

16TH OCTOBER, 1919.

PRESENT:—

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

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

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

HON. MR. H. E. POLLOCK, K.C. (Attorney-General).

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

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

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

HON. MR. E. D. C. WOLFE (Captain Superintendent of Police).

HON. MR. LAU CHU PAK.

HON. MR. C. G. ALABASTER, O.B.E.

HON. MR. S. H. DODWELL.

HON. MR. E. V. D. PARR.

MR. A. G. M. FLETCHER, C.B.F. (Clerk of Councils).

Papers

THE COLONIAL SECRETARY by command of H.E. the Governor, laid upon the table an abstract showing the differences between the approved estimates of expenditure for 1919 and the estimates of expenditure for 1920 and also the financial statement in connection with the estimates for 1920.

Finance

THE COLONIAL SECRETARY by command of H.E. the Governor, laid upon the table Financial Minutes Nos. 102 to 118 and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the report of the proceedings of the Finance Committee No. 10 and moved that it be adopted.

THE COLONIAL TREASURER seconded, and this was carried.

Increase of Rates

THE COLONIAL SECRETARY, under section 31 of the Rating Ordinance, 1901, Ordinance No. 6 of 1901, moved the following resolution:—

"Resolved by the Legislative Council that the percentages on the valuation of tenements payable as rates in the undermentioned area be altered as follows, with effect from the 1st of January, 1920—
The area bounded by the extension of Argyle Street on the North, by the extension of Waterloo Road on the South-East, by Victory Avenue on the North-East, and by the Kowloon-Canton Railway on or towards the West,—from 7 per cent. to 13 per cent."

THE ATTORNEY-GENERAL seconded, and the resolution was passed.

The Budget

THE COLONIAL SECRETARY moved the first reading of a Bill intituled, "An Ordinance to apply a sum not exceeding eleven million, one hundred and seventy-three thousand, two hundred and twenty-six dollars to the Public Service of the year 1920," for the following purposes:—

EXPENDITURE.

Governor	\$ 78,321
Governor, Special Expenditure	10,000
Colonial Secretary's Department and Legislature	81,264
Colonial Secretary's Department, Expenditure	650

Secretariat for Chinese Affairs	57,836
Audit Department	37,585
Treasury	68,237
Harbour Master's Department.	204,348
Harbour Master's Department, Special Expenditure	350
Imports and Exports Department ...	557,675
Royal Observatory	23,671
Miscellaneous Services	667,251
Judicial and Legal Departments	267,931
Judicial and Legal Departments, Special Expenditure	150
Police and Prison Departments	1,093,644
Police and Prison Departments, Special Expenditure	20,933
Medical Department	295,439
Sanitary Department	411,741
Sanitary Department, Special Expenditure	25,360
Botanical and Forestry Department	55,091
Education	467,048
Education, Special Expenditure	10,000
Military Expenditure — Defence Corps	71,481
Public Works:—	
Public Works Department	492,406
Public Works, Recurrent	785,600
Public Works, Extraordinary	3,973,700
Post Office	291,345
Kowloon-Canton Railway:—	
Working Expenses	420,167
Special Expenditure	372,904
Pensions	266,320
Charitable Services	64,778
Total	\$11,173,226

The COLONIAL TREASURER seconded

H.E. THE GOVERNOR — Honourable members of the Legislative Council, within a few days of my arrival in the Colony I find myself in the position, on presiding over this Council for the first time, of laying before you the annual statement of the financial position of the Colony and the Estimates of Revenue and Expenditure for next year.

It was estimated at this time last year that the balance of assets over liabilities on the 31st. December, 1918, would amount to \$4,595,212, but the actual balance was \$5,681,138.

It is now estimated that the revenue for the current year will amount to the sum of \$17,056,410, or \$172,195 more than the original estimate.

The expenditure for this year under the heads in the estimates which was originally estimated at \$14,677,896 is now expected to amount to \$15,078,600, but it must be added this estimate takes no account of the result of the purchase and sale of rice during the past three months as it is impossible at present to arrive at even an approximate estimate of what sum will be required to make up the deficit on that account.

Estimates of Revenue for 1920.

