

11TH OCTOBER, 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. E. D. C. WOLFE (Colonial Treasurer).

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

HON. MR. Mc.I. MESSER (Captain Superintendent
of Police).

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

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

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

HON. MR. LAU CHU PAK.

HON. MR. C. E. ANTON.

HON. MR. R. G. SHEWAN.

HON. MR. S. H. DODWELL.

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

Financial

THE COLONIAL SECRETARY, by command of
H.E. the Governor, laid on the table Financial Minutes
Nos. 62 to 64, and moved that they be referred to the
Financial Committee.

THE COLONIAL TREASURER seconded, and
this was agreed to.

Financial Minutes

THE COLONIAL SECRETARY, by command of

H.E. the Governor, laid on the table report of the
proceedings of the Finance Committee, No. 11, and
moved that it be adopted.

THE COLONIAL TREASURER seconded, and
this was agreed to.

Papers

THE COLONIAL SECRETARY, by command of
H.E. the Governor, laid on the table Sessional Paper
17—an abstract showing the differences between the
approved estimates of expenditure for 1917 and the
estimates of expenditure for 1918; and Sessional
Paper 18—the financial statements in connection with
the estimates for 1918.

The Budget

THE COLONIAL SECRETARY moved the first
reading of a Bill intituled, "An Ordinance to apply a
sum not exceeding eight million, three hundred and
sixty-eight thousand, nine hundred and ten dollars to
the Public Service of the year 1918," for the following
purposes:—

Expenditure

Governor.....	\$ 84,088
Colonial Secretary's Department and Legislature.....	81,072
Colonial Secretary's Special Expenditure	650
Secretariat for Chinese Affairs	57,487
Audit Department.....	36,581
Treasury	67,622
Harbour Master's Department.....	200,316
Harbour Master's Special Expenditure.....	500
Imports and Exports Department.....	850,627
Imports and Exports Special Expenditure....	300
Royal Observatory.....	23,252
Miscellaneous Services.....	446,700
Judicial and Legal Departments.....	268,138
Judicial and Legal Special Expenditure	180
Police and Prison Departments	1,032,734
Police and Prison Special Expenditure.....	700
Medical Department.....	276,397
Sanitary Department.....	398,466
Sanitary Department's Special Expenditure.	3,000
Botanical and Forestry Department.....	52,564

Education.....	376,052
Education's Special Expenditure.....	4,350
Military Expenditure:—Defence Corps....	97,448
Public Works: — Public Works Department.....	471,612
Public Works Department's Special Expenditure	280
Public Works, Recurrent.....	608,700
Public Works, Extraordinary	1,685,800
Post Office.....	397,354
Kowloon-Canton Railway: — Working Expenses.....	392,335
Special Expenditure	76,385
Pensions,.....	334,630
Charitable Services.....	42,590
Total.....	<u>\$8,368,910</u>

THE COLONIAL TREASURER seconded.

H.E. THE GOVERNOR—Hon. members of the Legislative Council, it gives me much pleasure to be able to lay before you an even more satisfactory financial statement than I did last year. Last October I informed you that it was estimated that at the end of the year 1916 the balance of assets over liabilities would be \$1,003,643, but the actual balance amounted to \$2,300,785, or a sum of \$1,297,142 more than was anticipated. The revenue receipts up to the 30th June this year were \$385,559 in excess of expenditure, and it is estimated that the balance of assets over liabilities on the 31st December next will amount to \$2,867,945. I should, now ever, point out that no payment has yet been made to the Commonwealth Government in respect of the erection of buildings for, and the maintenance of, the prisoners of war and interned enemy subjects who were sent to Australia in January last year, and on subsequent dates. A statement of the amount due has been promised and payment may be made before the end of the year.

It is estimated that the revenue for this year will amount to \$14,257,330, or \$1,015,330 more than the original estimate. Of this increase a sum of \$502,500 is due to the special war rate and will be paid to the Imperial Government. The balance is largely made up of \$250,000 from the Opium Monopoly and \$100,000 from Tobacco Duties. It is satisfactory to find that the yield from this new source of revenue is so much larger than was expected.

The expenditure for this year, which was originally estimated at \$12,425,018, is now expected to exceed

that sum by \$1,265,152. There have been savings in practically all departments and the excess is due to the gift of \$2,000,000 made by the Colony to the Imperial Government for war purposes. A sum of \$51,218 under the head "Military Expenditure" is due to the arrears of military contribution for 1916 being paid this year.

Estimates of Revenue for 1918

The estimated revenue for 1918 is \$14,763,590, being \$1,521,590 in excess of the approval estimated for 1916, and \$506,260 in excess of the revised figures for the current year. This estimate includes a sum of \$1,007,000 from the special war rate, and as the revised estimate for the year includes a sum of \$502,500 from the same source, the estimated revenue for next year is almost exactly the same as the revised estimate for this year.

As compared with the approved estimates for this year the principal increases (in addition to the sum of \$1,007,000 mentioned) of which explanations will be found in the footnotes are as follows:—

Assessed Taxes.....	\$ 21,400
Forfeitures.....	7,400
Liquor Licences	21,000
Opium Monopoly.....	250,000
Tobacco Duties.....	100,000
China Companies Fees	10,000
Fees for use of Government buoys.....	11,000
Medical Examination of Emigrants.....	5,000
Public School Fees	12,000
Sunday Cargo Working Permits	20,000
Survey of Steamships.....	10,000
Water, Excess supply and Meterrents.....	5,000
Message Fees	17,500
Postage.....	10,000
Goods, Through Traffic	7,000
Leased Land (Crown rent exclusive of New Territories).....	5,000
Stone Quarries.....	6,440
Interest.....	46,000
Compensation in lieu of rates	8,000
Royalty payable by the Hongkong Tramway Co.....	7,500
	<u>\$580,240</u>

Estimates of Expenditure for 1918

The estimates of expenditure for next year is \$12,140,475, which is \$284,543 less than the estimated expenditure for the current year. The various increases and decreases in each department and the reasons therefor are fully set out in the Sessional Paper laid before honourable members. I would draw attention to the footnote in the Sessional Paper regarding certain errors in the estimated expenditure for this year, which have come to light when making the calculations of the increases and decreases in each department. I would remind you that owing to the pressure of work caused by the reduced staff of the Secretariat this useful abstract was not made last year. It is an absolute check on the figures, and if it had been made the errors referred to would not have occurred. The revised figures have been used by me in making the comparisons in the first part of this statement. There is a small decrease in the department of Governor chiefly due to higher exchange and a decrease in the votes for Other Charges. Small increases are shown in the departments of Colonial Secretary and Legislature and Secretariat for Chinese Affairs due to stipulated increments. An increase is shown in the Audit Department through the grant of Duty Pay amounting to £60 per annum to the two Assistant Auditors and through the creation of a Second Grade clerical post with a view to strengthening the department. A small increase is shown in the Treasury due to stipulated increments and the creation of a temporary clerkship to assist in the collection of the special war rate.

In the Harbour Master's Department provision is made for one 2nd Grade Clerkship in place of one 3rd Grade, one 4th Grade Interpreter and one 6th Grade Telephone Clerk, the need for which is explained in Appendix III. In the Marine Surveyor's Office and under Steam Launches the votes for coal and liquid fuel have been increased to meet the higher cost. Under Lighthouse and Lights the introduction of Aga Lights at Cape Collinson and Blackhead's Hill has produced a saving of \$675 under the former and an increase of \$125 in the latter case.

The work of the Department of Imports and Exports has increased to a large extent owing to the various war measures in force, especially the Importation and Exportation Ordinance, and to the imposition of a tax on tobacco. For well over a year the Superintendent of Imports and Exports has had the assistance of two Cadet Officers, one a Cadet Officer of the 3rd Class and the other a Passed Cadet in a post of the 3rd class. I have, therefore, as a

temporary war measure, approved of these two officers continuing so to act and provision has been made for their salaries on that basis, together with travelling and overtime allowances, under Miscellaneous Services, War Expenditures, Special Expenses of the Imports and Exports Department. There will be a corresponding saving under the posts in which they nominally officiate, namely, those of Assistant Postmaster General and Passed Cadet.

Under Personal Emoluments in the Imports and Exports Department the principal increases are the addition of six temporary 5th Grade Clerkships and the creation of a Temporary Staff for the compilation of Trade Statistics. A lump sum of \$10,000 has been inserted for the latter staff as the requirements of the department cannot at present be stated exactly. Owing to the working of the Import and Export Permit System on Sundays and Holidays, overtime allowances to the staff have been increased by \$1,316 to \$4,500. The Revenue Officer in charge of the searchers for opium and other contraband goods holds such a responsible position that he has been promoted to the post of Chief Preventive Officer on a higher salary. The number of Revenue Officers is correspondingly reduced. The vote for Electric Fans and Light has been sub-divided, \$1,000 being transferred to Factory and the vote reduced by \$500. This enables a more accurate calculation to be made for the Defence Contribution.

A large decrease of \$150,000 is made under Opium in Other Charges, the sum inserted being considered sufficient for the supply of raw opium for the year. A sum of \$2,400 has been added for the Rent of Temporary Offices for the staff employed on the compilation of Trade Statistics. Under Special Expenditure in this and other departments employing steam launches a sum is inserted for a triennial inspection of launch boilers.

In the Royal Observatory a 5th Grade Computer has been promoted to 4th Grade with allowance for night duty. Under Other Charges a sum of \$100 is inserted for the maintenance of the installation

for receiving Time Signals by Wireless Telegraphy.

