

2ND AUGUST, 1917.

PRESENT:—

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

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

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

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

HON. MR. MCL. MESSER (Colonial Treasurer and Captain-Superintendent of Police).

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

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

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

HON. MR. LAU CHU PAK.

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

HON. MR. R. G. SHEWAN.

HON. MR. C. E. ANTON.

HON. MR. S. H. DODWELL.

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

Minutes

The minutes of the last meeting were confirmed.

Papers

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the following papers:—Report of the Post Office for the year 1916; report on the New Territories for the year 1916; Report of the Police for the year 1916; Report on the Botanical and Forestry Department for the year 1916;

Report of the Kowloon-Canton Railway (British Section) for the year 1916; Report of the Director of the Royal Observatory for the year 1916; Report of the Registrar of the Supreme Court for 1916; Report of the Secretary for Chinese Affairs for 1916; Medical and Sanitary Reports for the year 1916; Report of the Director of Education for 1916. Also quarterly return of excesses on sub-heads, met by savings under heads of expenditure; report on the West River Flood Relief Fund, 1914, report of the Committee appointed to report on the teaching of English.

Financial

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table Financial Minutes Nos. 20 to 32, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

Rent Allowances

H.E. THE GOVERNOR, with reference to the financial minute recommending a vote of \$30,000 for "rent allowances," said:—In Financial Minute No. 31 the Council is asked to vote a sum of \$30,000 under the heading Miscellaneous Services, Rent Allowances. As hon. members are aware, this Government has during recent years been engaged in building quarters for the subordinate European Staff, including Overseers, Revenue Officers, Railway Staff, and Sanitary Inspectors, and practically the whole of this staff is now adequately housed. In the estimates for the last three years the Council has voted rent allowances for certain European married officers on small salaries, pending the erection of quarters to be occupied by such officers at a moderate rental; and in the estimates for the current year provision has been made for commencing the erection of these quarters at Leighton Hill. These rent allowances approximate to the difference between the rents which the married officers in question are in fact paying and the rents which the Government proposes to charge when the quarters are available for occupation. The case of the

senior European Staff has for some time past occupied my attention, and I have been in communication with the Secretary of State on the subject. It is impossible at the present time, while a state of war exists, to consider anything in the nature of a general revision of salaries, but after very careful consideration I have arrived at the conclusion that some relief is urgently called for; and since the principal item in the high cost of living here for senior officers is that of house rent, the Secretary of State desires that this Government should adopt a similar principle to that applied to the Subordinate European Staff by providing quarters, at moderate rentals, for the Senior European Staff also. It is of course impossible to build houses forthwith for the many officers concerned, and any scheme that may be evolved will necessarily be spread over a number of years. In the meantime it is proposed to grant rent allowances to officers who are in separate occupation of a house or flat, and the sum of \$30,000 mentioned in the minute is to provide such rent allowances for the whole of the current year to some fifty officers. The next minute, the recommendation of \$40,000 for the purchase of "Lysholt," is in pursuance of that policy. The subject matter has only arisen during the last day or two, and the sum you are asked to vote has only been arrived at this morning. The Government was a bidder, through Mr. Henry Humphreys, for the property known as "Lysholt" at the Peak, and the purchaser was Mr. Ho Kom Tong. When I informed him that he had been bidding against the Government, he said he was quite unaware of the fact—and he could not have been aware of it—and he very generously offered to stand aside and let the Government acquire the property which is eminently suited for this purpose, and the sum mentioned in the Financial Minute is therefore desired to be voted in order to acquire this property.

Finance Minutes

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table report of the proceedings of the Finance Committee, No. 6, and moved that it be adopted.

THE COLONIAL TREASURER seconded, and this was agreed to.

Exportation of Raw Opium

THE COLONIAL SECRETARY moved the following resolution:—"Whereas by the provisions of sub-section (5) of section 10 of the Opium Ordinance, 1914, it is provided as follows:—No person shall export or aid or abet the exportation of any raw opium 'from the Colony, if such exportation shall have been notified in the *Gazette* in pursuance of any resolution of the Legislative Council as being illegal.' Now it is hereby resolved that the exportation of raw opium to Mexico is illegal; and it is further hereby resolved that a notification shall be made in the next issue of the *Gazette* to this effect."

