expended, presumably the Government would become possessed of land which in time might be of considerable value and in any case would form an asset in the Colony's balance. Against this what do we find? A nett increase of some \$75,000 in the creation of new posts. This, I presume, means a permanent increase in the staff of the various Government departments. This increase appears to run through almost all the departments. It is unnecessary to give details, which, however, I have before me, but they embrace the Secretariat, Audit, Medical, Legal, Police, Sanitary, Education, Public Works Department, Post Office and others. The present hardly seems a suitable time to make such considerable increases in the cost of working the Colony. The sum I have mentioned is for bare salaries alone. There are in many cases, I presume, allowances and personal emoluments to be added, to say nothing later on of pensions, all forming a heavy and permanent increase in the expenditure. I would here beg to call the attention of the Government to the state of depression which still exists in the Colony and to direct their attention to the statements so frequently made by directors of public companies to their shareholders that, bad as things are, they might have been worse had it not been for rigid economy and almost parsimonious retrenchments which have been forced upon them by existing conditions. It appears to me that public affairs are no more prosperous than is business in the Colony generally, and the unofficials therefore would be glad to receive some assurance that these increased posts are really required. I will now deal with a few of the more important items appearing under the heading of cost of "General Administration." Under Harbour Master's Department there is naturally a considerable increase in the cost of staff to deal with the excise on liquors. This increase may perhaps be called for, but the matter requires carefully watching in order to see that an unduly large staff is not provided. It is, however, the wish of the unofficial members when referring to this matter to take this opportunity of reminding your Excellency of the lengthy discussions which took place when the new import on spirituous liquors was agreed to. His Excellency Sir Frederick Lugard assured us on more than one occasion that every facility would be given to *bonâ fide* traders to carry on their business with as little difficulty as

possible and that the provisions of the new Ordinance would be made as little onerous as possible to the community at large. This solemn promise, as your Excellency is aware, was again repeated in a private interview the unofficial members had the day before Sir Frederick Lugard left the Colony. On that occasion the unofficials took the opportunity of assuring his Excellency that, so far as they could ascertain, the work of inaugurating the excise service had been carried out entirely to the satisfaction of the public, but we then expressed our fear that the change contemplated might not prove altogether satisfactory. We regret to find that our fears have to a certain extent been realized, resulting, as your Excellency is aware, in more than one appeal from leading business firms to the Chamber I have the honour of representing. It should not have been necessary to call for the intervention of the Chamber of Commerce in such matters, and we would be glad to have your Excellency's renewed promise that the Act will be administered in the spirit of the assurances originally made. There is another question in connection with the administration of the Import and Export Department which appears to call for comment. At our last meeting a Bill to amend the Pharmacy Ordinance passed its second reading. I must confess that so far as I was concerned I did not at the time realize the far-reaching effect of this Bill and that we were conferring upon Chinese searchers the right to open packages of cargo. This is certainly contrary to the undertaking given that all search in connection with Liquor Duties would be carried out under proper European control. These powers are far too great to give to Chinese searchers, and may not only, we fear, lead to considerable friction, but to possible abuse. The Ordinance therefore requires reconsideration by this Council before being