Under Miscellaneous Services there is an increase of \$1,000 in Coal for Offices due to increase in cost. Various small decreases occur due to higher exchange and the sum of £30 formerly given to the Department of Chinese in London University has been transferred to the recently founded School of Oriental Studies, London Institution. The vote for Loss on Subsidiary Coins, which stood at \$300,000 for the current year, has been omitted for 1918 as withdrawals from circulation have now ceased. Economies have been made in Electric Fans and Light and the vote has been reduced by \$1,000. The vote of \$2,200 for a New Edition of General Orders has been omitted, as under the pressure of war conditions it is uncertain when a new edition will be produced. The vote for Rent Allowances has been increased by \$27,000 to provide House Allowances to the Senior Service pending the erection of quarters. A reduction of \$7,000 is made in Telegrams, due to the arrangement whereby the public are now charged for telegrams sent on their behalf. Savings of \$1,600, are shown under War Expenditure. Prisoners of War, while the votes for Cable and Postal Censorships have been increased for the reasons given in Appendix I. Under Imports and Exports Department, I have explained the need for the vote for Special Expenses of the Imports and Exports Department. The vote for Special Expenses of the Pass Office, Police Department, is intended to cover the travelling and overtime allowances of the Assistant Superintendent of Police in charge, his salary being provided under an acting appointment.

In the Supreme Court the 2nd Grade Assistant Interpreter and the 3rd Grade Clerk and Translator having both passed their 1st Grade Interpreter's examination have been promoted to 1st Grade. A reduction of \$2,000 has been made in the vote for travelling expenses of watchmen and the temporary engagement of extra watchmen.

In the Magistracy, a new appointment to the office of 1st Police Magistrate produces a slight reduction in Personal Emoluments.

Under District Officer an increase in Personal Emoluments arises from the appointment as District Officer of an officer on a sterling salary. The votes for Transport for both districts have been increased by a total sum of \$800, which is chiefly due to the increase in cost of launch hire.

In the Attorney-General's Office the 2nd Grade Clerk has been promoted to 1st Grade for the reasons

set out in Appendix III.

The salary of the Assistant Crown Solicitor shows a decrease due to a new appointment while the Duty Pay of the Official Receiver and Registrar of Trade Marks has been reduced from £150 to £100, the usual duty pay attached to a Class III post.

In the Police Department under Personal Emoluments provision is again made for only 79 European Constables and a saving of \$77,479 is shown. No less than 59 members of the Police Force have gone to the front, of whom I regret to say ten are reported to have been killed in action, while two Police Officers have been seconded for service under the Government of India for the duration of the war.

Since I addressed you last year the members of the Police Reserve under Deputy Superintendent Jenkin have continued to perform their duties in an exemplary manner. Both the discipline and *morale* of the Force are excellent, and I feel that the community is greatly indebted to these men for the valuable and gratuitous services that they render.

Under Other Charges an increase is shown of \$2,000 for the Clothing and Accoutrements of the Police Reserve, the Government having undertaken to supply the uniform and equipment of the Chinese Section, hitherto borne by voluntary contributors. The votes for Coal for Barracks and Coal and Oil Fuel for Launches and Boats have been increased by \$29,625 due to the higher cost. Grants of \$1,500 and \$1,800 are included for the Police Reserve Band and for the Rent of Police Reserve Headquarters. Decreases of \$1,000 each are shown under Ammunition and Arms, while the vote for Equalisation of Exchange on Indian Police Remittances has been reduced by \$6,000. Since the installation of the Police at Castle Peak, the services of eight scouts have been dispensed with and the vote in aid of the Village Scout Scheme is accordingly reduced by \$480. The vote Passages and Bonuses in lieu of passages has also been reduced by \$4,000. In the Fire Brigade the increase in the cost of Coal and Oil Fuel has necessitated an increase of \$1,410 in Other Charges.

In the Prison Department two additional temporary Indian Warders have been appointed to replace European Warders who have proceeded on active service. Under Other Charges the vote for Incidental Expenses has been subdivided

and to the vote for Furniture are now debited articles made by prisoners for the Gaol. The votes for Clothing and Shoes for Staff and Clothing for Prisoners have been increased owing to the higher cost of materials. A reduction of \$860 has, however, been made in other votes.

In the Medical Department, it has been decided to leave in abeyance for the present the post of Superintendent of the Civil Hospital, and one additional Medical Officer has therefore been included. It is unlikely, however, that the post will be filled in 1918. The salaries of all Nurses and Probationers have now been transferred from the heading Hospitals and Asylums and placed under Staff. In Other Charges, Staff, provision is made for the Rent of a new Dispensary for the Medical Officer, Kowloon.

Owing to the employment of Japanese nurses the Interpreter formerly employed in interpreting for Japanese patients is no longer required. One Chinese Wardmaster has been added to the Lunatic Asylum owing to the absence of European Wardmasters on active service. A net increase of \$8,050 is included in Other Charges, Hospitals and Asylum, to meet the increased cost of commodities. New votes of \$750 and \$1,550 are inserted for the Upkeep of the Dental Clinic, and for the Ventilation of the Operating Theatre. The vote for the Upkeep of the X Ray Apparatus has also been increased by \$260. An increase of \$180 is inserted for the Rent of New Quarters and Dispensary for the Medical Officer, New Territories. The vote for Coal for the launch of the Health Officer of the Port has been increased by \$1,100 to meet the rise in price. Small increases appear in Other Charges for Institutes and for the Government Laboratory, due to the general rise in the cost of commodities.

In the Sanitary Department a new appointment to the post of Secretary causes a slight reduction in Personal Emoluments. Half salary is again provided for the Assistant Medical Officer of Health as the post will not be filled in 1918. The establishment of the Sanitary Inspectors at a salary of £165 rising to £225 by £15 biennially has now been completed by two new appointments. Provision for twelve only was made last year. Additions made to the Sanitary Staff owing to the increase in the duties to be performed are shown in Appendix III.

Under Other Charges it has been necessary to raise the amount provided for Coal owing to the increase in cost and the construction of an additional steam barge.

The net increase under the head is \$6,985.

Under Special Expenditure provision is made for Special Repairs to the Steam Barges.

In the Botanical and Forestry Department a sum of \$1,000 has been provided for Improvements to Fanling Golf Course. This is for the purpose of top-dressing the fairways and improving the turf. The good effect of this policy is already apparent. The work of planting the hills in the neighbourhood of the Golf Course has made good progress during the past year.

Under the Department of the Director of Education it will be noticed that six Student Teachers are inserted. It is intended to send three Student Teachers to the University each year; three have already entered and three more will enter next session. They will pass through the regular course at the University and at the same time receive training as teachers from the Normal Master. It is hoped thereby to improve considerably the teaching of English by Chinese Masters. Votes for their Fees and Maintenance at the University appear under Other Charges. In Queen's College one Assistant Mistress has been appointed to replace an Assistant Master, while two other ladies are at present employed in place of a master on active service, and are being paid out of lapsing salaries. Two Chinese Masters have been appointed to Kowloon British School and Victoria British School for the reasons shown in Appendix III. In Victoria British School provision is made for one Assistant Mistress in place of one 3rd Grade Assistant Mistress. Under Other Charges small increases are shown under Kowloon British School and Victoria British School for University Examination Fees, as these schools now present pupils for the Entrance Examinations for the Hongkong University. The Capitation Grants and University Examination Grants have been increased owing to an increase in the number of pupils at the various Schools. The scheme of subsidies to schools in the New Territories having proved successful, the vote has been increased by \$900.

With a view to carrying out the recommendations of the recent Committee on the Teaching of English in the Hongkong Schools a vote of \$1,350 is inserted under Special Expenditure in order to improve the equipment of the District Schools.

Under Military Expenditure the contribution to the Imperial Government is estimated to amount to \$ 2 , 7 2 1 , 4 1 2 . D e t a i l s

will be found in Appendix II. The Hongkong Volunteer Corps and Hongkong Volunteer Reserve having been embodied in the Hongkong Defence Corps, the form of the Estimates has been recast. The Capitation Grants no longer appear and the posts of Inspecting Officer and Adjutant of the Volunteer Reserve have been abolished. The salary of the Administrative Commandant has been fixed at £375 per annum with a House Allowance of \$900; the allowance to the Adjutant has been increased from \$5 to \$7 a day and allowances are included for the Officers Commanding the Artillery and Engineer Companies. The Subordinate Staff, formerly paid out of Volunteer Corps Funds, is now shown under Personal Emoluments and one clerk for the Engineer Company has been added. Separate votes are inserted under Other Charges for all expenses of the Corps.

The change brought about in the constitution of the Local Auxiliary Forces necessitated the retirement of Lieut.-Colonel A. Chapman, who for nearly twenty-five years had been connected with the Hongkong Volunteer Corps, for ten of which he was in command. I desire to express my appreciation of his long and faithful service in the Corps.

In the Public Works Department, under "Personal Emoluments," "General Staff," the number of 1st Grade Assistant Engineers on the permanent staff has been increased to five and none now remain on the temporary establishment; the number of 2nd Grade Assistant Engineers has been increased to seven by the transfer of two from the temporary establishment and by the transfer of two Assistant Land Surveyors to the Engineering Branch. The number of 1st Class Overseers is increased by one transferred from the temporary establishment and the number of Overseers 1st Class on the temporary establishment correspondingly reduced. The number of Assistant Land Surveyors on the permanent staff has been increased to five and the number on the temporary establishment reduced to three.