THE COLONIAL TREASURER seconded, and this was agreed to.

Questions by Hon. Mr. Pollock

THE HON. MR. H. E. POLLOCK then put the following questions:—

1.—Will the Government take steps to prevent the Chinese from digging in the mud or turning up the mud with their hands on the foreshore between Arsenal Street and the North Point Hotel?

2.—Will the Director of Public Works state what steps, if any, have been taken, and, if so, when, for the construction of the promised Road to connect Nathan Road, Kowloon, with Coronation Road? Has any contract been signed for the work, and, if so, when? When is it estimated that such connecting road will be completed?

The COLONIAL SECRETARY replied as follows:—Legislation would be necessary to stop the practice referred to, as there is a common law right to take shell fish. A nuisance is undoubtedly occasioned by the odour which emanates from the stretches of foreshore between Arsenal Street and Causeway Bay which are exposed at low tide; but this nuisance is mainly due to causes other than the digging for shell fish. It will be finally abated when the reclamation scheme, now under consideration, is put in hand. As regards the remaining stretch of foreshore referred to the Government is not satisfied that any nuisance calling for special legislation exists.

- (a.)—Tenders for the work involved have been called for in the *Gazette* of the 20th July. Negotiations for the resumption of certain land required in connection with the scheme were undertaken in April last and have not yet reached a conclusion.
- (b.)—No contract has yet been signed for the work.
- (c.)—It is anticipated that the work can be completed in three months from the date of signing the contract.

Local Defence Corps for Hongkong

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, "An Ordinance to make provision with respect to military service and to provide for the establishment, maintenance and control of a local defence corps." In doing so he said:—The "objects and reasons" of this Bill give a full explanation of what it is intended to do, but I wish to give notice that at the next meeting of the Council I propose to move an amendment to the last clause of the Bill. There is a balance in hand belonging to the Volunteer Corps Fund, and it seems necessary to deal with that fund, as the Ordinance under which it was created is being repealed. The amendment will be an amendment to provide that the balance of the Volunteer Corps Fund shall be applied for the purposes of the Defence Corps in such manner as your Excellency may determine. I beg to move the first reading.

THE COLONIAL SECRETARY seconded.

H.E. THE GOVERNOR—Honourable members will recollect the circumstances which led up to the appointment of the Military Service Commission. In the correspondence with the Secretary of State which preceded the appointment of the Commission, I recommended, after consultation with His Excellency the General Officer Commanding, under date of the 22nd January, 1917, that compulsory service for local defence should be imposed, that a wider use of the local force should be made, and that a further reduction in the regular garrison should follow to a point at which every member of the existing Volunteer Force must be considered indispensable for

the defence of the Colony. Subsequently, under date of the 27th February, I informed the Secretary of State that, if no such reduction of the regular garrison could be made, I was of opinion that the most satisfactory course to all concerned would be to adopt compulsion for Military Service outside the Colony. In March I received authority to impose compulsory military service for local defence. On the 11th of April, I informed the Secretary of State, in reply to enquiry, that compulsory service for local defence would not increase the numerical strength of the existing Volunteer Forces, but that increased efficiency would result from a re-organisation under compulsory service, which the General Officer Commanding and I were engaged upon. On the 11th of May, I was informed that the War Office had decided against a further reduction of the already much reduced garrison. On the 8th of May I was asked by the Secretary of State what was the total of recruits who have gone home from Hongkong for military service, and what number was still available. On the 19th of May, I replied that 375 men had gone from here to the front and, after consulting the Military Service Commission, I added that under the policy hitherto adopted of reduction of staffs to a minimum, but of non-interference with any existing business, irrespective of nature and imperial importance, about 75 more men of British parentage fit for active military service might be obtained, and I added estimates of larger numbers under varying degrees of stringency involving increasing degrees of interference with established businesses. The estimate of 75 was a very rough one, and I am inclined to think that it was too high. On the 21st of May, in forwarding the report of the Military Service Commission, I endorsed the suggestion of the Commission that compulsion for military service beyond the Colony should be adopted. On the 10th of July I was informed that, while compulsory military service outside the Colony was not definitely excluded, it is not contemplated in the special circumstances of Hongkong at present. Since the 19th of May, 14 more men have left here for the front, of whom four are Civil Servants. Deducting this number from the estimate of 75, it follows that in the opinion of those well able to judge there may still be about 61 men fit for active service who could be spared without interfering with the business of the Colony and by the local Military Authorities responsible for