finally passed. The Police Department shows some slight increase in expenditure, and here again the unofficials take this opportunity for recording their views as to the result of the working of this branch of the public service. There are, of course, a very large number of able and hardworking officials in this Department, but there would nevertheless appear to be some room for improvement. The insolence of the ricscha and chair coolies, the absence of proper control of the street traffic and numberless cases of petty larceny which so constantly come to our individual notice are matters of everyday comment among residents, in fact it is not advisable for any woman to go about by herself even in the centre of the town. The cases of assault and robbery and lately burglary which have occurred have given rise to a growing feeling of uneasiness as to the safety of property among the foreign community, and even of life as far as the Chinese section is concerned. In nearly a dozen cases of burglary which have recently been committed to my knowledge in not one single instance has reference to the police had any result. All this points to anything but a satisfactory state of affairs. Your Excellency made special reference to the language allowance made to the Indian Police. I should like to see this extended with the result that this section of the service can obtain a better acquaintance with the English language. My own experience is that the average Indian constable does not know sufficient to enable him to answer an ordinary question put to him. The increase in the Educational vote will not be objected to by any one, while that on the Volunteers will, I most sincerely trust, bear good fruit and result in encouraging the younger members of our community in the performance of their duty to the State. I do not on this occasion intend to refer fully to my old friend—and enemy—the Military Contribution, beyond asking if having gratefully accepted the bone the Imperial Government has thrown to us in the form of £9,000 for compensation for loss on opium revenue, we have to refund them a fifth of this dole. If so, this would indeed be giving with one hand and taking away with the other. The Military Contribution is estimated on \$6,713,883, while according to the summary on page 5 no entry is made for compensation for loss of revenue on opium. If this is granted for 1911, will the Military Contribution be levied on the ground that this forms part of our gross revenue? We are still in ignorance as to the exact amount of the Military Contribution to be paid for 1910. The next section of accounts to deal with is the Public Works Department, and seeing it is proposed to spend some \$1,850,900, or nearly 25 per cent. of our total revenue on it, there are naturally several items which must be referred to. These figures are exclusive of the Railway, with which I will deal separately. Your Excellency made reference to certain of the public works now in hand, or shortly to be undertaken, but was strangely silent as to other and far more important undertakings in which we have in the past evinced special interest. We would like to have had some information as to when we might

reasonably expect to see the Law Courts and Post Office completed and in occupation, and also whether further grants will be required for them. We consider the community is entitled to the fullest possible information on such points. In round figures the original estimate for the Law Courts, which have already been some 11 years in building, was four lacs of dollars; up to the end of the year they will have cost seven lacs and a half, and for next year we are asked to vote another half lac, thus increasing the original estimate by 100 per cent. The case of the Post Office is equally unsatisfactory. Commenced some 9 or 10 years ago, it was originally estimated at five lacs; by 31st December next we will have spent eight and a quarter lacs, and next year another lac, an increase of nearly 90 per cent. on the first estimate. We have no assurance that even these increased sums will complete the buildings, nor that they will be finished by 31st December, 1911. The officials responsible for the work have been silent, and we do not therefore know what is taking place, and consequently it does not appear to be out of order if I refer to current rumour. We hear that owing, we understand, to sufficiently detailed working plans not having been prepared the final constructions of the Post Office have been much delayed and consequently considerably increased. Whatever truth there may be in these, and other reports of similar nature which are common in the Colony, the fact remains that the work has not progressed as we had a right to expect after the statements made by his Excellency and the Director of Public Works last October.

For weeks, I may say for months, those who were unfortunate enough to try to sleep or work within a certain distance of the Post Office found it practically impossible to do so. From daylight to dark, seven days in the week, coolies were engaged in cutting and re-fitting, by hand, the numberless steel girders which were to support the roof and which presumably had been brought from Home in accordance with orders from Hongkong. When this extra work was completed, what is the result? The roofing of the brick and granite structure which, to quote the honourable member opposite, was to have been "a credit to the Colony," was proceeded with, with the result apparently that no two gables are on the same level, while the lines of the roof show such an entire want of symmetry as to destroy the good architectural effect which such a building should present. Instead of completing the building as originally designed with dressed granite, a couple of miserable little plaster and stucco pepper-pot erections finish off the eastern corners of what should have been one of the finest buildings in Hongkong. If my honourable friend opposite replies to these remarks, may I express the hope that he will not repeat those worn out old fairy tales with which in the past it has been attempted to lull, with their soporific effect, the unofficial critic into silence and forgetfulness. Rather that we will for once be favoured with a straightforward statement as to how matters really stand. More particularly, has the roof been satisfactorily constructed in accordance with the plans as passed by the Public Works Committee? or, if an alteration has been made, of what does this consist and what was the reason for the alteration? I would once more beg to remind the honourable member that the wisdom of the ancients might here well have been acted up to. The question put 2,000 years ago is still a pertinent one. Would any sane business man settle down to build a house without first counting the cost? No one who had not the full credit of the Colony at his back could build as does the Public Works Department. A firm or private individual who attempted to do so would infallibly reach the Bankruptcy Court. The unofficials would further be glad to have heard more concerning the Mongkoktsui refuge. It is four years since our harbour was devastated by a tornado, and we would like to know more details as to this important work and when it is likely to be completed. Your Excellency made a passing reference to the Royal Square. We hope those little wooden specimens in the corner of the enclosure do not represent the kind of railing it is proposed to erect. A sufficiently high railing to keep the sampan children and other trespassers off the ground must be set up if the place is ever to be kept in good order, and the Government could not do better than copy the handsome stone and iron work