The Estimates of Revenue for next year show, I am glad to say, a healthy condition, for whereas, on the one hand, a large decrease is shown in the receipts of the Opium Monopoly the increases in more permanent heads of revenue amount to over a million dollars. The estimated Revenue for 1920 is \$15,314,800, being \$1,569,415 less than the approved estimate for the current year, and \$1,741,610 less than the revised estimate. The principal increases are:—

Light Dues	\$35,000
Light Dues, Special Assessment	35,000
Assessed Taxes	111,960
Carriage, Chair, &c., Licences	17,500
Fines	15,360
Kowloon (West) Ferry Licences	118,800
Pawnbroker's Licences	12,300
Stamp Duties	100,000
Tobacco Duties	100,000
China Companies' Fees	40,000
Engagement and Discharge of Seamen	15,000
Fees for use of Government Buoys .	20,000
Medical Treatment	12,000
Postage	15,000
Railway	46,800
Buildings	14,810
Lands not leased	26,130
Leased Lands (New Territories)	11,250
Interest	272,000
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	\$1,018,910

while the two main decreases are the amount obtained from the Special War Rate — \$1,095,000—and a sum of \$1,500,000 less from the Opium Monopoly.

Estimates of Expenditure for 1920.

The expenditure for next year is estimated to amount to \$14,886,473. which is \$208,577 more 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 which has been laid on the table.

Under the head of "Governor, Special Expenditure" a vote of \$10,000 has been inserted for the renewal of Government House furniture. I regret that I should be in the position of asking for this vote on my first appearance as President, but the present condition of Government House has been unfavourably commented upon in this Council and, I think, with justice.

In the Colonial Secretary's Department provision has been made for two new Unpassed Cadets, no appointments to the Cadet Service having been made during the war. Under Special Expenditure a sum of \$650 has been inserted for the purchase of document presses and cabinets.

With a view to training a clerk to take charge of the Stamp Office in the Treasury on the retirement of the present Higher Grade Clerk, one First-grade Clerk has been added to the staff of the Stamp Office.

In the Harbour Master's Department the posts of Lighthouse-keepers have been divided into two classes, and are not now numbered according to seniority. The post of Principal Lighthouse-keeper has been abolished on the retirement of the holder on pension, and also one post of 2nd. Grade Lighthouse-keeper, while two new posts of 2nd. Class Lighthouse-keepers have been inserted. A new subhead appears, namely, "Blackhead's Hill Signal-station," the staff of which has been re-organised.

Under "Other Charges" increases amounting in all to \$6,000 have been made, the present votes having proved insufficient. The votes for coal have been reduced owing to the price being lower.

In the Imports and Exports Department the post of Temporary Higher-grade Clerk has been abolished, and the sum of \$10,000 inserted for the staff for Salt Control is not at present required.

Under "Other Charges" increases amounting to \$1,500 have been considered necessary in the votes for Secret Service and Transport. A large decrease, however, occurs in the vote for the Purchase of Raw Opium of \$350,000, as it is expected that much less opium will be boiled next year. The votes for the purchase Control are also not required.

Under "Miscellaneous Services" there are several increases amounting in all to \$4,594, while decreases occur to the extent of \$3,231. The reasons for these increases and decreases are

fully given in the footnotes. A sum of \$465,000 has been inserted to cover the Special Allowances on Salaries which have been granted to the Civil Service pending a general revision of salaries.

Miscellaneous Services as a whole, however, show a large decrease. This is due to the large sums formerly voted for War Expenditure not now being required. The decrease under this head amounts to \$1,510,219.

Passing to the Judicial and Legal Departments, I would point out that the post of Assistant Interpreter in the Supreme Court has been abolished. It is considered that fully-qualified Chinese Interpreters are now available for the interpretation required, and one 2nd. Grade Interpreter has, therefore, been substituted for that post.

Police and Prison Departments.

A considerable increase is shown in the Estimates for the Police and Prison Departments, amounting in all to \$71,323. The war being over, we are again able to obtain from home able-bodied recruits for the Police Force, and an effort has, therefore, been made not only to bring the Police Force up to its prewar strength so far as the European contingent is concerned, but also by certain re-organisations to bring the Force into conformity with the needs of the present day. A list of the new posts which it has been considered necessary to make in the Police Department is shown in Appendix II. of the Estimates, and the net increase in Personal Emoluments resulting therefrom is approximately \$37,000. Increases have also been considered necessary in several votes under "Other Charges of the Police Department" amounting to \$34,766, but reductions have been possible in other votes, so that the net increase is reduced to \$12,566. These increases and decreases are fully enumerated in the Abstract laid on the Table.