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Colony. The Military Service Commission is still in being, and will be kept in being for the purpose for which it was appointed, and I trust that recruits for the Armies outside the Colony will be forthcoming down to a point when the Military Authorities will have to step in and refuse to let more men go. I have said that I informed the Secretary of State that the numerical strength of the existing Volunteer Forces would not be increased by compulsory service for local defence; and this, perhaps, requires some further explanation. The correspondence with Mr. Long had reference only to men of British race, and practically all residents of British race, who are physically fit, are already enrolled in either the Volunteers, the Volunteer Reserves, or the Police Reserve. There are, of course, in the Colony many British subjects of non-British race; and the Bill before Council gives powers of compulsion over all British subjects. It is not, however, the intention at present to call up men other than those of British race, at any rate in any large numbers. It is far from the intention of the Government to discourage men of non-British race from joining the local forces, and recruits who may wish to volunteer will be as welcome in the future as in the past. The Government fully appreciates the good work done by many of Chinese, Portuguese, and Indian race, both in the Volunteer Forces and in the Police Reserve. I may mention that the Police Reserve will not be affected by the present Bill, and members of British race now enrolled therein will not be transferred to the Hongkong Defence Corps. I may take this opportunity to mention that the Consular Representatives of Portugal, Japan, the United States of America, and the Netherlands have conveyed to me an offer from their compatriots to assist in the protection of the Colony, as members of the Police Reserve, or in any other way that might be considered suitable. I have not found it necessary to avail myself of these offers, but I am sure that hon. members and the community at large will endorse the high appreciation which I have expressed of the spirit in which they were made. (Applause.)

The Bill was then read a first time.

H.E. THE GOVERNOR — Councils stands adjourned until this day week.

FINANCE COMMITTEE.

A meeting of the Finance Committee followed, the COLONIAL SECRETARY presiding:—

Kowloon-Canton Railway

The Governor recommended the Council to vote a sum of nine hundred and seventy-five dollars (\$975) in aid of the vote Kowloon-Canton Railway, Special Expenditure, Construction, Heating Apparatus for Stores Office.

THE CHAIRMAN—This money was voted last year but it was not expended and it has to be re-voted this year.

The vote was agreed to.

Public Works, Extraordinary

The Governor recommended the Council to vote a sum of one hundred and twenty-five dollars (\$125) in aid of the vote Public Works, Extraordinary, New Territories, Drainage, (46) Cheung Chau Drain in Main Street.

THE CHAIRMAN—This is for the drainage of the Main Street of Cheung Chau. The expenditure on the work is as follows:—Amount of accepted tender, \$1,881; additional cost, for cement concrete surfacing, \$242.94; total \$2,123.94. The amount approved in 1917 estimates was \$2,000, leaving a deficit of \$123.94.

The vote was agreed to.

Fire Brigade

The Governor recommended the Council to vote a sum of five hundred and forty-eight dollars and twenty-five cents (\$548.25) in aid of the vote Police and Prison Departments, *B.*—Fire Brigade, Other Charges, Clothing.

THE CHAIRMAN—This sum of money is for the purchase of 21 brass helmets and 31 badges for members of the Volunteer Fire Brigade who took the place of the members of the Fire Brigade who have proceeded to the Front.

The vote was agreed to.

Kowloon and Victoria British Schools

The Governor recommended the Council to vote a sum of one hundred and sixty dollars (\$160) in aid of the vote, 1.—Education,—Kowloon and Victoria British Schools.

THE CHAIRMAN—This sum is required by the Kowloon and Victoria British schools for examination fees payable to the University for which no estimate was made. There has been a saving on the vote for Queen's College, Other Purposes, and University Examination Fees, so that the net increase is only \$80.

