

28TH OCTOBER, 1915.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR FRANCIS HENRY MAY, K.C.M.G.

HIS EXCELLENCY MAJOR-GENERAL F. VENTRIS (General Officer Commanding the Troops).

HON. MR. CLAUD SEVERN (Colonial Secretary).

HON. MR. J. H. KEMP (Attorney-General).

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

HON. MR. E. R. HALLIFAX (Secretary for Chinese Affairs).

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

HON. MR. C. McI. MESSER (Captain Superintendent of Police).

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

HON. MR. E. A. HEWETT, C.M.G.

HON. MR. E. SHELLIM.

HON. MR. LAU CHU PAK.

MR. A. G. M. FLETCHER (Clerk of Councils).

Minutes

The minutes of the last meeting were read and confirmed.

Finance

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table Financial Minutes Nos. 49 to 58, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

Papers

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the following papers: Quarterly Return of

Excesses on Sub-Heads met by savings under heads of expenditure. Also report of proceedings of Finance Committee, No. 14, which was adopted.

The King's Appeal

HIS EXCELLENCY—Before we proceed to the Orders of the Day I should like to say a few words concerning the appeal which our Most Gracious Sovereign has recently issued to all his liege subjects in the Empire to join in the tremendous struggle in which that Empire is engaged. Now, it is probable that but few in this Colony, comparatively few, will be able, for one reason or another, to respond to that appeal by going or offering their services to go to the front. But there is no reason why those in the Colony who have not yet joined the Volunteers, the Volunteer Reserves or the Special Police Reserve should not respond to the appeal by joining one or other of these three forces. I would remind those to whom I refer to remember that the stronger the Colonial armed forces of the Colony are, the more men can my gallant friend on my right, the General Officer Commanding, spare from the regular garrison to proceed to the front, and the more men can I spare from the Hongkong Police and other Departments of the public service. I have once more to remind all His Majesty's liege subjects in the Colony that they are able here indirectly by their assistance to support their brothers-in-arms at the Front and in all the other parts of the globe. I had thought that there were but few who had not already joined the three Colonial armed forces which I have mentioned, but I regret to say that on making an investigation I find that in this little community there are still between 100 and 150 men who are as physically able to lend their services to one or other of these three forces as are the men who have been rendering yeoman service within the ranks of these services in the past twelve months, and for many years in some cases before the outbreak of war. I see no reason whatever why the majority of the number I have referred to should not come forward and assist in the way I have indicated, if for no other reason than that they should remember that the stronger

those Colonial armed forces are the less seldom comes round the duty which weighs heavily on men who have their ordinary avocations to follow in the day-time and very often far into the night. I feel certain that now His Most Gracious Majesty's wishes have become publicly known that in a short time I will be able to assure the Secretary of State for the Colonies that there is not a British subject in Hongkong who is physically fit for the duty who has not tendered his services either to assist the General Officer Commanding in the defence of the Colony or to assist in the preservation of order within its borders.

Full Court Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend the Full Court Ordinance, 1912, and to make further provision for the constitution of the Full Court."

The Objects and Reasons state that one object of this Bill is to enable a Full Court of two judges to dispose of all incidental matters relating to applications for leave to appeal to His Majesty in Council, including such matters as the adjournment of an application. This is necessary on account of the fact that one of the judges who constitute the Full Court of three judges does not reside in the Colony. The actual hearing of the appeal will as before have to come before a Full Court of three judges, except in the case dealt with in the next paragraph.

The other object of the Bill is to provide that the Full Court may in any case consist of only two judges if in the opinion of the judge whose judgment or order is being appealed from is unnecessary. This provision could be utilised in order to prevent the congestion of work which might occur during a long session of a Full Court of three judges.

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

Trading with the Enemy

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend further the Trading with the Enemy Ordinance, 1914."

The Objects and Reasons state that the main object of this Bill is to introduce the provisions of the Trading with the Enemy Amendment Act, 1915, 5 and 6 Geo. 5, c. 79.

It also makes certain other minor amendments in the law.

Clauses 2 and 3 are intended to improve the provisions for restraining the registration of companies formed for the purpose of acquiring the whole or any part of the undertakings of firms or companies, which, though not entirely of enemy character, yet contain such an amount of enemy character, or such a connection with the enemy as to render them liable to suspicion.