The introduction of motor fire-engines has necessitated also a re-organisation of the Fire Brigade. Five new posts of Fire Brigade chaffeurs have been added, two European steam-engine drivers have been dispensed with and the number of firemen has been increased by nine. Increases under "Other Charges" have been required, also, on account of the rise in the cost of materials for repairs and of the increased number of engines that have now to be kept in good order.

I have read with much satisfaction the excellent record of the work done by members of the Police Force during the war. Their numbers have been much depleted while their duties have increased, and they are to be congratulated on the manner in which they have grappled with the situation. In doing so they have been ably assisted by the Police Reserve, which has been recently demobilised and to which I now desire to express the gratitude and appreciation of the community. Those members of the Police Force who went on active service have nearly all returned, though some have given up their lives. The war record of the Force will always redound to its credit, and will, I hope, be suitably commemorated in the new building of the Central Police-station.

In the Prison Department additional house-allowances have been granted to the Warders of the Indian staff to enable senior officers to marry. Under "Other Charges" increases in several votes have been necessary on account of the general rise in price of commodities, amounting in all to \$11,700.

Under "Special Expenditure for the Police and Prison Departments" a sum of \$10,000 has been inserted for the purchase of arms in order to bring up to date the equipment of the Police Force. \$1,300 has also been inserted for two motor-cycles with a view to the more efficient patrolling of outlying districts, and \$6,300 has been included for the purchase of a shallow draught motor-boat, which will be used on the shallow waters at the head of Deep Bay. A sum of \$3,333 has also been inserted for the purchase of new type and numbering machines for the printing department in the Gaol.

Medical and Sanitary Department.

In the Medical Department a new post of Steward has been created for the purpose of providing a better check on the receipt and issue of daily supplies and for the general supervision of the native staff of the Government Civil Hospital. The travelling allowances granted to Nursing Sisters and Probationers have been revised and, in view of present needs, increased.

On account of the opening of a new ward in the Government Civil Hospital an increase in staff has been required, while the extension to the Sisters' Quarters has also necessitated an addition to their domestic servants. These additions are fully shown in Appendix II. The opening of the new ward and the increase in the

cost of commodities generally have also caused several increases in "Other Charges" amounting in all to \$8,200. Several decreases have, however, been effected in other votes, amounting to \$1,550. The extension to the Lunatic Asylum has also necessitated several increases amounting in all to \$340. Owing to the general resumption of trade and to the increased volume of shipping now arriving in this port, it is considered necessary to increase the vote for coal for the launch of the Health Officer of the Port by \$500. Increases amounting to \$1,945 appear also in "Other Charges" for the Bacteriological Institute, due to the inclusion under that head of the sums formerly voted under Special Expenditure for the preparation of meningococcic serum. The rise in price of laboratory apparatus and chemicals necessitate, also, an increase of \$1,400 in "Other Charges" for the Government Laboratory.

In the Sanitary Department provision has been made for two additional Sanitary Inspectors, together with two additional 5th. Grade Interpreters to Sanitary Inspectors. These are required for work in Kowloon City and Shamshuipo, where formerly Police Inspectors have acted as Sanitary Inspectors in addition to their other duties. It is felt that these rising townships now require full-time Inspectors. There are several other increases to the Sanitary Staff which are fully set out, with the reasons therefor, in Appendix II. In "Other Charges" several votes have been increased resulting in a total increase of \$3,950; it has been possible, however, to reduce other votes to the extent of \$1,450. These increases and decreases are fully shown in the Abstract laid on the table.

Under "Special Expenditure" provision has been made for one 4-wheeled street watering-van and for six two-wheeled dust-carts to replace vehicles that have worn out in use. Further exhumations at Kai Lung Wan Cemetery and exhumations at Mount Caroline Cemetery necessitate votes amounting to \$7,400. For the better conveyance of meat and poultry from the Slaughter-house to the Central Market provision has been made of \$15,000 for the purchase of motor meat-and-poultry vans. These, it is hoped, will remove the present every-day obstructions to the tramway, will provide a more sanitary method of conveying meat to the markets, and will contribute to the revenue of the Colony from the fees which it is proposed to charge.