surrounding the other two blocks. The question of placing a railing in front of the four Royal statues should also be considered, if these are to be kept clean and in decent order. The Kowloon waterworks, originally estimated at \$835,000, have now cost \$1,224,000, an increase of nearly 50 per cent. Will the \$12,000 asked for next year finish the work? We should also be glad if your Excellency could inform us whether the public will be accorded an opportunity of seeing the design of the proposed new statue pier before the work is commenced, as we trust to be saved a replica of so terrible-looking an object as Blake Pier now presents. There is only one more matter to which I will refer, the Kowloon Railway. Here again is a question concerning which we would like to have had further information. Again, an estimate of eight millions has swelled up 50 per cent., the actual expenditure to date being nearly twelve million dollars. We would ask to be informed how and from whom the material was purchased. If in the open market and at cheapest prices compatible with good material? Has any delay in opening the line been caused by delay in the arrival of the rolling stock, and if so will the loss thus incurred be made good by those responsible? Touching the workshops, which have not yet been set up, it seems on further consideration a moot point whether a railway of only some 22 miles is justified in incurring the heavy capital expenditure and the heavy annual cost of running its own workshops. The greater part of the year the staff and machinery must be idle or very indifferently employed. We have two thoroughly well-appointed dockyards, in addition to the Naval yard, each fitted with up-to-date machinery and a highly qualified staff. Why should not the Government effect the great saving which must result by abandoning the proposal of having their own workshops, and give these two institutions an

opportunity of sharing work which they would no doubt be very glad to secure, and could efficiently perform. If the machinery has already been contracted for, this could no doubt be disposed of elsewhere, particularly in view of the great expansions of railway enterprise now being carried out in the Far East. Further information as to the site of the Kowloon Station would also be of great interest. Sir Matthew Nathan proposed to make the station on the eastern side of the peninsula, and for that purpose spent a considerable sum in resuming the site. Later, we understand, it was considered best by the Government advisers to place the station round the corner on the southern side, and for this purpose another large sum of money was spent in acquiring the necessary land. Now, however, it seems the station is to be on the site originally selected by Sir Matthew Nathan, thus fully justifying his decision. It appears to us that the ratepayers are entitled to know how much was paid for these various sites; to what use the Government intend putting the now abandoned site of the station and whether there is reasonable ground for believing that a proper return on the money thus invested can be secured.

HON. MR. OSBORNE — Sir, the hon. member for the Chamber of Commerce has alluded to two matters, the typhoon refuge and the police, concerning which further comment may usefully be made. The Government, Sir, are to be congratulated upon having proceeded with the typhoon refuge in spite of the frowns of those who, first clamouring for construction, later on, with faded memories of 1906, did their best to belittle and destroy the scheme. It is the earnest hope of those who are able to foresee the far-reaching benefits of this refuge that work may be pushed to completion within contract time, which I understand is 5 years. Nearly four have already been spent in arriving at its present stage, and more than once, during that period, life and property have again been jeopardised. In these days of waning trade, the Colony can ill afford to neglect any measure, however slight, adversely affecting its magnificent harbour, the one and only asset we possess, the mainstay of our commercial existence; and so long as insecurity of life and property exists upon its waters, so long will the value of that asset be imperilled. Therefore, in the interests of the Colony's commerce and on behalf of those whose lives are spent afloat, I plead again that this important work be spared the fate of the Law Courts and Post Office. The Government have it in their power to prevent a repetition of the scandal; may history record that those responsible rose to the occasion. The hon. member has alluded to the police. I am not prepared to endorse hostile criticism of that force, either in regard to its