The effect of the amendments will be to make the law on this point the same as the law in the United Kingdom.

Clause 4 is taken from the Trading with the Enemy Amendment Act, 1914, 5 and 6 Geo. 5, c. 12, and provides an additional ground for the appointment of a controller under section 4 of the Principal Ordinance.

Clauses 5 to 7 are taken from the Trading with the Enemy Amendment Act, 1915.

Clause 5 includes in the list of moneys which must be paid to the custodian (a) the interest on securities issued by any government or corporation and (b) any amount payable on the payment off of any security issued by a company. It also throws on the person through whom any interest on such securities would be paid in the Colony the duty of making the payment to the custodian. A sub-clause gives the Governor power to exempt any liquidator or any other person from the operation of this clause.

Clause 6 adds to the forms of property held on behalf of an enemy which must be notified to the custodian (a) balances and deposits standing to the credit of enemies at any bank and (b) debts to the amount of \$500 or upwards which would have been due to enemies. It also requires the custodian to keep a register of all property returns which will be open to inspection by persons interested. The Governor is given power to exempt from this section also.

Clause 7 requires companies which are liable to inspection on account of their partial enemy character or their former connection with an enemy, to give notice to the custodian before commencing any legal proceedings.

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

The Magistrates' Ordinance

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to amend the Magistrates' Ordinance, 1890, and for purposes connected therewith."

The Objects and Reasons state that Clauses 2 and 3 of this Bill are to enable a magistrate to proceed *ex parte* upon the failure of the defendant to appear in answer to his summons. The effect of these clauses will be to assimilate the law on this point to that in force in England.

Clause 4 is inserted in order to make it clear that the above two clauses will apply to all summonses issued after the commencement of the Ordinance whether the offence was committed before or after that date.

Clause 5 proposes to raise the maximum fine to \$250 in the case of indictable offences tried summarily. This is in order to assimilate the maximum fine in this class of case to the maximum fine adopted in clause 6 in accordance with the law in force in England.

Clause 6 is intended to give a magistrate power in all cases to impose a fine instead of imprisonment. It is taken from the Summary Jurisdiction Act, 1879. The magistrates in Hongkong already have power to fine in most cases, but a few cases exist in which they have not. Examples are the offence of unlawful pawning and the offences punishable under the Vagrancy Act, 1824.

Clause 7 is intended to assign to Ordinance No. 28 of 1913 a different short title from that of Ordinance No. 3 of 1913.

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

Debate on the Budget

THE COLONIAL SECRETARY moved the second reading of the Bill intituled, "An Ordinance to apply a sum not exceeding nine million eighty-one thousand two hundred and nine dollars to the Public Service of the year 1916."

THE COLONIAL TREASURER seconded.

THE HON. MR. HEWETT—Your Excellency, I have been asked by the Unofficial Members to

make the first reply on their behalf to the speech your Excellency made a fortnight ago when laying the Estimates for next year before us. I very much regret the unavoidable absence of two of my unofficial colleagues, but perhaps it would be just as well if I added that all the unofficial members met in my office last week, when we considered your Excellency's speech and the Budget, and what I am about to say is done with the unanimous approval of my unofficial colleagues. Generally speaking, the Budget, considering the abnormal conditions under which we are existing, must be considered as a satisfactory one, particularly in view of the very heavy public works in which we are engaged, many of which cannot be suspended, and the difficulty in making the Budget meet. We are glad your Excellency has been able to put before us a Budget which does not call for increased taxation, although probably that may have to follow before very long. On behalf of the unofficial members, and I am sure I am speaking on behalf of the whole community, we realise the very great stress that has fallen on our Empire, and in every possible way we are prepared to support your Excellency in any scheme you may bring forward with a view to our taking a full share of the burdens thrust upon us. We entirely agree with your Excellency that this is a time when rigid economy should be practised, and we regret very much that it has been found necessary to temporarily suspend necessary public works, but we realise that, whatever the cost is, certain works such as the Yaumati Refuge, the Tai-Tam-Tuk water scheme, and one or two other such works must be proceeded with, and the money must be found, either by short loans or other means found most convenient.