With a view to strengthening the department the Clerk in "Accounts Correspondence and Stores" has been transferred to "Water Works," one 1st Grade Clerk has been transferred from "Water Works" to "Accounts Correspondence and Stores" and one 5th Grade Shroff and one 3rd Grade Clerk have been added to "Accounts Correspondence and Stores" and "Water Works," respectively.

Under Public Works Recurrent the main increase is

that of \$15,000 in Maintenance of Waterworks for City and Hill District. This is due to the increased price of stores and of coal for pumping. A sum of \$4,000 has been inserted for Special Repairs to the Filter Beds in Kowloon. The item for Stores Depreciation has been entered at the nominal sum of \$100, as a credit balance was obtained in 1916, while the amount to be written off the value of the *St. Enoch* disappears, as the dredger is no longer borne on the Store Books.

The Estimate of Expenditure under the head "Public Works, Extraordinary," is \$1,685,800, a rather larger sum than is provided for in the estimates of this year, but every endeavour has been made to confine the programme of works to the necessities of the development of this young and rapidly growing Colony. Apart from certain sanitary works, it is therefore only proposed to continue the building of the extension to the Central Police Station, the erection of certain quarters for Government officers at Leighton Hill and in Kowloon and of a market at Shamshuipo, and to begin the erection of new offices for the Superintendent of Imports and Exports next to the Harbour Office, and a small market at Tai O.

The feature in the estimates is the programme of main road construction, for which a sum of \$367,000 is provided, while a sum of \$247,500 will be expended in the improvement of existing roads. The great increase in the use of motor-cars in the Colony and the growing necessity of opening up residential sites beyond the limits of Victoria and Kowloon has rendered it imperative for the Government to provide safe means for rapid transport. By their use in opening up new areas, in facilitating transport, and in rendering the Colony more attractive to visitors and residents, especially Chinese who show a remarkable appreciation of motoring, these new roads will all tend to produce revenue of a permanent nature. They are therefore remunerative works. I will go into the matter in greater detail under the proper heads.

In Hongkong under "Buildings" a sum of \$150,000 is provided for continuing the work on the extension to the Central

Police Station, and \$70,000 for beginning the erection of large offices for the Department of Imports and Exports, the plans for which have been considered by the Public Works Committee and referred to the Secretary of State. The provision under item 3 for the erection of quarters on Leighton Hill includes a re-vote of the sum of \$60,000 provided in this year's estimates.

Under Roads item 5 (a) and (b) and (d) to (i) provision is made for completing the main road round the Island. Beginning at Aberdeen the work already in progress will result in a wide road being made from the docks passing outside the village on to a widened bund (d). Thence the mile of narrow road to Little Hongkong will be widened and straightened at a cost of \$15,000 (i). The improvements now in progress between Deep Water Bay and Repulse Bay will be completed at a further outlay of \$6,000 (a). From Repulse Bay to a point on the road between Stanley and Tytam Tuk it is proposed to make a new road on an improved trace with easy gradients and with a summit considerably lower than that of the present path. The alignment is not yet settled, but a sum of \$80,000 has been entered in anticipation of the work being finished next year (e). The remainder of the road to Tytam Tuk will be improved and widened at an estimated cost of \$66,000 (f). The approach road to the reservoir and the road over the dam will be completed this year. Under (b) a sum of \$30,000 has been provided for completing the road from the dam to Tytam Gap. From Tytam Gap it has been suggested ultimately to proceed to Shaukiwan through a deep cutting and over an entirely new road at a much lower level than the existing road, but in order to avoid the great expense of this work at present provision has been made for a small loop road at Tytam Gap joining the new road to the existing road (h) and a sum of \$49,500 for improving the existing road to Shaukiwan. The circle of the major portion of the island by a good road will thus be completed, and it is difficult to estimate the boon which such a road will be, not only as a means of recreation, but as an aid to the development of a portion of the island hitherto quite out of reach as a practical place of residence for business men.

Item 6. The sum of \$5,000 provided is required for the laying of a cable from the General Post Office to No. 2 Police Station to carry telephone wires underground and so to relieve the poles which are becoming over-loaded.

Under "Miscellaneous" items 14 and 15 are for very desirable improvements in the sanitation and

administration of Victoria Gaol, while items 16 and 17 provide for jetties for the more speedy removal of refuse. The provision of jetties is found to be necessary for the preservation of the lighters, which suffer damage by lying alongside the Praya wall at low tide.

Under Item 24, a larger sum than usual has been provided for "compensation and resumptions," as it is anticipated that considerable expenditure will be required for resumptions in connection with road construction and improvement. Under the heading "Waterworks" a sum of \$102,000 is entered to complete the additional service reservoir and filter beds at West Point. The sum of \$50,000 for the Tytam Tuk Scheme, Second Section, is almost entirely retention money on the contract.

In Kowloon under "Buildings" a sum of \$68,000 has been provided for erecting a block of six quarters for Subordinate Officers, and \$10,000 to complete the market at Shamshuipo. Negotiations for the resumption of a strip of land required in connection with the former item have delayed the commencement of the quarters hitherto, while the site of the market at Shamshuipo has only recently been settled.

Item 32 (a) is for a road connecting Yaumati with Taikoktsui. The lessees of certain lots have represented that they are unable to proceed with the development of their lots until reasonable means of communication with them are provided.

Under Item 36 a sum of \$3,500 is provided for a shelter of picturesque design in the playground on Chatham Road.

Under Item 39 a sum of \$50,000 is provided for Compensation and Resumptions, as it is expected that considerable payments will have to be made in connection with the extension of the system of main roads.

In the New Territories the only work under "Buildings" is a market at Tai O, which is much required.

Under "Roads" a sum of \$40,000 is entered to complete the Tsun Wan section of the road to Castle Peak now under construction, and a sum of \$215,000 for the portion from Tsun Wan to Castle Peak. To complete the widening of the road from Fanling to Castle Peak a sum of \$25,000 is provided, and it is proposed to continue the widening and improving of the road to Taipo at a cost of \$40,000.

These works will result in a good broad road being in existence at the end of next year from Kowloon by Castle Peak and Fanling back to Kowloon, a distance of over sixty miles. It is expected that much development will take place in consequence both for residential and agricultural purposes. The road from San Tin to Lok Ma Chau Police Station will be useful for police administration, the present path being narrow and liable to flooding.

Under "Drainage" a sum of \$20,000 has been provided for drains in connection with building operations, and a sum of \$27,000 is entered for water mains at Shamshuipo.

In the Post Office under Other Charges the abolition of sea sorting on board P. & O. packets has reduced the share of the Mail Subsidy by £600; this is still further reduced by higher exchange and a saving of \$10,640 is shown. It is estimated that higher exchange will also result in a saving of \$25,000 in Transit Charges. There are increases in Coal and other items amounting to \$3,050, but against these are set decreases of \$500 and \$1,400 in Stamps and Incidental Expenses, respectively. The vote for Stores, D'Aguiar Radio Telegraph Station, was over-estimated last year and has been reduced by \$5,435.

In the Kowloon-Canton Railway, under General Charges, Personal Emoluments, it will be noticed that the post of Inspector of Station Accounts has been abolished.

Under Maintenance of Way Works and Stations, Other Charges, there are increases of \$350 for Fastenings, \$225 for Points and Crossings, \$450 for Roads and Crossings, and \$2,400 for Sleepers, as it is anticipated that a large number of renewals will be required next year. Against these are set decreases of \$700 in Ballast, \$2,200 in Bridges and Tunnels which have undergone biennial repairs and renovation this year, \$250 in Maintenance of Signals, \$75 in Plantations \$650 in Repairs of Staff Quarters and \$1,050 in Repairs of Station Buildings, so that the total Other Charges has been reduced by a sum of \$1,500. Under Locomotive, Carriages and Wagon Expenses, Personal Emoluments, there are several small additions to the staff, which are set out in Appendix III. Under Other Charges there is a large increase of \$32,000 for Coal which has been reduced from 7,000 to 6,000 tons in quantity. There are, however, reductions in other votes which bring the net increase to a sum of \$29,328.

Under Traffic Expenses, Personal Emoluments, the

post of Head Guard has been abolished and a new post of Station Inspector has been created with a view to the better supervision of Chinese Station Masters. One 6th Grade Telephone Clerk has been added for night duty. "Other Charges" have been reduced by \$4,801 in all, the Commission on the Transport of Goods amounting to \$3,000 being deducted before estimating revenue.

Coal for the Fanling Branch Line is estimated to cost \$1,750 more and the votes for Fastenings and Sleepers have also been increased. Other items have been reduced so that the net increase is \$1,895. I regret that this Branch Line shows no sign of being able to pay its way. The estimated revenue for 1918 is only \$10,100 and the estimated cost is \$13,898. It may be necessary to close the line unless its productiveness increases.

Under Special Expenditure a vote of \$3,000 is inserted for a Motor Trolley for the better supervision of the track by the Engineer of Way Works and Stations. A re-vote of \$60,000 is included for the platform awnings. The erection of these has been much delayed by the difficulty experienced in obtaining the necessary steel work from England. Votes amounting to \$12,985 are included for other constructional works. The huts for pointsmen and gatemen are considered necessary, as these men have to be out at all times and in all weathers. The vote for New Fencing is required as the wooden fencing which has not been renewed since the commencement of the railway now requires renewal. It is considered necessary to provide quarters at Lo Wu for the staff at Sham Chun Station, as there is no living accommodation for them there and it is considered desirable that the staff should live in British territory. The pipe line at Taipo requires complete renewal, as it has been found to be much corroded and choked up. Improvements are required to the approach road to Yaumati necessitated by an increase in vehicular traffic at that station, while the vote for Roads and Crossings is required owing to the greater use that is now made of these crossings.