organization or to the zeal of its individual members, for considering the overwhelming difficulties with which they are surrounded, it is, I think, greatly to their credit they are able to accomplish what they do, but I agreed with his remarks in so far that I know from personal experience and observation, I gather also from hearsay, that considerable undetected and unpunished crime exists in our midst. A feeling of uneasiness pervades the community; it is thought professional burglary is becoming bolder in its exploits and that highway robbery is on the increase. Where in broad daylight the adult offender considers it unsafe to practice petty larceny in our streets, children of tender years are openly employed as substitutes; it is observed that chair, ricksha, and truck coolies are worse than ever in their aggressive disregard of traffic regulations, not a large matter in itself, but one that indicates contempt for authority. The harbour swarms with diminutive craft, licensed ostensibly for innocent purposes; used in reality in a campaign of felony directed principally against foreign shipping. These, Sir, are generalities which I do not pretend to support by specific proof; to do so is impossible; but they are generalities shared by many persons, and as such perhaps the Government, before serious mischief arises, will take stock of its police arrangements and satisfy itself whether the force is sufficiently equipped to meet the Colony's needs. There is one other matter which the hon. Member touched upon but lightly. That is, the increased expenditure of the Sanitary Department, a matter of \$25,000. The year 1910 is memorable as one that has been free—remarkably free—from epidemic disease, and one would naturally expect that instead of an increase there would be a decrease. The expenses incidental to a plague season are great, and they were not incurred this year. There cannot have been the same amount of work to do for the department,

and it is therefore inexplicable why there should be an increase. Perhaps your Excellency would explain it? (Applause.)

HON. MR. WEI YUK—I beg to say that I quite concur with what the two hon. members have just said as regard the police force, particularly the Chinese detective department, which requires energising and more supervision, because there are so many crimes undetected and unreported to the police.

THE DIRECTOR OF PUBLIC WORKS—Sir, in rising to reply to the remarks which have fallen from the hon members opposite on the subject of public works, I would venture to hope that this will be the last occasion on which our friends the Law Courts and Post Office come up for criticism at this Council. (Hear, hear.) In October, 1907, when discussing the estimates for the following year, I stated that I expected the Law Courts would be completed in 1910 and that the Post Office would reach completion in 1911. I have no reason to alter that statement as regards the Post Office, but I fear the Law Courts will not be completed by the end of this year. I hope, and I think I may safely predict, that both will be completed by the middle of next year. The hon. member opposite (Hon. Mr. Hewett) complains that the work on the Post Office has not been vigorously prosecuted, and he followed up his statement by saying that anyone who had to work or sleep in that vicinity had a very bad time of it. The statement appeared to me very contradictory.

HON. MR. HEWETT—I have complained to the hon. member about this before.

THE DIRECTOR OF PUBLIC WORKS—His complaint would indicate that the work had been prosecuted too vigorously for the comfort of the neighbours. As regards his remarks on the design of the building, the design, as he probably recollects, is one which was selected as the result of a competition in which architects, both here and in Shanghai and the Straits, were invited to enter. Three firms competed for the design, and the one that has been carried out is the selected design, which was considered the best. For the incongruities, to which he has referred, certainly the Public Works Department is not responsible; in fact, for none of the matters in connection with the Post Office. The design, Sir, is being carried out in its entirety. I am not aware that any substitution of a less expensive material has been made for anything that was shown on the architects' drawings. As regards the estimate for the Law Courts, I would refer to the sessional paper No. 2 of 1898, when Mr. Ormsby

reported to the Government on a despatch, forwarding a criticism by Messrs. Aston, Webb, and Ingress Bell on the plan prepared by Mr. Cooper for new government offices, etc. In paragraph twelve of that report Mr. Ormsby stated, "In estimating the cost of the new courts and new post office, I have been guided by the cost per cubic foot and per square of floor of buildings already erected and being erected on the new Praya. These are handsome buildings of first class workmanship, and I think their cost may be taken as giving a good idea of what the courts would cost. I learn the Club buildings, including all fittings, etc., cost \$170,000." Now, Sir, that was before designs were prepared, and I leave it to the common-sense of members of this Council to form their own conclusion as to whether the estimates for such buildings as the Law Courts could be satisfactorily based on a building such as the Hongkong Club or any neighbouring buildings. In the case of the Post Office estimate, the architects, in submitting the designs, were informed that they were to confine themselves to a sum of \$500,000 as the total cost of the building. Messrs. Denison, Ram & Gibbs, who secured the competition, in the report accompanying their plans stated, "The general walling to be of Canton red bricks, with facings of Amoy bricks, the dressings, mouldings, etc., to be of plaster generally, but of stone where consistent with the question of cost. It is very desirable in a building of this character to dispense with external plaster surfaces where practicable, as they get shabby and dilapidated so quickly and call for such a heavy outlay for reparation and colour washing." And in concluding their report they stated with regard to the question of cost: "With regard to the question of cost it is believed that the buildings can be built as shown on the plans for the sum named, namely, \$500,000, but the extent to which stone could be used and steel construction and the better classes of wood made