There is another point, of course, in the public works expenditure extraordinary which should also be pressed forward—I do not think your Excellency especially referred to it. That is, the erection of quarters for the Government staff. That is practically a remunerative investment, and should be proceeded with. Your Excellency spoke of "ruthless economy." That is rather a harsh term, but, still, we think that you have not applied it so far as you might. I refer to two items in the Budget that we should have liked to see eliminated—\$140,000 for the part purchase of private moorings and, as a corollary, the annual expenditure of \$10,000 for the upkeep of those moorings. As your Excellency will remember, last year, when speaking on behalf of my colleagues, we strongly opposed this scheme for the purchase of

private moorings by the Government. We thought it unnecessary, and we think so even more now in view of the conditions now prevailing, and I therefore propose, as I have already notified the Colonial Secretary, to move an amendment that these two items should be deleted from the Estimates next year. It is not necessary for me to go over old ground. I set out fully last year my reasons for opposing this scheme. We are of opinion as practical business men that the taking over of these moorings by the Government is unnecessary, and will involve not only very considerable capital expenditure on behalf of the Colony, but also a very great additional charge on shipping, particularly at a time when charges on shipping should be reduced. We have a regular staff of men, boats, tugs, and so forth, part of which are engaged in looking after our moorings. We cannot reduce our expenditure in this direction, although the moorings cease to be our private property, and we shall have to pay, as I said last year, what we consider a very heavy tax for the use of these moorings, and also have to introduce a system of what is practically compulsory pilotage. That we all consider unnecessary. I never engage a pilot to take my ships to a mooring in the Harbour, but when a ship arrives and any uncertainty arises I should have to send for a pilot. This means extra charges which in the aggregate amount to a large sum at the end of the year. Therefore, unofficial members oppose this expenditure, even stronger this year than they did last, and, as I say, I shall move an amendment against that.

With regard to war expenditure, I cannot quote your Excellency's words, and say "we gladly accept it"; we have to accept it, but we are prepared to go on paying our share of that expenditure, which is entailed upon this Colony as part of the great Empire of which we are proud to be citizens. The struggle in which we are engaged we realise is practically one of life and death, and it has got to be prosecuted absolutely to a finish, and that finish can only be a permanent and satisfactory peace. To that end, and that end alone, the whole of the energies of the Empire, and consequently this little section of the Empire, will be devoted, and whatever aid or assistance your Excellency may call upon us to render to that end will be gladly rendered. We will gladly support your Excellency in every way possible, and I will now take this opportunity of saying—and I am practically certain that my colleagues will thoroughly endorse what I say—that we entirely agree with all the remarks made with regard to His

Majesty's appeal to the country. I regret to learn that there are as many as 150 men of working age in the Colony who might be in the Volunteers, Police, or any of these volunteer services who are not yet there. I hope before many days are over that this disgrace will be removed.

With regard to the Police, your Excellency made some remarks with reference to men who take increased advantages of the opportunities the generosity of the Government gives them, by increased allowances and pay, to return home at more frequent intervals. That, of course, is entirely carrying out what the unofficial members spoke of last year, but I should like to see it go still further. We trust that in time the Government will be able to see their way to make it compulsory on these men who have these bonuses that they should be compelled to leave this Colony for a certain number of weeks at a certain given time, and that the bonuses should not be given to anyone who does not leave the Colony. The idea is that it would be much better for the men's health, and would result in benefit to the service in which they are engaged: a man should leave the Colony, if only for a few weeks, every year, and I trust that will be made compulsory.

Coming now to the Medical Department, the only point to which I will refer—because I think one of my friends is going to speak on the subject later—is the question of the reduction of the nurses. Your Excellency pointed out that the nurses were reduced by two, and the staff increased by six probationer dressers. So far as probationer dressers are concerned, no doubt they are of valuable assistance to the service, but in discussing the Estimates for 1914, in November, of 1913, I had a good deal to say on the subject, and unofficial members expressed their views rather strongly. At that time the staff was as follows:— 1 Matron, 9 Sisters, 2 Sisters for private nursing, and 5 probationers. At the present moment the staff is:—1 Matron, 7 Sisters, 2 private nurses, 1 Nurse, 1 probationer, and 6 probationer dressers. It is not necessary for me to repeat all the arguments brought forward at the time, but I will read a section of