Under the heading Charge on account of the Public Debt a considerable saving is shown in the Interest on the Consolidated Inscribed Stock, the Crown Agents' Charges and in the Sinking Fund, amounting in all to \$29,137, which is due to higher exchange. The vote of \$10,000 for Service of the War Loan is not required.

There is a decrease of \$6,070 under Pensions, Civil Pensions being estimated to cost \$7,370 less than in 1917. I have already addressed you regarding the death of Dr. Atkinson, and it is a matter for deep regret that he should have lived for so short a time to enjoy the pension that he had so well earned. The increase in the amount required under Widows' and Orphans' Pensions is due to the untimely death of several valuable officers.

A saving of \$1,569 is shown under Charitable Services.

There is an estimated balance of Revenue over Expenditure of \$2,623,115, which added to the estimated balance at the end of this year of \$2,867,945 makes a total of \$5,491,060. These figures are eminently satisfactory, and while repeating the warning that I gave last year as to the necessity for husbanding our resources, I will take an opportunity later on of consulting honourable members as to what further help the Colony can give to His Majesty's Government. In this connection I will bring up to date the statement of the financial and other aid given by the Colony to Imperial War Funds and to War Charities, which I made to the Council in March.

The amounts taken up through the British Banks in the Colony to the end of September are as follows:—

British War Loans and War Savings	
Certificates.....	£1,145,000
Straits Settlements and Federated Malay States Loans.....	
	\$3,865,173
	(Straits Currency).

The Hongkong and South China War Savings Association, which was established in January last, had received up to the end of September the large sum of \$1,011,440 Straits Currency and the number of members of the Association was 787. The Colony is deeply indebted to the gentlemen who formed and have carried on this association at no expense to the members, and to the Union Insurance Society of Canton, who are the Honorary Secretaries and Treasurers. It has proved a great boon to the small investor, and we can only hope that the remaining sum which the Government of the Straits Settlements has reserved for the Association will all be taken up.

In my statement last March I gave a list of the amounts contributed to various funds in aid of the war and to charities in connection with the war up to the 31st December, 1916, the total being £64,192. Up to the end of September the War Charities Committee

remitted a further sum of over £13,000 and have expended locally for the working parties and in other ways a sum of \$84,030.

The Jockey Club sent to St. Dunstan's Hospital a sum of £3,900 and £100 to the Blue Cross Society, while the St. Andrew's Society and the Masonic Bodies have also remitted large sums.

The local branch of the Overseas Club subscribed a sum of £1,690 for the purchase of an aeroplane and for sundry charities. I desire to make special mention of the generous gifts of a battleplane by Mr. A. R. Lowe, and an aeroplane by Mr. Ho Fook.

The various parties of ladies working under the auspices of Queen Mary's Needlework Guild have since the beginning of the war made 211,274 bandages, 30,271 garments and 11,158 knitted articles, while the Union Church working party and other private working parties have all continued to supply many articles monthly.

I should like to mention that from the 7th August correspondence from all regular troops stationed in Hongkong addressed to any place in Great Britain and Ireland, to any British Colony or Possession, and to all places in which British troops are engaged in military operations has been transmitted through the post free of charge. Up to the 30th September the following articles had been posted and forwarded by the Post Office:—20,696 letters, 374 postcards, 380 other articles.

Up to the 30th September, 472 men had proceeded from the Colony on active service with His Majesty's Forces, of whom I regret to say 33 have been killed in action. The Military Service Commission which I appointed in the Spring did most useful work, resulting in the release of more than fifty men for service outside the Colony. The war still continues, and I trust that the Colony will continue to make every effort in supporting His Majesty's Government both in the supply of men and money until the objects for which the Empire and her gallant Allies are struggling have been attained.

It is proposed to take the second reading of the Supply Bill on Tuesday, the 23rd October, as it is essential that the estimates should be forwarded on the 25th October in order that in accordance with the Colonial Regulations, they may be considered and approved, or otherwise, before the end of the year.

The Bill was then read a first time.

Boarding House Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill entitled, "An Ordinance to provide for the licensing and control of places where persons are lodged for hire." In doing so he said—the object of the Bill is to provide powers for the licensing and better control of hotels and boarding houses and all other places where persons are lodged for hire, and where some form of domestic service is rendered to the person so lodged. Some of these places are already sufficiently controlled under various Ordinances; for example, the European hotels are controlled by means of publicans' licenses or adjunct licenses, and boarding houses where assisted emigrants may be lodged are controlled under the Asiatic Emigration Ordinance, 1915, but there are other places of this kind, either boarding houses or hotels, where there is no proper or appropriate form of license. For example, the better class of Chinese hotel, though some of them have restaurant licenses, have not got a form of license which is really appropriate to their case. The restaurant license controls only the restaurant portion of their business, and licenses under the Asiatic Emigration Ordinance control the boarding houses only as regards emigrants. That form of license is also perhaps rather beneath the dignity of the better class Chinese hotels. This Ordinance will provide a proper form of license. The Ordinance gives power to deal with boarding houses generally, but at present it is only proposed to deal with the Chinese hotels and boarding houses that are referred to in the draft regulations which were published with the Bill. Other classes of boarding house may be dealt with afterwards if it is found necessary to do so.

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

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

Clauses 1 and 2 were passed without amendment.

THE ATTORNEY-GENERAL moved that paragraph (f) of Clause 3 be deleted and the following clauses be marked (f) and (g) instead of (g) and (h).

This was agreed to.

Clauses 4, 5 and 6 were passed without amendment.

THE ATTORNEY-GENERAL—I wish to move an amendment to Clause 7 to make it clear that the

licensee is liable for the acts of his partners as well as of his other agents. I move, therefore, that the word "partners" be inserted in the marginal note to make it read "Responsibility for acts of partners, agents and servants," and that in Sub-clause 1 the last seven words be omitted and the words "his partner, agent or servant" inserted in their place, and that in Sub-clause 3 the word "partner" be inserted between the words "such" and "agent" in order that this sub-clause may read "nothing in this section shall be construed as relieving any such partner, agent or servant from any penalty or forfeiture to which he would otherwise be liable."

This was agreed to.

Clause 8 was passed without amendment.

On Council resuming,

THE ATTORNEY-GENERAL moved that the Bill, as amended in Committee, be read a third time.

The Bill was then read a third time and passed.

Liquors Consolidation Ordinance, 1911

THE ATTORNEY-GENERAL moved the second reading of the Bill intitled, "An Ordinance to amend the Liquors Consolidation Ordinance, 1911." In doing so, he said—I understand that the Honourable Colonial Secretary will deal with the principles underlying the first part of this Bill, and, therefore, I propose to deal only with the latter portion of it, that is, Clauses 7, 8, 9 and 10. Clauses 7 and 8 make certain slight changes in the provisions of the principal Ordinance as regards import and export statements. One alteration is in order to make it quite clear that the import and export statements furnished under this Ordinance must be on a separate form from any other returns furnished to the Superintendent of the Imports and Exports Department. It has been the practice of the shipping companies to furnish the liquor returns on a separate form. This Ordinance will make the obligation a legal one. It is also proposed to require ship-owners to furnish what are known as "nil" returns, that is, a return

even if no liquor is imported or exported by the ship concerned. It is done as a rule, but it is thought better now to make the obligation a legal one. Clause 9 repeals certain provisions of the principal Ordinance which appear to be unnecessary; they are provisions which require that the regulations dealing with dealers' licenses, Chinese restaurant licenses and brewery licenses shall be published in Chinese. That is not thought to be necessary, and for some years past the Chinese version of the *Gazette* has been given up. It is proposed now, therefore, to repeal these provisions. The last clause of the Bill provides that the Bill shall come into operation on December 1st next. That day is taken because publicans and adjunct licenses expire on November 30th, and the 1st of December is, therefore, a convenient day for the introduction of the new provisions for the sale of liquor for cash.

THE COLONIAL SECRETARY seconded. In doing so, he said:—In seconding the motion for the second reading of this bill, I only propose to deal with the principle involved in the clauses which relate to the supply of intoxicating liquor on licensed premises not in conjunction with a *bonâ fide* meal to persons who are not resident on the premises. Through the action taken during the five years ending on the 30th November, 1915, in terminating all publicans' licences except those held in conjunction with hotels there are no public houses in the ordinary sense of the term in the Colony, and it is presumably for the convenience of visitors other than residents that some hotels regularly apply for publicans' licences. Such a licence enables an hotel to have what is described in the principal Ordinance as a public bar, and the disappearance of the public houses naturally led to an increased amount of custom for the hotel bars. These bars, whether dignified by the name of saloon, buffet, lounge, kiosk, pagoda or what not, are merely adjuncts of the hotel, though perhaps profitable adjuncts, and so long as public opinion demands that such places shall exist, I cannot imagine that any Government, except in some great emergency, would refuse to accede to the demand, though it is perfectly justified in stipulating that the right conferred shall be exercised in a fit and proper manner. At a meeting that I attended some months ago at which the proposal made in this bill was discussed, a well-known member of the community exclaimed "What about vested interests?" The remark occasioned some amusement and the meeting ended somewhat suddenly, but I have not forgotten the occurrence. I have been long enough in the public service to have acquired a great respect for vested interests, but I have little regard for assumed rights. But when rights of

even the most nebulous kind are likely to be affected by legislation it is the usual practice in this Colony to give those concerned an opportunity of making representations, and this has been done in the present instance. Representations have been received and I propose to deal with them.