use of would have to depend in great measure upon the local conditions of building prices at the time when tenders are invited." Then they give their estimates, which are as follows: "Cost of foundation, including drainage, \$120,000; superstructure and fittings, \$353,000; lighting, heating and ventilation, \$21,000; contingencies, \$4,000; making a total of \$500,000." You will observe that their estimates were such that they had a reserve of \$4,000 to meet contingencies. They were asked shortly after-wards to submit an estimate for providing a fourth storey to the building. The original building intended contained three storeys only. The new storey was estimated at \$75,000. As you are aware, the fourth storey has been added to the building, so that the original estimate has been upset to that extent. As a matter of fact the foundations, for which they estimated \$122,000, cost \$168,000, and when in April, 1905, they were requested, after they had prepared quantities for the superstructure, to send in an estimate, the amount of it was \$647,950. That was exclusive of cost of foundation and basement, which, as I have already stated, cost \$168,000. That brought the estimate up to \$815,950. Since then there has been a proposal to add a tower to the structure, and naturally you cannot go on adding storeys and towers to a building without increasing your estimate. As regards the somewhat scathing remarks on that subject, I would suggest to the hon. member who represents the Chamber of Commerce that he might consult his friend on his right as to what his experience is in the matter of estimates. I think he would find that the Public Works Department is not alone where such excesses are incurred.

HON. MR. HEWETT—I presume you are referring to government departments, not to any business?

THE DIRECTOR OF PUBLIC WORKS—I allude to the friend on your right (Hon. Mr. Osborne). As regards the railings for Royal Square, Sir Frederick Lugard has expressed a very strong desire that the space in front of the Club and the Law Courts should appear as far as it is possible to make it a really open space. He criticised somewhat severely the existing railings in front of the bank, which have been spoken of in laudatory terms by the hon. member, because they had the effect of enclosing the place and making it appear as really not what it is, an open space. Another item to which the hon. member alluded was the Kowloon waterworks. There again the question of the estimate was referred to. Sir, the capacity of these works is somewhere about doubled since they were undertaken. The dam has been raised and a very much larger catch-water constructed than was ever contemplated when the original estimate was framed. I

was pleased, Sir, to hear the remarks of congratulation that fell from my hon. friend a little lower down the table (Hon. Mr. Osborne) with regard to the Mongkoktsui typhoon refuge. His anxiety to press forward the work and see it completed within the contract time, namely, five years, is fully shared by myself. He may depend upon it that no effort will be lacking on my part to ensure its completion in that time. The comparison of that work with the Law Courts and Post Office will, I hope, prove to be a useless one. It certainly ought to be, because the great bulk of work in connection with the typhoon refuge can be carried out with unskilled labour, whereas in the case of the Law Courts and the Post Office the work is almost entirely of a very highly skilled class.

HIS EXCELLENCY—Gentlemen, I will endeavour to deal with some of the points raised by the hon. member who represents the Chamber of Commerce. If I miss some of them I am afraid I must blame the rapid way in which the hon. member read his speech. The first point he made was the suggestion that penny postage should be discontinued on the route *via* Siberia. That was a subject that cropped up in this Council some months ago in Finance Committee, and I explained that the penny rate was an Imperial question which we here cannot decide ourselves. It is a matter, I may add, which is receiving the consideration of the Government. The next point he made was in relation to the contribution of the Imperial Government towards our loss owing to the letting of the Opium Farm. As I explained in the remarks I made on the first reading of this Bill, it is anticipated that the Imperial Government will make the contribution as it has promised in respect of the current year towards the loss incurred by the Colony on the letting of the Opium Farm. I added that this contribution should more than cover the deficit amounting to \$95,000