what I said on that occasion, because it has a very direct bearing on the subject, I said:—"In view of the number of hospitals now in existence in the Colony, the number of nurses at present engaged by the local Government seems to be altogether inadequate. The result of working short-handed is that the nurses are often subjected to an undue strain owing to long hours, having to attend to too large a number of patients at one time and with entirely too little opportunity for the rest and recreation which is so necessary to women engaged in so arduous and important a profession, while we understand it is not infrequently the case that a nurse engaged in maternity cases has at the same time to attend to other patients. The matter has recently been much discussed in private circles and the unofficial members are aware that considerable feeling is felt in certain quarters that whatever may be happening in other departments of the Government service, here at all events there is reason to believe we are very shorthanded." Now, since then the staff has been still further reduced by two nurses. Probationer dressers, although they are very useful, cannot possibly take the places of nurses. These nurses have got to be in charge of a certain number of wards and patients, and that pure nurses' work which was considered two years ago to be too onerous is still more so now. Therefore, the unofficial members can only view with the greatest possible regret this reduction in the staff. In such a climate as this, good nursing is of the utmost importance, and surely it is one of the last—if not the very last—sections of the Government staff in which economy should be exercised. Good nursing, of course, cannot be obtained unless nurses have ample leisure during working days and a reasonable time for leave. Then there is another point. Although the figures put before us for next year show two private nurses, as a matter of fact I am assured that for some considerable time past only one nurse has been available for private nursing. Two members of the unofficial body told me that of their own knowledge, and I also heard it outside. The greatest possible difficulty has been experienced during the last few months in getting the advantage even of one private nurse, owing to the demand made in the Government Civil Hospital. Now that, Sir, we maintain, is an absolute breach of faith on the part of the Government. Whatever economy

ought to be exercised, there ought to be no economy in the two nurses to be permanently available and the chief call on their time must be for outside nursing. I think it has some connection with the Queen Victoria Jubilee Fund, when there was a fund raised to start a Nursing Home under the auspices of Mrs. Chamberlain, and some nurses were imported here and the experiment was made. It was not an altogether satisfactory one, and after some time it was decided that it would be for the greater good of the Colony to hand the Fund over to the Government to be administered by them in the interests of the public, and the two nurses should always be available for public service. A sum of \$19,000 or \$20,000—the balance of the Fund—was handed over to the Government to that end. I trust that this matter—it is the second time I have had to bring it up—will receive the very serious consideration of your Excellency.

With regard to Education, there is a small increase of which we entirely approve. We know that of late years greater care has been bestowed upon the control of the numerous Schools—Chinese and others—in the Colony, and we entirely support the policy of the Government in carrying out that reform. Still, I regret to say that I have been informed by people who ought to know of what they are talking, that the supervision of the vernacular schools is not what it ought to be, and that is a matter which might have further consideration. After all, the amount spent on our Education is only 3 per cent., of the total income—not an excessive amount—and any other calls your Excellency wishes to make upon the Colony to encourage the education, supervision and training of the Chinese children of the Colony will be gladly supported by the unofficial members—the more so as during the last twelve months we have seen and heard how much harm has been done in China by the strenuous German propaganda carried on there. The only way to counteract that is to encourage the education of the Chinese children in this Colony, in such a way that they will be taught, by unbiassed masters, the difference between right and wrong.

Another point which I wish to refer to is the railway. At the present, the net revenue of this railway is merely rather less than 1 per cent., on the invested

capital. That is not taking any notice at all of the interest we have to pay on the £1,100,000 borrowed, primarily a loan to the Viceroy of Wuchang, to be invested in the railway. We make barely one per cent. on our railway and in addition to that have to pay interest on this enormous sum. Now, so far as we know, from the very first, when the railway was started, the Government has been endeavouring to have the railway linked up with the Kwangtung main lines. We know that the Government here are working to that end to the best of their ability, and we think that further time should not be lost. Most strenuous representations should be made in the proper quarters by this Government that these railways must be linked up. The linking up of the Kowloon-Canton line with the main lines of China would be far more advantageous to the Chinese than to ourselves. They ought to understand that. We understand that the opposition to that railway is largely due to the opposition of a few narrow-minded or mistaken officials in Canton, who are too short-sighted to see what the result of their obstructive policy amounts to.