The principal objection to the enforcement of payment in cash in hotel bars by persons other than residents is that it will cause a reduction in the takings, or, as it is put in some cases, "needless pecuniary loss." Now this statement involves two assumptions, one that persons who have been in the habit of taking their drinks between meals at a certain bar will cease to do so if they have to pay cash for them, and secondly that if this result does follow on the passing of this bill, that the licensee of the bar will be deprived of money to which he is entitled. I think there is also a suggestion that the liquor will still be consumed, but in places where this legislation will not be in force. It is possible that there may be a temporary diminution in bar receipts, but the Government would not view such a result as a valid objection to the bill in view of the public benefit to be derived from it.

A second objection that has been put forward is that the cumbersome nature of the local coinage makes it improbable that the public will spend much ready cash in places where they are not allowed to sign chits. The reference is apparently to the silver dollar, but it is unlikely that that coin will be used much in future for ordinary small retail transactions. The issue of one dollar notes has recently been doubled and the purchaser of casual and promiscuous drinks will, I am convinced, soon drop into the habit of keeping a few of these notes in his pocket, for it must be remembered that the section of the public that will be affected by this bill is a comparatively small one.

Another objection brought against the bill is that at present there is little loss incurred under the chit system, that it has in fact worked well and is a great convenience both to the licensee and his customers. If we were attacking the chit system generally in
l i c e n s e d p r e m i s e s I

think this objection would have great force. To attempt to prohibit entirely by law the acceptance of chits in hotels (and we have only hotels to deal with) would in my opinion be merely vexatious, but it is a very different matter in the case of chits in bars. Even if there are licensed premises where there is practically no loss on such chits that is not a reason for not legislating. Some licensed premises incur very large losses on account of chits. I do not think it is generally known what those losses are. I have here a bag containing chits amounting to about \$3,000 all signed at one hotel and practically irrecoverable. Section 24 of the principal Ordinance prohibits the pledging of property in payment of liquor, but I confess that I can see little difference between handing one's coat across the bar and drinking its value, and pledging one's credit in return for liquor by means of chits, which there is no intention of redeeming.

A further objection that has been put forward is that the staff will have to be increased in order to check the money received in lieu of chits, or that higher salaries will have to be paid to all servants employed in the hotel, who under the provisions of the bill would be in the position of receiving cash payments. The only deduction I can make from this objection is that in the bars referred to no money has hitherto been taken, and that is of course not the case. Under the bill more cash will be received than hitherto, but at the same time the *employés* who have been in the habit of receiving cash in some cases and chits in others will be freed from what must be occasionally the perplexing problem of whether to accept or refuse a chit. Even in the case of a well-known customer whose credit has never been questioned an unfortunate crisis may alter the position, and while his thirst may continue his credit will cease. The bill will relieve the licensee of the unpleasant task of informing his customer that his chits are no longer acceptable. Backed by this law he will have the same reply to all and there will be no invidious distinctions. All licensed premises will be on the same footing, and there will be no temptation for a licensee to give credit where he is in doubt in order to prevent a customer going elsewhere. This is one of the chief reasons why in my opinion this bill should be welcomed by those whom it will chiefly affect.

Another representation that has been made is that as chits have been taken for a great number of years no change is either necessary or desirable. I cannot think this a sound argument. It is one that might be used to bolster up practically every abuse which has ever existed. I think that in Hongkong we are rather

proud of being well up to date in most things. Reform is in the air we breathe, but apparently not in the chits we drink. In regard to this system of chits we are sadly behind the rest of the world. We practically go back to the old village inn where the inhabitants had their score chalked up on the tap-room door. I suppose the reason which would be pleaded is "Olo Custom." "Olo custom" has often much to recommend it as being based to a great extent on common-sense, but it also sometimes gives its tacit consent to undesirable things, and none more demoralising to my mind than the supply of liquor to the public in return for scraps of paper, for that, as I have given tangible proof, is what these chits often are.

Lastly, a fear has been expressed that the penal provisions in the bill will place the licensee in jeopardy through no fault of his, but it is right that I should point out that since this objection was made the Clause in the bill as published in the *Gazette* to which exception was taken has been omitted. Unless there is a deliberate attempt to evade the law no possible danger can arise, as the onus of proving that the purchaser of liquor in a bar, lounge, kiosk, buffet or pagoda is a guest in an hotel will be on such purchaser. Cash will always be demanded where the bar attendant is in any doubt, and the purchaser will have to give the number of his room or furnish some other evidence that he resides in the hotel. The objection to clause 6 in the bill as published was a valid one, but the omission of the clause has removed the objection.

The bill is designed to bring the method of retailing liquor in public bars in Hongkong into line with that in force in every civilised country in the world. It may not make a single person sober who is by nature a drunkard, but it may restrict the number of casual drinks which a person is in the habit of taking between meals. It will also, I hope, have the effect of preventing such cases as have come to the notice of the Government, where persons addicted to drinking to excess, with no money but an abundant thirst, have been able to obtain liquor in return for

chits at licensed premises in Hongkong, with the result that they have lost their positions and their self-respect, their friends have had to pay the chits, and the persons concerned have had to be sent away from the Colony at further expense. The evil is notorious. You cannot deal with the selling of liquor to the public as you would with the selling of biscuits. The civilised world has found this out, as I have already remarked, and taken measures accordingly. The consumption of liquor with meals is an entirely innocuous and common practice, and if it suits the management of licensed premises to allow credit for liquor sold in such circumstances it is no concern of the Government, but where the privilege of selling liquor by retail to the public for consumption at all hours and in all circumstances is conceded it is both reasonable and right that payment in cash should be insisted on. In a law of general application it is impossible to distinguish between one person and another. The bill removes an obvious flaw in the principal Ordinance, and, as I have endeavoured to point out, while putting a stop to a system liable to grave abuse, inflicts no practical inconvenience or hardship.

I have little more to add. We have been asked for the reasons why this bill has been introduced as well as for the objects, and I have given them, but if we had been asked for the reasons why such a bill had not been introduced years ago I personally would not have been ready with a satisfactory answer except perhaps, to murmur "olo custom." However, the omission has at last been rectified and I make bold to say that there is not a single manager of licensed premises in this Colony who will not welcome the change brought about by this law. I go further, and I say that there is not a single director of any hotel in the Colony which possesses a publican's license who does not in his heart know that this bill will really serve a useful purpose, and that the possible loss—the very temporary diminution in the receipts—which may be caused will be more than counterbalanced by the improvement in the general *morale* and self-respect of those who make use of his premises. I beg to second the motion.

HON. MR. S. H. DODWELL—Sir, I rise to oppose the second reading of this Bill. We have all heard what has been said by my hon. friend the Colonial Secretary and have been duly impressed by the

production of the bag of chits, which for all we know might represent 50 years. Although he has done his best to evade the point, it seems to me there can be no question that the real object of this Bill is to restrict the drinking of alcoholic liquor in the Colony, and the reason for it that the Government are of opinion that there is excessive drinking at the public bars, which I think number about seven. I do not claim to be an expert in this matter or an *habitué* of the bars, but from all I can gather I do not think the evil is in any way sufficiently serious to warrant legislation, nor do I think, if it were, that this Bill would achieve the object in view. It would merely drive those black sheep who don't like paying cash to some of the clubs, where they can conceivably get more comfortably intoxicated than they could ever hope to do at a public hotel, the proprietor of which always has his licence to think of. My honourable friend the Colonial Secretary has spoken of reform. Well, Sir, without unduly whitewashing the Colony, I fancy it is admitted that from being in the old days one of the wettest spots in the Far East, we have deservedly earned the reputation of being one of the driest. If we have accomplished that, Sir, without legislation is it not better to leave us alone rather than introduce a veritable pin-prick like this bill? Owing to our currency, its various denominations, the germ-laden condition of a good deal of it, and the very great difficulty and expense entailed in supervising the collection of actual cash, the chit system is a convenience to 99 per cent. of the European population, although it may be a curse to the remaining 1 per cent. In the interests of high morality you may say the 99 per cent. should suffer inconvenience, but I fear there would be strenuous objection on their part. Besides, Sir, it seems to me, if the Government really think intemperance is undermining the constitution of the Colony, the straight-forward way of tackling the problem would be by partial or total prohibition of the import of alcoholic liquors, when Government revenues would suffer along-side those of the public who rely on a little stimulant in our somewhat enervating climate. The practice which in the past more than any other was responsible for some of our young men taking the wrong turning was the system in vogue with the various firms of allowing their *employés* to run up a c c o u n t s w i t h t h e i r

compradores. This has been stopped with excellent results. I can hardly credit the hotels taking the place of those compradores, and if they do, that is their affair and they will suffer for it. During your *régime*, Sir, I maintain that you have done the maximum that any Governor could do in the interests of sobriety. You have pushed on the improvement of the roads; you have taken a deep interest in and greatly facilitated the making of our golf course at Fanling; in fact you have done everything to widen the scope of healthy outdoor exercise and do away with that cooped-up feeling, which in the past must have been a great incentive to intemperance. Don't belittle it now, Sir, with this poor impotent little Bill.

H.E. THE GOVERNOR—The object of the Bill is not to stop drinking. The Colonial Secretary never said a word about that.