Education.

The Estimates for the Education Department have this year been put into, what is believed to be, a more suitable form, under groups of cognate schools. These estimates show an increase of \$78,090 over the sum voted for Education for the current year. This large increase is due mainly to increased subsidies to Vernacular Education in Hongkong and the New Territories, to increased Capitation grants to schools recently included in the Grant scheme, and to a considerable strengthening of the staff.

The increases in the staff of the various schools have been fully set out and explained in Appendix II., and I need only refer to the addition of 12 Assistant Mistresses which has already been sanctioned by the Secretary of State for the Colonies. The depletion of the staff of the Education Department, owing to the absence of many members on military service, and the consequent introduction of lady teachers to take over their duties temporarily has shown that the education of young Chinese boys can be advantageously placed in their hands.

Under "Other Charges" several small increases occur, the necessities of which are explained in the foot-notes attached to the estimates.

The inclusion of new schools in the Grant Scheme has necessitated an increase in Capitation Grants amounting to \$19,771, while subsidies to schools in the New Territories have been increased by \$3,300, and a sum of \$10,000 has been inserted for subsidies to Elementary Vernacular Schools in Hongkong. With the permission of the Secretary of State for the Colonies, a sum of \$10,000 has also been inserted as a grant to the Confucian Society, who have already done so much for vernacular education in the Colony.

Mention was made last year of the generous help that is being given by certain Chinese gentlemen to the cause of vernacular education, and the Government has no desire to be behind-hand in supporting their efforts. I hope that a considerable sum may be forthcoming for the erection of school buildings and for education generally, but as the money is not part of the revenue of the Colony it is unnecessary for me to go into the matter now.

In the Defence Corps Estimates the abolition of the post of Armourer-Sergeant and the

insertion of an Armourer-Attendant with a fee for periodical inspections by an expert has caused a small reduction in personal emoluments.

Under "Other Charges" a sum of \$800 has been added to the vote for the upkeep of the Rifle-ranges, as this vote had previously been under-estimated. Considerable savings have, however, been made in other votes resulting in a decrease of \$11,116. In connection with these votes I desire to express the appreciation of the Government of the excellent work done during the war by the members of the Defence Corps. I desire, also, to mention the valuable services rendered by Major Morgan as first Administrative Commandant, the high state of efficiency in the Corps being due, as I am informed, in no small measure to his efforts.

Public Works.

There has been in recent years, as honourable members are well aware, a considerable expansion of the work done by the Public Works Department. During the war any increase of the staff was, of course, impossible, but with the return to more normal conditions and with a large programme of public works in progress and in prospect a considerable strengthening of the Department is required. On the retirement of Mr. Jaffe owing to ill-health, the post of Special Engineer has been abolished, and two 2nd. Grade Executive Engineers, together with two 2nd. Grade Assistant Engineers, have been added. Further building operations, present and future, are of such importance and extent that it has been considered necessary to insert a second post of Clerk-of-Works, while the great extensions in the system of roads during recent years and the adaptations of existing roads for motor traffic has necessitated the addition of a Road Surveyor. The work in the office dealing with the drainage system of the Colony has also greatly increased, and one new post of Apprentice Surveyor has been added to cope with the work and to keep up to date the drainage plans and records.

The work of the Architectural and Drainage Office has also expanded considerably, and it has therefore been necessary to create several new posts of Draughtsmen which are fully shown in Appendix II.

Further, a considerable number of additional foremen and survey coolies has

been required for the proper supervision of roads and other public works under construction. These men are usually appointed on a temporary basis and have so far been paid out of lapsing salaries; their posts are now fully shown in the Estimates. Increase of clerical work in the Public Health and Buildings Ordinance Office has necessitated the addition of one 4th. Grade Clerk while one 2nd. Grade Chinese Surveyor has been added under "Miscellaneous" for work in connection with new roads under construction.

These new posts have necessitated several increases in Conveyance Allowances shown under "Other Charges"; it has been possible, however, to reduce other votes to the extent of \$4,300.

Several votes for Public Works Recurrent show an increase this year over those for the current year amounting in all to \$98,100, with reductions in other votes amounting to \$14,500—the net increase being, therefore, \$83,600. The reasons for these increases and decreases are fully shown in the foot-notes to the Estimates.