With regard to charitable services in the Colony, unofficial members have discussed this question at some length. They are strongly of opinion that under existing conditions the Hongkong Government should take over entirely these three German charities, for which, I think, a sum of \$15,000 has been asked, and that they should become Hongkong charities. The names of these charities should be changed as soon as possible, the staff should also be changed, and they should become once and for all Hongkong Government charities. It would be cruel and wicked to close these institutions entirely, and to throw these helpless little children upon the world. These charities having been started in the Colony we have got to see that they are continued to the end. I think your Excellency laid down a rule by which you proposed to continue them, at all events for the present, but not to admit any more children, and so forth. With that we entirely agree. The unofficial members agree also that once hostilities are terminated we should not any longer have German charity existing in this Colony, even if it is forthcoming, any more than we should allow Germans themselves to come into this Colony. We believe we are voicing the feeling

of by far the greater portion of the British residents in this Colony in saying this.

In making your remarks, your Excellency referred to the valuable services rendered by the Special Police Reserve and, I think also, one Government official, Mr. Jaffé, for public services rendered. We entirely endorse what you have said, and go further. We think that there are other people whose names should be recorded in this debate as people to whom this Colony owes thanks for voluntary services rendered during the hard times that have fallen upon us during the last 15 months. Referring more particularly to the Censorship Department, Mr. Dealy, and afterwards Mr. Irving, of the Government service, and finally Mr. Alabaster—particularly Mr. Alabaster, who has given up his private time and practice to public work in regard to the very important work of censorship of telegrams—should be mentioned. There are others who have done good work, particularly in connection with the censorship of letters, whom it would perhaps be invidious to mention. Especially would I mention Mr. Charles Lafrentz, who has given a great deal of time to this work though in control of a big business single-handed, and has devoted himself whole-heartedly to his particular section of work.

With regard to the balance sheet, I referred to that very fully in the debate of 1911, but nothing resulted from that debate, except a stereotyped reply from my friend on my left (the Colonial Treasurer). It has again been considered by unofficial members, and we wish to put it on record that the ratepayers of Hongkong ought to have a proper balance-sheet put before them. The present document put before us shows an entirely fictitious credit balance. According to this document there is a credit balance of \$2,900,000, on which we propose to draw this year. As a matter of fact there is no credit at all. No notice is taken in this total of liabilities of the permanent loan of the Colony, which represents a large sum of money—about a million and a half sterling. Unofficial members have asked me to refer to this again, and to express their dissatisfaction with the answer which was given to us some years ago. Surprise was expressed then that, after so many years, the question should have been raised, and that, in any case, the balance-sheet as put before us is

based on some ancient order issued by the Secretary of State. That is not sufficient for us. We consider as business people that a business community should have placed before them a business-like balance-sheet, and we ask that our views should be put before the Secretary of State to see if we can get that obsolete order cancelled. With these remarks, Sir, I now beg to move my amendment, which is:—"That the item in the Budget, namely, \$140,000 for the part purchase of private moorings in the Harbour, on page 35 of the Estimates, and of \$10,000 on page 31, for relaying moorings, be deleted from the Estimates."

HON. MR. SHELLIM—Sir, under the head "Medical Department," your Excellency has informed us that six probationer dressers are to replace two nurses at the Government Civil Hospital. We hope this is merely a temporary measure due to the war, because we are of opinion that the number of nursing Sisters should not be reduced. I believe that the class of probationer nurse engaged locally has not the aptitude for the work required of them, and that a scheme which might be suitable to other Colonies is not so here. One more point I would like to mention. Some years ago I believe that a substantial sum of money was handed over to the government by the Nursing Home, or Nursing Institute, on the distinct understanding that two nursing Sisters would be provided from the Government Civil Hospital for outside work. I understand that only one Sister is now available, and I should like to be assured that further definite steps have been taken by the Government to carry out the undertaking given to provide two nursing Sisters for the work outside the Hospital.