HON. MR. S. H. DODWELL—I grant you it is a measure which is in force at Home, but you know, Sir, as well as I do the reasons for it at Home, and that they do not exist in this Colony.

HON. MR. H. E. POLLOCK—I am opposed to this Bill, and with reference to the reasons for the Bill, Sir, I certainly understood the Colonial Secretary to make some remarks on the question of promiscuous drinking. I do not see how his words could be interpreted in any other sense than that the Bill would tend to lessen drinking. But, now, Sir, I understand he wishes to disclaim that point. If that is so, we do not wish him to hold to anything which he wishes to disclaim. With regard to the question of the reasons of this Bill, I would point out that in the statement of "Objects and Reasons," where we should naturally look for those reasons, the reasons are conspicuously absent. I would also point out, Sir, that that is a very grave and serious omission. Unofficial members ought not to be obliged to wait for the second reading of the Bill before the Government discloses its reasons for the measure. It is not much good, Sir, publishing the Bill for some time previously in the *Gazette* merely stating the objects aimed at—because any competent lawyer can more or less see the objects aimed at—and leaving out all mention of the reasons aimed at. Of course, for every Bill that exists it is desirable there should be good and sufficient reasons. I think every member of this Council will admit that, speaking broadly and generally, it is obviously undesirable to multiply classes of offence for which men can be hauled up before a Police Magistrate and fined, and it is particularly undesirable in regard to a

matter like this, which affects strangers coming within our gates who, whatever may be thought of residents of this Colony cannot be expected reasonably to be acquainted with the laws of this Colony. And yet, Sir, what do we find? We find that under Clause 5 of this Bill it is positively and solemnly proposed not that every buyer who does anything wrong, or anything known to be wrong, should be punished, but that a buyer shall be punished because a seller does something wrong. Clause 5 reads, "Every person to whom any liquor is supplied in contravention of this Ordinance shall also be guilty of an offence against this Ordinance." If a seller supplies liquor contrary to the provisions of this Ordinance the fault of the seller is, by an extraordinary *tour de force*, transferred to the shoulders of the possibly innocent buyer coming into the Colony in ignorance of its peculiar law. It is a peculiar law, for it is proposed by Clause 5 of the Bill that a stranger within our gates, assuming that the hotel boy mistakes him—and we know that very often there are cases of two people being like one another—for a resident of the hotel and does not ask him for cash—then, Sir, not only is the seller liable but the buyer also is liable to get "run in." If the seller commits an offence then the buyer has to be run in and will also be guilty of an offence. In other words, if A commits a crime then B shall also be deemed to have committed the same crime. Well, Sir, I understand that the Colonial Secretary does not now wish to raise any point concerned with an attempt to restrict the sale of liquors, and, therefore, it all boils down to that wonderful and very nice brown bag which he produced just now full, apparently, of rather musty-looking chits from which it would appear that one hotel has suffered considerable loss. The Colonial Secretary now bases his plea on the question of protecting the hotel-keeper. Well, Sir, I think that one can safely assume that that particular hotel is not one of the two leading hotels in the City of Victoria, for the reason that I am able to read to the Council, and certainly shall do so, letters of protest from the two largest hotels in the City—the Hongkong Hotel and the King Edward Hotel. These hotels certainly do not view this Bill as a boon; they regard it from a quite contrary point of view. I do not pretend

to understand hotel-keeping myself, but I presume that these letters, which are written, no doubt, after conference with the managers of the hotels, represent correctly the views of these managers, and I presume that these hotel managers, from being in charge of these two big hotels, may be taken as reasonably competent judges of how hotel business should be carried on and what is convenient or inconvenient in carrying on such business. Before reading the letters I should make a remark in answer to what the Colonial Secretary said about the directors of hotels. I have spoken to two of the directors of the Hongkong Hotel, and if they felt in their hearts as the Colonial Secretary supposed all I can say is that what they said to me, and the clear and definite views they gave me personally, are absolutely at variance with their supposed views as pictured by the lively imagination of the Colonial Secretary. They were convinced in their hearts, if we must repeat the words of the Colonial Secretary, that this Bill is not a good measure, otherwise I cannot suppose these directors would have spoken to me on the subject, as they would have been simply wasting their time.

THE COLONIAL SECRETARY—They spoke to me in exactly the same way.

HON. MR. POLLOCK—Well now, Sir, with regard to the Hongkong Hotel, I will read their letter, or rather the letter which was written on their behalf by Messrs. Deacon, Looker, Deacon & Harston, their solicitors, on the 27th of last month, with reference to this Bill. I think it is necessary to read the letter because, with all due deference, I think the Colonial Secretary has given us rather a travesty of their views. The letter is as follows:—

Hongkong, 27th September, 1917.

SIR,—We have the honour to address you in regard to the above Bill on behalf of our clients, the Hongkong Hotel Co., Ltd.

2.—Our clients are the holders of a Publican's Licence granted by the Hongkong Government and have continuously held such licence or its equivalent for the period of 50 years.

The fee payable in respect of such licence at the present time is \$3,500 per annum.

3.—During the period of 50 years referred to in the preceding paragraph that portion of our clients' business which relates to the supply of intoxicating liquor has been very largely carried on by means of what is known as "the chit system"—whereunder the

purchaser is supplied with the liquor desired by him in exchange for an order in writing signed by him.

4.—Our clients' experience under the above system—save in a comparatively infinitesimal number of instances—has been such as to enable them to say that the system has worked well and has been a great convenience both to themselves and their customers.

5.—The intoxicating liquor supplied by our clients to such of their customers as, if the above Bill be passed, will fall within the purview of its restrictive clauses, is served in the following portions of their premises, viz.:—

- (a.)—The Public Bar.
- (b.)—The Private Bar.
- (c.)—The Smoking-room Bar.
- (d.)—The Kiosk Lounge.
- (e.)—The Large Lounge.

6.—Our clients have quite recently removed the Public Bar into a smaller room, thus reducing the area thereof by approximately 75 per cent. In addition, our clients have also quite recently similarly reduced the area of the Smoking-room Bar.

7.—In our clients' opinion the Ordinance now proposed will not only directly inflict needless pecuniary loss upon them in regard to their "takings," but will also be the cause of their suffering unnecessary inconvenience and hardship, for the reasons (*inter alia*) that it will be requisite for our clients to provide additional members to their staff in order to "shroff" and "check" the money which will be received in lieu of "chits" as heretofore, and to ensure that no intoxicating liquor is supplied to any customer who is not "residing at the Hotel"—in which respect it must be remembered that the Hotel is patronised not only by permanent residents but also by transient residents and casual visitors.

8.—In addition to the inconvenience and hardship entailed upon our clients as above, it is also the fact that the provisions of the Bill are such as to largely add to the possibility of our clients incurring jeopardy in respect of their hereinbefore-mentioned licence.

9.—Our clients respectfully submit that no sufficient reason exists to warrant the passing of the proposed Ordinance, and in this relation our clients would observe that this view is supported by the fact

t h a t u n d e r t h e

caption "Objects and Reasons" appearing at the foot of the proposed Ordinance, though the "Object" is clearly stated, no "Reason" whatever therefor is given.

10.—Our clients would venture to remind the Government that both prior to and during the present War their assistance has on many occasions been solicited on behalf of charitable and benevolent institutions and undertakings, and that such assistance has almost invariably been rendered on more or less gratuitous terms. Our clients mention this fact in order to emphasise the further fact that the objections to the proposed new Ordinance herein set forth do not emanate from a corporation whose sole intent is the making of money at all hazards.

11.—Dealing with the contents of the proposed new Ordinance apart from the question of the principle involved in the consideration of the Ordinance itself, our clients would remark that the alleviation purporting to be afforded by the concluding words of Section 4 are under grave danger of nullification by the provisions of Section 6—which latter Section seems to our clients to be grossly unfair, in that it places the Magistrate before whom any "transaction" is questioned in the position of dispensing with evidence and acting upon his own mere impression.

12.—Our clients would respectfully call attention to the fact that the restrictions in regard to the Liquor Trade now existing in Great Britain were the result of the absolute necessity for securing the due prosecution by the working classes of all the country's energies for carrying on the war, and particularly in regard to shipyards and munition factories—a state of affairs which, in regard to the necessity above referred to, has no parallel in this Colony.

13.—Finally, our clients would remark that the lack of any sufficient reason for the passing of the proposed Ordinance is emphasised by the fact that the number of fully licensed hotels and public-houses in this Colony is comparatively a very small one—there being only 7 fully licensed hotels and public houses in all; while of these only 4 are situate within the limits of the City of Victoria, viz., the following:—The Hongkong Hotel, The King Edward Hotel, The Grand Hotel, The Astor House Hotel.

14.—Our clients therefore submit that the proposed Bill should be withdrawn, and we shall be glad if you will kindly lay this letter before His Excellency the Governor for his consideration.—We have the honour

to be, Sir, your obedient servants,

(Sd.) DEACON, LOOKER, DEACON & HARSTON.

There, Sir, with 50 years' experience they say the system has worked well. They do not seem to be oppressed with a bagful of chits or anything of that sort. I think Clause 10 of the letter quite sufficiently answers the contention put forward by the Colonial Secretary that apparently some of those people are very much afraid that their takings will be diminished. That letter was addressed to the Colonial Secretary. It was a letter, Sir, very fairly and very properly and courteously expressed, and one would have thought that it would have met with an equally courteous reply. The letter was sent on the 22nd of September and the reply to it is dated 10th October, that is, yesterday. The reply is as follows:—

Colonial Secretary's Office, Hongkong. 10th October, 1917.