exclusive of the portion due to the Mongkoktsui Harbour of Refuge. I cannot say more than that at the present time. As regards the question whether such contribution would be subject to military contribution, I would draw hon. members' attention to page 5 of the estimates in which that special head of revenue appears below the line. Therefore it would not be subject to military contribution as far as I am at present advised. His next point was in connection with the form in which the estimates are presented, This form is the one that is laid down in our financial instructions, and I am sorry we cannot alter it. The large difference between the approved and revised estimates for 1910-11 under the heading "Miscellaneous Services" was due largely to an unforeseen expenditure in connection with the redemption of subsidiary coin. That is quite an extraordinary item, and it is anticipated that the estimate for 1911 will be closer. The hon. member next alluded to the increase in the establishment of the Civil Service. I think the best thing I can do is to refer him for precise information regarding each item of increase to the detailed abstract of differences in the estimates of expenditure which by my direction was circulated among unofficial members. An abstract is made in this office annually for the benefit of those concerned in the preparation of the estimates. He will find every little item of increase there. I may say the increase this year looks large, but then you have to remember that the staff for the imports and exports office for the collection of liquor duties is for the first time brought in a detailed manner on to the estimates, and we have also got the staff for the Kowloon-Canton Railway. I would remind the hon. member that very recently, only last year, the committee upon which the hon. member who represents the Justices of the Peace sat, inquired into the possibilities of retrenchment in the public service with some success. No effort is lost to keep down expenditure, I can assure you. At the same time if the hon. member can make any suggestions to Government for further reducing expenditure, I can only say that such suggestions will receive the most serious consideration. The hon. member next referred to the policy being pursued in the collection of liquor duties, and he mentioned some complaints against the administration forwarded to the Chamber of Commerce. I would ask the hon. member to remember one thing: that when he receives, investigates and perhaps endorses complaints addressed to the Chamber of Commerce he only hears one side of the case. There are always two sides to every case. The officer who is at present administering that department is doing his very best to administer the law with that tact and discretion which Sir Frederick Lugard undertook should be exercised. At the same time I have to remind you that it is a question of getting

in revenue, and a certain amount of strictness must be observed, or the end will be that you won't get the money and you will have to go to some other form of taxation. I have not heard any complaints from the general public except the one or two small items—I do not say they are trivial—but they are not of a very serious nature, I think—referred to by the hon. member. He next alluded to the Pharmacy Bill. We shall presently consider that Bill in committee. I am afraid I cannot accept as facts some of the statements which the hon. member made in reference to the police. He said, I think, that the police did not control rickshas or traffic in the streets, that petty larceny and burglary is on the increase. Now, I believe—I am not sure—that the figures would show that larceny is on the increase, but I am not sure about burglary. Anyway, those are facts which are capable of being proved unless the cases are not reported, because cases of reported crime are recorded in the police office and the figures are there. The hon. member said it was unsafe for any European woman to walk in the streets in the centre of the town. Now, gentlemen, I do not think that a fair statement to publish abroad. I think it is an exaggerated statement, and I think all exaggerated statements are to be deplored. That European women have been assaulted this year and robbed on the streets is, I regret to say, the case, but the cases have not been so frequent as to warrant such a statement as the hon. member made. He also added that in no case of burglary had there been a conviction.

HON. MR. HEWETT—No, Sir, I did not say anything of the sort. I said that something like ten or twelve different cases had been reported in certain sections of the town within the last few weeks. I think my

statement when you see it in print will satisfy you.