THE COLONIAL TREASURER—In reply to the hon. member who represents the Chamber of Commerce, I may say that I really have nothing to add to what I said in 1911. The unofficial members have apparently had that reply before them. The Secretary of State in his despatch on the Estimates that year suggested a somewhat fuller explanation. Further enquiry will be made into the matter.

HON. MR. HEWETT — Then we shall continue to have the same old balance-sheet

THE COLONIAL SECRETARY—In regard to the remarks of the hon. member who

represents the Chamber of Commerce, on the subject of quarters for the Government servants, I am not quite clear as to what he referred to when he said that these quarters were remunerative. I can shortly state what the policy of the Government has been during the last three years. The Government have erected in Victoria 22 quarters which are occupied free of rent by certain subordinate officers, and eight small houses in Kowloon which are also occupied by subordinate officers who have to live on that side of the water, and last year it was decided—and the proposal was approved by the Secretary of State—that quarters should be erected for other officers who draw a low salary, which could be rented by them at a rent which would yield on the capital cost expended on the building about 4 per cent. net. Those quarters have not been built, and it is not proposed to proceed with them next year, but there will be a number of quarters—six, I think—to be occupied free of rent, which will be proceeded with next year, because it is felt that the subordinate officers who occupy them are still in a position of some hardship owing to the high rent they have to pay in Hongkong. Other officers are occupying in some cases their own houses and in other cases quarters which are fairly suitable, so there is not the same urgent necessity to put up quarters to be rented as there is to proceed with the quarters which are to be occupied free. There is nothing remunerative, as the hon. member remarked, in these quarters, except that we are assured that our officers, instead of occupying houses entirely unsuitable for Europeans, are occupying quarters in healthy positions, well-built, and sanitary.

HON. MR. HEWETT — That is the remuneration.

HIS EXCELLENCY—The hon. member who represents the Chamber of Commerce moved a resolution that the vote for the private moorings be deleted. Well, I am afraid that the Government cannot accept that resolution. The policy of resuming these private moorings is fully set out in the Council Paper 17 of 1914. The existing arrangements in the Harbour can be described as nothing less than unbusinesslike, and highly inconvenient to all steamers, or owners or agents who are not lessees of moorings. I am in a position to state t h a t t h e s h i p p i n g w h i c h

visits this port, taken as a whole, views this scheme with a good deal of satisfaction. It is quite obvious, to quote the words of my despatch to the Secretary of State, that it is necessary that the moorings should be distributed "with due regard to the depth of water and to the requirements of trade, *e.g.*, moorings for vessels engaged in the rice and coal trade will be placed in positions convenient for such trades. The moorings will be assigned through the local pilots or by signal to incoming vessels by the Harbour Department. It will thus be possible to make full use of all the moorings and to avoid having many lying idle as at present during the absence of vessels of firms which own them. I anticipate no difficulty whatever in berthing vessels to the satisfaction of all concerned and the new arrangement should prove of great advantage to the trade of the port." We have already, in pursuance of this policy, taken over ten moorings and we have already been able to provide moorings for vessels in a trade which is ill-provided with anchorage—I refer to vessels in the rice trade. There is a big demand for vessels in that trade, and we cannot possibly satisfy that demand until we have control of all the moorings in the Harbour and are able to distribute them in a reasonable and businesslike fashion. I hope we shall be able to complete the resumption of the remaining moorings in that class, which is C Class mentioned in my despatch. I think there are about 13 still to be resumed. When we have done that we hope next year to proceed with the resumption of the other heavier moorings, and we are convinced that the fears of certain shipping interests that this scheme will prove a failure will not be justified, but, on the contrary, will prove a very great success. With regard to the charges that will be imposed, it is true that they will be heavier than the ridiculously small charges that the lessees of moorings now pay, but they will not be in excess of the rent which lessees of these moorings charge to those to whom they lend them. The hon. member who represents the Chamber of Commerce referred next to the abolition of bonus in lieu of leave in the Police Force, rendering the taking of annual leave compulsory. While that opens a very large question, the idea has a good deal to recommend it, but there is no doubt that it would involve very considerable additional expenditure, and you can well understand that any proposition which involves additional and permanent expenditure cannot be entertained at the present time. Two hon. members referred to the reduction of nursing sisters at the Government Civil Hospital. Now I would like in the first place to point out that