GENTLEMEN,—With reference to your letter of the 27th September, 1917, on the subject of the proposed Bill to amend the Liquors Consolidation Ordinance of 1911, I am directed to inform you that a full explanation of the Bill will be given in the Legislative Council on Thursday, the 11th October, and that the Government is not prepared to withdraw the Bill.—I am, Gentlemen,

Your Obedient servant,
(Sd.) CLAUDE SEVERN
(Colonial Secretary).

Messrs. Deacon, Looker, Deacon & Harston,
Hongkong.

In other words, Sir, the reasonable statement pointing out that absolutely no justification on the face of things has been shown for this measure in the "Objects and Reasons" is met by the curt statement just at the last moment, at the eleventh hour, "You will be told what you will be told about the Bill." Apparently the only thing full about the explanation promised is the brown bag which we have seen and which appears to be full of chits. All I can say in regard to that is that one manager of a hotel has been singularly improvident in his transactions and this one man, apparently, requires some protection. The big institutions like the Hongkong Hotel, however, apparently require no such protection.

They go into the details of the measure fairly and fully and they say that they consider it will cause serious inconvenience to them in their business. And surely, Sir, a hotel which has been run for fifty years has a right to say, at all events, that they do know something of how the business should be managed. Then, Sir, Messrs. Dennys and Bowley have written on behalf of the King Edward Hotel, who also object to the Bill.

The letter was written on the 3rd of this month. It is as follows:—

Hon. Mr. Claud Severn, C.M.G.,
Colonial Secretary.

No. 6, Des Voeux Road Central,
Hongkong,

3rd October, 1917.

SIR,—We are instructed by the proprietors of the King Edward Hotel to address you with regard to the proposed Bill to amend the Liquors Consolidation Ordinance, 1911.

2.—As we understand that the proposed legislation is not in any way connected with the present war and, as the object, but no reason, is given for its introduction, our clients wish us to make representations on their behalf against a bill which will have the effect of cutting off a considerable source of revenue derived from the hotel and is a measure which could not possibly have been anticipated by our clients when they acquired the premises.

3.—Our clients wish us to point out that the King Edward Hotel is one of the oldest established hotels in the Colony, that the "chit system" has been in vogue during the whole time of the hotel's existence, and that the proprietors have found it to work satisfactorily both to the general public and to themselves.

4.—It is well known that owing to the cumbersome nature of the local coinage it is not usual for dollars to be carried on the person, and for the same reason customers who use the public bars in the Colony resent receiving coins as change after payment in paper money. Our clients anticipate, and we think rightly, that the public will not spend much ready cash in places where they are not allowed to sign chits, but will resort to other places where they will have that privilege extended to them. This would practically stop the use of the hotel bars, except by the residents in the hotel, and the revenue derived from them would be extremely small in comparison to that obtained from the general public.

5.—The disallowance of the "chit system" will cause not only a great hardship to our clients but also a great inconvenience to the public generally, especially to members of the mercantile marine sailing to and from this port. In many instances ships' officers and others arriving at the port have to wait two or three days before receiving their salary, during which time they have hitherto enjoyed the privilege of signing chits for any of their requirements as regards refreshments; these chits are invariably settled as soon as they receive their wages.

6.—Another possible effect of the proposed legislation will be, we submit, to induce persons to frequent undesirable places where they can, upon signing chits, obtain as much liquor as they require.

7.—Finally, we would point out that not only will our clients' revenue considerably decrease but their expenses will be much greater owing to the necessity—first, of having to pay higher salaries to all servants employed in the hotel who under the provisions of the proposed bill would be in the position of receiving cash payments; and, secondly, of having to obtain guarances for the honesty and integrity of such servants.

8.—Our clients respectfully submit that, as there does not appear to be any justification for the proposed Bill, it should be withdrawn, and they trust that, after consideration of all the circumstances, His Excellency the Governor will not consider it advisable to interfere with the present system.— We are, Sir, yours faithfully,

(Sd.) DENNYS & BOWLEY.

The main point made by this hotel is with reference to ships' officers arriving at this port, and I would especially draw attention to the last words in paragraph 5 "these chits are invariably settled as soon as they receive their wages." The Hongkong Hotel and the King Edward Hotel are not like the other hotel referred to by the Colonial Secretary—collectors of chits. They manage their business in a reasonable manner and see that they get paid. There, Sir, you have the opinions of the managers of the two biggest hotels in the City of Victoria. As against that we are asked to weigh the opinion of a manager of a hotel who at present appears before us not in the open but in the garb of anonymity. We are not even told who this manager is or what hotel it is which has made this terrible collection of chits, which has been, on the face

o f t h i n g s , s o

improvident in its way of carrying on its business.

H.E. THE GOVERNOR—This is not the only instance. I was told that these chits are simply an example of the losses incurred.

THE COLONIAL SECRETARY — Yes, these losses which were incurred were brought up as one instance of what takes place.

HON. MR. POLLOCK—At present the hotel is absolutely anonymous.

THE COLONIAL SECRETARY—I did not think it worth while to mention the name.

HON. MR. POLLOCK—It would carry more weight—or it might carry less weight —if we knew which hotel it was. We cannot be expected to give much weight to one hotel having a collection of chits if we do not know what hotel it is. At all events, it would seem on the face of things that that hotel must have given somewhat unwise and reckless credit. They do not seem to have run their business on the careful conservative lines of the Hongkong Hotel and the King Edward Hotel. These hotels—and as I say I have also spoken to two of the directors of the Hongkong Hotel—apparently have very decided ideas that they don't want this Bill. What does it come to? We are asked to pass this Bill on that bag of chits which comes from a hotel of which we don't know the name— at least, I don't and the name has not been disclosed to the other members of the Council—and we are asked to put that in the scale and to weigh down these two hotels which come out very frankly and show perfectly plainly and clearly what it is they object to—the inconvenience which will result from the abolition of the chit system. It seems to me absurd. It is just like saying that you will pay more attention to an anonymous letter in the newspaper than to two letters signed by two well-known residents of high standing. On this anonymous hotel's collection of chits we are asked, as I submitted in the commencement of my speech to create quite a new class of offence. We are asked to say that although a stranger may come in and get credit at the stores when he goes to the Hongkong Hotel he must put down cash. That stranger, if he is put up as a member of any of the clubs of the Colony, may sign chits there for drinks, but when he comes to a hotel a special distinction is made and he is to be treated, in a sense, as a suspect, to be treated as untrustworthy in the matter of paying his chits for drinks and he must

produce hard cash. The Hongkong Hotel and the King Edward Hotel are very big institutions. As is well known, the Hongkong Hotel——.

H.E. THE GOVERNOR — You say that the Hongkong Hotel assured you that they never made any bad debts?

HON. MR. POLLOCK—No, I did not say anything of the sort.

H.E. THE GOVERNOR—What exactly did they say?

HON. MR. POLLOCK—The King Edward Hotel said, referring to ships' officers, that the chits were invariably paid as soon as they received their wages. The Hongkong Hotel said that their experience under the chit system — save in a comparatively infinitesimal number of instances—had been such as to enable them to say that the system has worked well and has been a great convenience both to themselves and to their customers. I don't suppose anyone in this Council would be such a child as to suppose that the Hongkong Hotel has never made bad debts.

H.E. THE GOVERNOR—I only wished to know what was said.

HON. MR. POLLOCK—I hope nothing that I said would give rise to a supposition like that, that the Hongkong Hotel in its life has never had bad debts. Both these hotels say they do not wish for this Bill. Why should we, because of this bag of chits brought forward by a hotel the name of which is not disclosed —why in the name of common-sense should we pass this Bill, putting not only strangers coming here but also residents to trouble and inconvenience? As is well-known, a number of residents go to the Hongkong Hotel when there are performances at the theatre. They go to the Hongkong Hotel and have dinner in the grill-room. If they want drinks before dinner they will have to produce cash unless they happen to be residents of the hotel also. It is, therefore, not quite correct to say that this Bill only affects visitors. It will also affect a good number of residents in the Colony. Now we have dropped the consumption of liquor question it all comes to this. Do the Hongkong Hotel and the King Edward Hotel know their business or do they not? They claim to

know their business pretty well and say that this Bill is absolutely unnecessary, hampering, mischievous and vexatious. I think it is quite clear that no sufficient case has been made out for this Bill. I put it quite plainly and, adopting the language of my own profession, if one were addressing a Jury one would say; "Gentlemen of the Jury, we ask you upon the evidence to say that the case for this Bill has not been made out."

HON. MR. SHEWAN—I did not mean to speak on this Bill at all, because I considered it a very harmless little Bill. I certainly did not expect such floods of eloquence as have been poured forth about such a small matter. The Hon. Mr. Pollock says that this is quite obvious and that is quite plain, but it is quite obvious that this opposition has been got up by the two hotels who have hired solicitors to speak for them. And it is a very bad case when you have to use bad argument and especially when you have to go to solicitors to find arguments against any particular question.

H.E. THE GOVERNOR—Do you remember a case—a very amusing case at the Police Court—where two Chinese were had up for some offence. One hired a solicitor and one did not. The magistrate fined the man without a solicitor \$10 and the man with a solicitor \$100. The argument apparently was that the man who could afford to pay a solicitor could afford to pay the bigger fine. I beg your pardon for interrupting you, but this case was brought to my mind by your remarks.