HIS EXCELLENCY—I must have misheard what the hon. member said. Still I think it is preferable not to wait for an apprehension of what the hon. member says until we see it in print next morning. I prefer to know what the hon. member has said when I hear him say it. The state of crime, I may say, has engaged the serious attention of the Captain Superintendent of Police and the Government, (Applause.) It is not to be denied that there has been an increase of crime and our best efforts are being directed to preventing crime and bringing the record down. The hon. member also remarked in connection with the police the desirability of teaching Indian police English. A somewhat expensive school is maintained expressly for that purpose and the men are encouraged to acquire a working knowledge of English by the grant of what I may call liberal allowances. I don't know that we can do more. The Mongkoktsui refuge he next referred to and made some remarks on the delay which has occurred in beginning the work. This matter formed the subject of a question the other day in Council by the hon. member who sits on his right. An explanation of the recent delay which has occurred was given. I would remind the hon. member that on the initiation of the project a very great deal of delay was caused by the strenuous opposition to the scheme by large shipping firms in the Colony, which opposition was more or less endorsed by the Chamber of Commerce. The hon. member asked that the designs for Queen's Statue pier might be submitted for inspection. The plans when ready will be submitted in the usual way to the Public Works Committee, I cannot promise you anything extraordinarily artistic or handsome. Iron piers in this climate, where we are subject to heavy seas and typhoons, do not lend themselves to it if economy is to be observed in such structures. The hon. member then condemned the appearance of Blake Pier. I myself cannot see anything wrong with it. It has this advantage, that whereas many members of the community predicted that the roof would fly away in the first typhoon they have had their predictions falsified. It has one other advantage. It is an exceedingly substantial structure and therefore an economical one. The hon. member made some reference to the railway estimates. I would remind him that in the estimates before us there is no estimate for railway construction. A vote was taken by resolution of this Council early in the year for the expenditure necessary in the current year, and a vote will be taken early next year for the remaining expenditure required to completion. These estimates are only concerned with the open line working. I may perhaps mention, with reference to his suggestion that workshops were

not necessary to the railways, that the Government did not overlook the possibility of dispensing with workshops and getting their work done in some of the engineering yards of the Colony, but after mature consideration they decided that it would be more economical to have their own workshops. The hon. member referred to the change in the site of the terminal station. His information on the subject is not quite correct. The site chosen by Sir Matthew Nathan is not the site that has been now fixed upon. Sir Matthew Nathan acquired the land known as Blackhead's Point for the double purpose of forming a railway station and deep-sea wharf. There has been a considerable difference of opinion as to where the terminal station should be placed. As I have said, Sir Matthew Nathan wanted to place it at Blackhead's Point. Then it was decided to place it at Tsim Sha Tsui, and land was acquired for that purpose. Then on further consideration it was decided that to save using that land for railway purposes it would be more economical to revert to a site which was suggested before Sir Matthew Nathan decided on Blackhead's Point, and that is somewhere in the neighbourhood of Gascoigne Road. It is the intention to place the terminal station there, and for the present at any rate to have a flag station at Tsim Sha Tsui. The result will be that the land which has been acquired at considerable cost at Tsim Sha Tsui will be available for the Government to dispose of otherwise. I do not think, gentlemen, that there is any point I have left uncovered, but if there is any further information hon. members require they will have every opportunity of obtaining it in Finance Committee.

HON. MR. HEWETT—As I spoke first on this Bill for the unofficials, have I the right to reply?

HIS EXCELLENCY—No, you did not move the resolution.

THE COLONIAL SECRETARY—Unless he has a personal explanation to make he is out of order.

HON. MR. HEWETT—There are many things to which I should like to reply, but as I cannot I will merely say that I stand by every word I have said already.

The motion was agreed to and the Bill referred to the Finance Committee.

Pharmacy Ordinance Amendment

THE ATTORNEY - GENERAL moved that the Bill entitled, "An Ordinance to amend the Pharmacy Amendment Ordinance, 1910," be recommitted in order that he might move an amendment.

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

THE ATTORNEY - GENERAL—With reference to clause two in regard to observations which fell from my hon. friend opposite to-day on the debate on the Budget I desire to move the insertion of the word "European" before "revenue officer." This matter received the consideration of the Government, and as a matter of fact it was contemplated throughout to give this power only to revenue officers who possessed that qualification. That, Sir, will meet the wishes of my hon. friend opposite.

Council then resumed.

THE ATTORNEY - GENERAL moved the third reading of the Bill.

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

HIS EXCELLENCY—Council stands adjourned until this day week.

FINANCE COMMITTEE

A meeting of the Finance Committee was held afterwards, the Colonial Secretary presiding. The following votes were passed:—

Medical Department

The Officer Administering the Government recommended the Council to vote a sum of Fifty Dollars (\$50) in aid of the vote Medical Departments, C.—Institutes, Other Charges, Fuel and Light.