apparently there is a misapprehension. The Estimates provide for eight such Sisters, two being at the Maternity Hospital and two being private nurses. Now these four nurses are entirely outside the scheme of reduction. We do not propose to interfere with them at all. It is true that one nursing Sister, who was a private nursing Sister, has left the service during the last few months, but that has not deprived the public of the use of two private nurses. I have not got the figures here, but I am in a position to state that this year there has been less demand for private nurses than in any recent year, and I do not think that any application for a private nurse has been refused. If a private nurse had been applied for it would have been possible to supply one from the Government Civil Hospital—or, I might better say, it would have been possible, if a nurse had been applied for, to have supplied one. As a matter of fact, I do not think two private nurses have been applied for at one and the same time, at any rate not for several months. We expect a candidate from New Zealand—it is impossible to obtain a candidate from the Home Country at the present—and when she arrives she will be added to the private nursing staff. With regard to the supervision of vernacular schools, it is possible that additional supervision might be welcome. It is a sort of subject on which one might indefinitely multiply the amount of supervision and still not make it sufficient, but at any rate we are in a far better position than we were before the new Ordinance came into force, when there was practically hardly any supervision at all. However, I will speak to the Director of Education on the subject and see whether there is any real cause for complaint. The hon. member who represents the Chamber of Commerce then went on to urge the linking up of the Kowloon-Canton Railway. Well, that is a subject which we have ourselves very much at heart. It is in the interests—as the hon. member pointed out—of both railways, and we hope to see the junction accomplished in a reasonable space of time. Our Chinese friends, as you know, move very slowly, and the two lines being under different Administrations, an agreement

is not easy of accomplishment. With regard to the German charities, which the hon. member says his colleagues would like to see taken over and run as Hongkong charities, that, I would remind you, again opens up a very large question with which I cannot possibly attempt to deal. The property is private property, and the wholesale taking over by the Government of the charities may involve questions of a delicate nature. There is also, of course, the question of expense to be considered, for with these institutions, as you know, the running cost is not a little. The hon. member finally brought to my notice the names of certain gentlemen in connection with the cable and postal censorship. They have rendered very good service, and I can assure the hon. member that the services of all, whether Government servants or private individuals, who have assisted the Government in this crisis, will not be forgotten. I have already made a note of their names, and many others besides. In connection with the railway, I think the hon. member who represents the Chamber of Commerce made a slight slip in his calculation of the percentage which the earnings bore to the capital expenditure, \$15,000,000, which is roughly correct. The interest be quoted on the Wuchang loan of £1,100,000, was exclusive of that amount. As a matter of fact, it is an inclusive total.

HON. MR. HEWETT—What I said was that the capital expenditure of the railway was \$15,000,000, and the net earnings last year were \$110,000, which gives less than 1 per cent. on the \$15,000,000 invested, and I did not take any notice of the interest paid on the £1,100,000, which has been invested.

HIS EXCELLENCY—It is all one sum. The interest is on \$15,000,000, not on \$15,000,000 plus £1,100,000. As long as that is understood the matter is quite plain.

HIS EXCELLENCY — Reverting to the question of reduction of nurses, I find that I omitted to deal with the point of the reduction of the nursing staff in the Civil Hospital. I had the impression that members feared that we contemplated an inroad upon the maternity staff and the private nursing staff. It is quite true that we are reducing the nursing staff generally by two, and I would like to remind all hon. members of one fact which I think they have overlooked. The time of these highly-trained European nurses for a large part

of the period is occupied by—I won't say nursing, because they do not do real nursing as we understand it at Home—the *supervision* of the nursing of a very large number of Chinese of quite the lower orders—call them Chinese of the coolie class. Now I have the greatest respect for the Chinese coolie—he is quite a good man—but in his own Tung Wah Hospital, and in the hospitals in Canton and elsewhere, he is not indulged in the luxury of nurses trained in institutions like the London Hospital. These nurses get a very considerable salary, and cost the Government a good deal in passage and pension. To my mind it is absolutely unnecessary, and in that direction it is proposed to make an economy; that is to say, that while there will be quite sufficient supervision, a great deal of the work done in these purely native wards will be taken up by the Chinese dressing staff. In any other Colony of which I have had experience, and in India, if you ran a hospital on the lines of the Government Civil Hospital you would rapidly go into bankruptcy. I am quite sure the Chinese members of the Council will fully endorse the policy of the Government in making reasonable economy in the direction I have indicated. I may add that before this unfortunate war broke out I had in contemplation the opening of a hospital in Kowloon. I obtained estimates for building and the cost of running, and the medical department, of course, tacked on this very expensive system of European trained nurses, and sent in a bill which I could not possibly pass. The end can be attained, and I think will be attained, in due course of time, if we start this dresser system, which is quite efficient, and is of very much less cost. I will now put the amendment to the vote.