HON. MR. SHEWAN—I was merely trying to point out that the arguments of Mr. Dodwell and Mr. Pollock are very bad indeed and require the support of two solicitors in this Colony to help them out. I won't go into all the arguments, but will take one or two. I cannot compare myself with the Hon. Mr. Dodwell and the Hon. Mr. Pollock in most things, but of one thing I know as much as they do, and that is the question of drinking in bars. (Laughter.) I have been longer in the Colony for one thing and I know this—that the argument that men will leave the hotels and go to the clubs for drink as suggested is all nonsense. The men who frequent the bars of hotels are not the men who belong to the clubs at all. The hotels will lose nothing in that way. One director of one hotel

said that in his opinion the Bill would not make any earthly difference. In fact they preferred to get the cash in and save the interest. The Hon. Mr. Pollock's argument regarding strangers—that they would come here and be put to inconvenience because their chits will not be taken—was simply grotesque. Where in the world, except out here, would anyone tender a chit in any bar? I should like to see the face of a bar-tender in Aberdeen or Glasgow if a man offered to sign a chit for his drink. The people who put forward such ridiculous arguments are merely wasting our time, and I and another hon. member have been murmuring for some time at the way we have been kept from our own businesses. It has been a storm in a teapot, much ado about nothing.

H.E. THE GOVERNOR—This matter is really a very simple one. We are dealing with the law under which persons are licensed for the retail sale of intoxicating liquors. That is a very remunerative permission given by the Government, and is one full of responsibility. The permission is only given to a certain number under an annual licence and the Government is fully entitled without any notice whatever to review the licence or to vary the conditions of the licence in any way it thinks fit. This Bill is brought forward for a very simple reason and object. The reason goes with the object and that is why it was not thought necessary to elaborate the point in the "Objects and Reasons." The object is to prohibit for sale, except for cash, intoxicating liquors. We are not accustomed, nor are we required, to set out all the arguments we are going to produce. We did not embark upon this legislation with any grandmotherly or grandfatherly object of restricting the consumption of alcoholic liquors, but our attention has been drawn to very serious irregularities under the existing law. The honourable member who represents the Justices of the Peace seems to have overlooked entirely all the instances except one which the Colonial Secretary gave of irregularity. The Colonial Secretary referred to the case of an individual in this Colony who went round drinking far more than was good for him. If he had had to pay cash he could not have injured his health in the way he did. He absolutely broke down. His friends had to pay his chits, and a paternal Government had to ship him out of the Colony. Why should we be called upon to pay a man's passage out of the

Colony because he drinks himself into delirium tremens at the bars of the few hotels there are here? It is not the first case we have had, but it is the most recent, and it was a case which attracted our attention to a flaw in the law. Then we had the case of this bagful of chits. I do not mind letting you know where we got them. They came from the North Point Hotel, and the \$3,000 of debts were incurred within a period of six months. The Captain Superintendent of Police has informed me since this debate began that the King Edward Hotel, about two years ago, showed him bad chits for the sum of \$2,400 incurred during the stay of one ship in this port by the members of the crew. The Liquor Ordinance lays down that no person shall take or receive in payment of any intoxicating liquor for consumption on or at any licensed premises any article except money. That is the same provision as exists in the Home Act. It is got round here by this pernicious chit system, and although the chit system is not against the letter of the law it is certainly against the principle of it. It was never intended that people should get credit for as much drink as they liked and pay for it, or not pay for it, as they were able. As to Mr. Shewan's remarks, they remind me of the last night I spent in England at the Liverpool Street hotel. The bill next morning was something over £10 for my night's entertainment. I tendered a cheque and I was somewhat astonished when the people in the office said they could not receive any cheques. I gave them my card and told them I was the Governor of Hongkong and referred them to the Hongkong and Shanghai Bank, which I thought would be quite good enough. It was not good enough, and, at great inconvenience, I had to go to the bank to draw money to pay the hotel bill. This is a very simple matter. It is a question of the conditions under which hotel-keepers who have the privilege of selling liquor over the bar by retail shall carry on their trade. I think the reasonable provisions of this Ordinance will not do the least harm. I feel convinced that in the end they will redound to the benefit of those hotel-keepers. Therefore I ask you to pass this Bill. You have heard from one of our oldest residents that he himself regards it as reasonable. I think that ought to carry great weight in this Council.

The motion was then put and carried, and the Bill was read a second time.

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

Clauses 1 and 2 were passed without amendment.

HON. MR. POLLOCK—I move as an amendment

to Clause 3, sub-section I that after the word cash the words, "paid at the time or previously deposited" be inserted. The section would read then "Subject to the provisions of sub-section 2 of this section, no person shall sell any intoxicating liquor for consumption on or at any licensed premises except for cash paid at the time or previously deposited." I do not think this affects the principle of the Bill in any way and it would enable us to have the deposit system.

H.E. THE GOVERNOR—I have seen that system in force in Canada and I think it leads to the most deplorable results. Men from the lumber camps—as fine men as you could see in any country—who obtain 48 hours' leave every few weeks walk down to the inn not far from their camp and put down their wages and remain there until they have drunk all the money away. I think it is a bad system.

HON. MR. POLLOCK—It may be a very bad system in Canada. We have all heard the stories of the miners who put down their nuggets of gold in the bar on the same principle. The conditions, however, are different here.

H.E. THE GOVERNOR — You base your arguments upon the experience of the two best hotels in the place, but if you get the members of a ship's crew into one of the bars under that system of deposit some are likely to take all the money they have in their pockets and place it on deposit and remain until it has been drunk.

THE COLONIAL SECRETARY—In the case of a well-known resident it will always be possible to get money at the office of the hotel.

HON. MR. POLLOCK—Will that be allowed under the Bill?

THE COLONIAL SECRETARY—I should think so.

The motion was not pressed and Clause 3 and Clause 4 were passed without amendment.

THE ATTORNEY-GENERAL—In order to make Clause 5 quite clear I move that the words "to the knowledge of such person" be inserted so that the clause shall read "Every person to whom any liquors is, to the knowledge of such person, supplied in contravention of this Ordinance shall also be guilty of an offence against this Ordinance."

H.E. THE GOVERNOR—Does that meet your objection, Mr. Pollock?

HON. MR. POLLOCK—Yes.

The amendment was agreed to.

The other clauses of the Bill were passed without amendment, and on Council resuming,

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

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

Deportation Ordinance, 1917

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, "An Ordinance to consolidate and amend the law relating to the deportation of undesirable persons." He said—there are three tables annexed to the "Objects and Reasons." One gives the correspondence between the clauses of the Deportation Bill, 1917, and the sections of the Deportation Ordinances, 1914-1915. The second table gives the provisions in the Deportation Bill, 1917, which are new. The third table gives the provisions in the former Ordinances which are omitted in the Bill. I think these tables obviate the necessity of my going very much into detail and I will only draw attention to the principal changes which the Bill proposes to effect. The Bill as a whole is a consolidating Bill, and anyone who has had to work with the existing Ordinances will have no doubt as to the desirability of consolidation. There are four Ordinances at present, and the provisions are very complicated and it will be very convenient to have these provisions all in one Ordinance. One principal class of the new provisions deals with the nature of the discretion of the Governor-in-Council. These provisions are contained in sub-clauses 1 and 2 of Clause 4 and in Clause 13. The discretion given is, of course, very wide, but no wider than under the present existing law and no wider than under the old law of banishment before the Deportation Ordinance was

passed. Under the old Banishment Ordinance the Supreme Court held that the power of the Governor-in-Council was absolute. Under paragraphs (a), (b) and (c) clause 4 (14) power is given to banish any person, no matter what his nationality, who is guilty of the malpractices referred to in those paragraphs. The only other provision to which I need refer is the one relating to finger-prints, which states that in any proceedings under this Ordinance it shall, until the contrary is shown, be assumed that the finger-prints on any deportation order which has been produced are those of the person against whom the order was made.

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

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

The Bill passed through Committee without amendment, and, on Council resuming,

THE ATTORNEY-GENERAL moved that the Bill be read a third time.

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

FINANCE COMMITTEE.

A meeting of the Finance Committee followed that of the Legislative Council on Thursday, the COLONIAL SECRETARY presiding:—

St. Joseph's College

The Governor recommended the Council to vote a sum of one thousand seven hundred and fifty dollars in aid of the vote Education, Special Expenditure, Grants, Building Grant for St. Joseph's College.

THE CHAIRMAN—The Secretary of State has approved of the building grant to St. Joseph's College being increased from \$2,500 to \$6,000. The sum of \$2,500 has been paid and the additional \$3,500 will be paid, half this year and half next year. The vote is required for this year's payment.

The vote was agreed to.

"Lysholt"

The Governor recommended the Council to vote a sum of four hundred dollars in aid of the vote Miscellaneous Services, Purchase of "Lysholt" at the Peak.

THE CHAIRMAN—This is the percentage to the purchaser. The amount was not provided for. The opinion of the Chamber of Commerce has been taken as to the fairness of the amount and they expressed the opinion that it was quite fair. The purchaser was giving the money away, partly in charity and partly to another useful object.

The vote was agreed to.

Legal Expenses

The Governor recommended the Council to vote a sum of one hundred and twenty-two dollars and sixty-nine cents in aid of the vote Judicial and Legal Departments, *E.*—Crown Solicitor, Other Charges, Extra Legal Expenses.

THE CHAIRMAN—This is in connection with a certain case over the Stamp Duty. The case came before the Courts and the Government lost. The costs were settled at this comparatively low figure. No provision had been made for them and it is necessary, therefore, to take this vote.

The vote was agreed to.