Police and Prison Departments

The Officer Administering the Government recommended the Council to vote a sum of One thousand five hundred Dollars (\$1,500) in aid of the vote Police and Prison Departments, for the following items:—

A.—Police.

Other Charges, Transport \$1,000

B.—Fire Brigade, Other Charges.

Coal 250

Repairs to Engines and Plant 100

Stores 150

Total \$1,500

Miscellaneous Services

The Officer Administering the Government recommended the Council to vote a sum of Four hundred Dollars (\$400) in aid of the vote Miscellaneous Services, Coal Trucks, Scales, Baskets, Shovels, Poles, Ropes, etc., for the Store for Coal for Government Launches.

Compensation

The Officer Administering the Government recommended the Council to vote a sum of forty-five dollars (\$45) in aid of the vote Medical Departments, C.—Institutes, Bacteriological Institute and Mortuaries, Other Charges, Compensation for destruction at the Public Mortuary of blankets, rugs, etc., belonging to Mr. Chapman.

Gratuity To Mr. Carter

The Officer Administering the Government recommends the Council to vote a sum of One hundred Pounds sterling (£100) in aid of the vote Charitable Services, Gratuity to Mr. Alfred Carter.

THE CHAIRMAN—This is a subject which has been mentioned in Council before, I believe. Mr. Carter has been offered a

post on the Gold Coast, and we have been informed by the Secretary of State that he is quite willing to accept this amount and forego all further claim on the Colony. The Secretary of State says he will approve of this gratuity subject to the approval of the Legislative Council.

Pier at Castle Peak Bay

The Officer Administering the Government recommends the Council to vote a sum of One thousand five hundred Dollars (\$1,500) in aid of the vote Public Works, Extraordinary, Buildings, Pier at Castle Peak Bay.

Villagers Compensation

THE CHAIRMAN—I may call your attention, gentlemen, to the vote we left over two or three weeks ago regarding new sites for the inhabitants of Ap Liu village. The cost of removal would be about \$16,300, and \$5,000 of the amount is expected to be paid out during this year. An hon. member raised the question as to whether these parties are entitled to compensation. The whole question has been thoroughly gone into since. The Governor himself visited the spot and is quite satisfied that these men have the necessary claims.

HON. MR. HEWETT—How long have they been there?

THE CHAIRMAN—Twenty years or so.

HON. MR. HEWETT—Twenty years is really a figure of speech. Have they been there that time?

THE CHAIRMAN—Their claims have been recognised by the Land Court and we cannot go back on that.

HON. MR. OSBORNE—Is there any record of Chinese who squat on ground and gradually accumulate a village. Do they go there under any authority.

THE CHAIRMAN—The Land Court must have fully considered the matter before they granted the claims.

HON. MR. HEWETT—These people claim to be resident there before we took over the Territory?

THE CHAIRMAN—Yes.

HON. MR. HEWETT—But such a thing cannot occur again.

THE CHAIRMAN—No, these claims are all settled.

HON. MR. HEWETT—Are there any more villages of this sort?

THE DIRECTOR OF PUBLIC WORKS—There are a great many which require laying out and raising so as to provide for proper drainage.

HON. MR. OSBORNE—Is it possible in future to bring similar claims? Now that this matter is settled there may be more coming in

HON. MR. HEWETT—That is my point Are we establishing a precedent?

THE CHAIRMAN—You have established many precedents. Hok Un, for instance.

HON. MR. OSBORNE—Hok Un had permanent buildings of stone. The buildings in this village were of mud, tin cans, and bits of boat.

THE CHAIRMAN—Do you wish to reduce the vote?

HON. MR. OSBORNE—No, sir.

THE DIRECTOR OF PUBLIC WORKS—Any compensation that is paid to them will be based upon the condition of their buildings.

HON. MR. OSBORNE—What value would you place on a flattened out kerosene oil tin?

THE CHAIRMAN—We will discuss that later.

HON. MR. HEWETT—I suppose the land officer realises the importance of the question, and will be careful in future what he does.

The vote was passed.

The Estimates

The Committee then considered the Appropriation Bill clause by clause.

It was agreed to report that the Bill had passed through the Committee without amendment.