THE HON. MR. HEWETT demanded a ballot on his motion, and the voting resulted as follows:—

For the amendment: Hon. Mr. Lau Chu Pak, Hon. Mr. E. Shellim, Hon. Mr. Wei Yuk, Hon. Mr. Hewett.

AGAINST: All the official members.

The amendment was declared lost by 6 votes to 4.

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

On Council resuming,

THE COLONIAL SECRETARY moved that the Bill be read a third time.

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

The Italian Convent

HON. MR. HEWETT, in the absence of the Hon. Mr. Pollock, moved the second reading of the Bill intituled, "An Ordinance to provide for the incorporation of the Mother Superioress in this Colony of the Society of the 'Daughters of Charity of the Canossian Institute,' by which the institution known as the Italian Convent is carried on."

In doing so he said—The Objects and Reasons of the Bill set out very fully the intention of the Bill. There has been considerable trouble in the past, and there will be considerable trouble in the future, in handling property which an Association of this sort necessarily have. They therefore ask for extra powers in dealing with this property in the same way that powers have been granted to other institutions. I beg to move the second reading.

HON. MR. SHELLIM seconded.

The Bill passed through Committee without amendment, and

HON. MR. HEWETT proposed that it be read a third time.

HON. MR. SHELLIM seconded, and the Bill was read a third time and passed.

HIS EXCELLENCY—Council stands adjourned *sine die*.

FINANCE COMMITTEE.

A meeting of the Finance Committee followed, the COLONIAL SECRETARY presiding.

Public Works

The Governor recommended the Council to vote a sum of nine thousand six hundred dollars (\$9,600) in aid of the vote Public Works, Extraordinary, Hongkong, Buildings, Married Quarters for Police.

THE CHAIRMAN explained that this vote was asked for to meet certain increases in the cost of the work, which were discovered after the estimates had been made. In excavating the
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it was found that it would be necessary to pile the whole of it. The supplementary vote was arrived at in this way. Total estimate, \$69,500; amount expended \$13,400; amount voted this year, \$41,500; total, \$54,500. The total supplementary vote required is \$14,600. From this has to be deducted \$5,000, retention money on the contract, leaving the \$9,600 asked for.

The vote was agreed to.

Military Expenses

The Governor recommended the Council to vote a sum of four thousand one hundred and twenty-five dollars (\$4,125) in aid of the vote Military Expenditure, B.—Volunteers, Other Charges, Volunteer Reserve Uniform

THE CHAIRMAN explained that this sum was to be expended in the purchase of greatcoats. Since the estimates had been drawn up it had been found that there was a very good chance of getting the coats made for a sum certainly less than they would have to pay for them if they were had from Home.

The vote was agreed to.

Kowloon-Canton Railway

The Governor recommended the Council to vote a sum of forty-five thousand dollars (\$45,000) in aid of the vote of Kowloon-Canton Railway, Capital Account:—

(1.) Stations and Buildings	\$40,000
(2.) Signalling £.....	5,000
Total	\$45,000

THE CHAIRMAN stated that it was found that a sum of \$40,000 more than appeared in the estimates for this year would be required, and that, of course, would come off the amount provided for the railway next year. In connection with the signalling, it was very difficult to estimate exactly what was required for this year until a signalling expert came out from England and was engaged on the work. The \$5,000 was required to meet the expert's salary for the last three months of this year, and certain work which had to be done. It was in excess of the original estimate, but it was very difficult to make a close estimate in respect of the work, especially as it was in charge of an expert. What he required to be done or supplied must be forthcoming.

The vote was agreed to.