The vote was agreed to.

Ricsha Shelter

The Governor recommended the Council to vote a sum of eight hundred and fifty dollars (\$850) in aid of the vote Public Works, Extraordinary, Kowloon, Buildings, 31, Ricsha Shelter at Kowloon Point.

THE CHAIRMAN—This sum is required owing to the increase in the cost of materials and the increase in contract rates since the estimate was framed in 1916. The total cost of the shelter is \$2,850. The vote was for \$2,000.

The vote was agreed to.

Repairing Yard for Launches

The Governor recommended the Council to vote a sum of five thousand eight hundred and fifty dollars (\$5,850.00) in aid of the vote, Public Works, Extraordinary, Kowloon, Miscellaneous, Repairing and Coaling Yard for Government Launches—made up as follows:—

Cost of Capstan or Winch	\$ 5,407.00
Foundation for Winch	331.23
Sundry Stores, &c.,	111.77
	Total.....
	\$5,850.00

THE CHAIRMAN—The first of these items is a re-vote. It has been impossible to get the capstan so far but in the meantime it was decided to go on with the foundation for the winch, and that work has been done. The tender of Wing Lee was \$331.32. In connection with the work certain stores had to be purchased.

The vote was agreed to.

Imports and Exports Office

The Governor recommended the Council to vote a sum of one thousand five hundred and sixty dollars (\$1,560) in aid of the vote, 7.—Imports and Exports Office, Personal Emoluments.

THE CHAIRMAN—This is to pay the salaries of six temporary 5th grade clerks from June 15th to December 31st, 1917. Their salaries are at the rate of \$480 a year each, the initial salary of a 5th grade clerk. Their work is bringing the arrears of records up to date and the preparation of special statistics, which work it has been decided to undertake. Three of these clerks will probably be required permanently.

The vote was agreed to.

Roads and General Works

The Governor recommended the Council to vote a sum of five thousand dollars (\$5,000) in aid of the vote Public Works, Extraordinary, Hongkong, Communications) (8) Roads:—(h) General Works.

THE CHAIRMAN—This vote for General Works is always a difficult one to estimate for, because it is not known when houses will be built, and the Government has to carry out its obligations. In this case it is necessary to form a channel for the road and land adjoining an Inland Lot at Shaukiwan at a cost of \$950, and as there may be other expenditure of the same kind before the end of the year it is thought desirable to take a vote of \$5,000 to be on the safe side.

The vote was agreed to.

Tai Po Office

The Governor recommended the Council to vote a sum of eight hundred and fifty dollars (\$850) in aid of the following votes:—

Imports and Exports Department, Other Charges, Rent of Tai Po Branch Office	\$100
Imports and Exports Departments, Other Charges, Alteration to New Tai Po Branch Office	750
	Total
	\$850

THE CHAIRMAN—The office which was in use up to July was a very unsatisfactory one, and a new one is now rented for \$25 a month instead of \$10 a month. It was, however, necessary to pay rent on both offices during the month of July; therefore the sum required is six months rent at \$25 equalling \$150 and \$10 for the old office, making \$160 less \$10 for six months saved by not having the old office, leaving a balance at \$100. The second is to pay for alterations required in the branch office, counters, cupboards and a safe.

The vote was agreed to.

Kowloon-Canton Railway

The Governor recommended the Council to vote a sum of six thousand one hundred and ten dollars (\$6,110) in aid of the vote, Kowloon-Canton Railway, Special Expenditure, Land, Site of New Carriage Shed, Survey.

THE CHAIRMAN—This is really a sum to pay the salary of the assistant engineer who has been engaged on the new carriage shed and on other special works, and also one survey coolie who has helped to carry out the work on a certain small branch line. The Treasurer advises that it is necessary to take a special vote to cover these salaries and to put them together under this special heading.

HON. MR. SHEWAN—How many months is it?

THE CHAIRMAN—It is for the year. The assistant engineer's salary is \$500 a month.

HON. MR. SHEWAN—Are there any other salaries to pay?

THE CHAIRMAN—No.

The vote was agreed to.

Kowloon-Canton Railway

The Governor recommended the Council to vote a sum of five thousand five hundred dollars (\$5,500) in aid of the vote:—Kowloon-Canton Railway, Special Expenditure, Construction:—

Buildings and Fixtures, Loco and Carriage Shed	\$5,000
Earthwork (Loco Yard Extension).....	500
Total.....	\$5,500

THE CHAIRMAN—This is a re-vote because the work was not completed last year.

The vote was agreed to.

Rent Allowances

The Governor recommended the Council to vote a sum of thirty thousand dollars (\$30,000) on account of "Miscellaneous Services"—"Rent Allowances."

HON. MR. SHEWAN—With regard to this Minute how is this money to be distributed?

THE CHAIRMAN—A careful table has been drawn up by the Government applying the rules which hon. members can see if they wish to.

HON. MR. SHEWAN—Those rules I have never agreed to, if you refer to what were laid before Unofficial members. And is the money being given to the positions or to certain individuals?

THE CHAIRMAN—Certain individuals.

HON. MR. SHEWAN—Selected by whom?

THE CHAIRMAN—Selected in accordance with the rules.

HON. MR. SHEWAN—Those who do not rent houses will not get these allowances?

THE CHAIRMAN—Those who have not to bear the whole burden of rent will not receive these allowances.

HON. MR. SHEWAN—Therefore the man living economically will be discouraged and men living extravagantly will be encouraged.

THE CHAIRMAN—I do not think because they are paying high rents for their houses they can be considered extravagant. Ninety-eight per cent. are married officers who have separate houses or flats, and because they occupy them it cannot be said that they are extravagant.

HON. MR. SHEWAN—A bachelor living in a house by himself gets an allowance?

THE CHAIRMAN—Yes.

HON. MR. SHEWAN—Another man living in the Hongkong Hotel will not get his allowance?

THE CHAIRMAN—He will not.

HON. MR. SHEWAN — Therefore he suffers although he sends his wife and family home to economise?

THE CHAIRMAN—That I cannot say. It is an economy with the present rate of the dollar to send his wife and family home.

HON. MR. SHEWAN—I strongly object to it on those grounds. It seems to me most unfair. It will give rise to a great deal of heart-burning and jealousy among other members of the Service.

THE CHAIRMAN—It is a purely temporary measure.

HON. MR. SHEWAN—Temporary measures have a habit of lasting very long.

Purchase of "Lysholt"

The Governor recommended the Council to vote a sum of forty thousand dollars (\$40,000) on account of "Miscellaneous Services," Purchase of "Lysholt" at the Peak.

HON. MR. POLLOCK—With regard to No. 32. These figures, of course, have only been laid upon the table this afternoon, and hon. members have not had any opportunity of considering this matter. I suggest the matter be postponed for a week.

THE CHAIRMAN—The only objection is that the money should be paid at once, and I can assure hon. members that the purchaser is making nothing out of it.

Hon. Mr. SHEWAN—Who is to reside in this house?

THE CHAIRMAN—That is not settled yet.

HON. MR. SHEWAN — Is it intended for Government servants?

THE CHAIRMAN—Yes.

HON. MR. SHEWAN—Free?

THE CHAIRMAN—No. Rent will be charged.

HON. MR. POLLOCK—I understand from the papers that the purchaser paid so much for it.

THE CHAIRMAN—Yes, he paid \$37,000, but I can assure you he is not making a cent profit out of this.

HON. MR. POLLOCK—I do not think we ought to pass this to-day. I do not think a week's delay will cause any trouble.

THE CHAIRMAN—The condition of the purchase is that the money shall be paid at once.

HON. MR. POLLOCK—We have to pass the vote for \$40,000 to day or to leave it?

THE CHAIRMAN—It must be passed at once, I think.

HON. MR. POLLOCK—If it were not so I should certainly propose a postponement, but we have to make up our minds at once.

THE CHAIRMAN—The purchaser of the property is not making a cent profit out of it.

HON. MR. SHEWAN—Better pass it to-day in case he backs out of it.

Both votes were agreed to.