The conclusion of peace makes it possible to proceed with many public works held over owing to the demands made on the resources of the Colony for war purposes. Honourable members will not be surprised, therefore, to find that the sum provided under the head "Public Works, Extraordinary" is close on \$4,000,000. This is nearly double the amount provided for this year, and nearly three times the amount spent in recent years. These are large figures, but I feel sure that the Council will agree with me that, now that the war is over, it is the wisest policy to press on our programme of public works to the utmost of our ability in order both to make up the arrears of the years of war and to prepare as fully as possible for the era of increased trade and prosperity which, we hope, is now beginning. Even as it is we have been obliged to omit several works of importance, but if, as the year advances, it appears to be possible to deal with an even larger programme than that now included in the Estimates, I shall not hesitate to lay before you supplementary proposals, to which I shall hope to secure your assent. I would mention here that any such increase in work would almost certainly necessitate an increase in the staff of the Public Works Department, but there can, I think, be no doubt

that it will be possible to find useful employment for a larger staff for many years to come, unless there should be some unlooked-for set-back to the prosperity of the Colony.

As regards details, it will be observed that in Hongkong the first six items are for the completion of buildings already in progress. Item 7 provides for quarters for scavenging coolies in the Western portion of the City. Item 8 for a new Fire Brigade station. Item 9 for the complete of the Crematorium. The mortuary in Hill Road is now so close to new residences that it is considered desirable to remove it to a new site. Under item 11 provision is made for building a second block of married quarters for Police in Caine Road. Item 12 is for twelve new houses in Wong Nei Chong Road. Six of these it is proposed to lease to the Naval Authorities for two years to house Naval Civil Officers, who are at present occupying military quarters. It is essential that these officers should reside in Victoria, and, by the provision of quarters for them, the pressure on the housing resources of the Colony will be, in some small measure, relieved. The present summer quarters for the families of Police-officers are quite inadequate, and it is proposed under Item 13 to begin the erection of a suitable building on the Peak.

Under the heading "Communications" Item 16 (a) to (j) sums are provided for completing works now in progress. Under (k) a sum of \$60,000 is provided for a very necessary widening of the road between North Point and Quarry Point, while (l) and (m) are for improvements in Shaukiwan village. It is proposed to open Kennedy Road to motor traffic, and the sum provided under (n) will enable part of the work to be undertaken. The road contemplated under (o) will open up some good building sites, and at the same time will provide for an alternative route from Aberdeen to Victoria, avoiding the very steep hill on the Pokfulum Road. Under (p) provision is made for beginning the construction of a road over Wong Nei Chong Gap to Deep Water Bay, and under (q) for the first part of a road which will eventually reach Shek O and Cape d'Aguilar and will, it is hoped, lead to the development of that part of the island, which is at present somewhat isolated. Under (r) the road to Wanchai Gap will be extended to

Magazine Gap, giving access to new building sites. The sum of \$50,000 provided under (s) is for beginning the work of making Victoria Road suitable for heavy motor transport. Item (t) is for continuing the work of surfacing the main roads in the City with asphaltum.

It has become very desirable to open up new sites for residences in the Hill District. The only part of that district so far entirely undeveloped is Mount Cameron, and provision is made under Item 17 for beginning the construction of a tramway to Wanchai Gap, which will provide a rapid means of access both to Mount Cameron and to the hills between Wanchai and Magazine Gaps.

Under "Miscellaneous Works" provision is made for reconstructing ferry piers and beginning the reclamation scheme at Aplichau. Some important improvements are also to be made at the Central Police-station.

Kowloon Projects.

The rapid development of the Kowloon Peninsula necessitates the expenditure of considerable sums, chiefly for roads and waterworks. I have not had time yet to make a personal inspection of the various portions of this important district, but I have had an opportunity of reading what has been written on the subject and hope shortly to be able to arrive at definite decisions on the main questions under discussion. Among these questions the provision of suitable means of transport and the erection of a hospital would appear to be matters requiring early attention.

Under "Buildings" provision is made for beginning a new Fire-station and a new Police-station; the erection of quarters at the Royal Observatory and in King's Park; and very necessary alterations at the Water Police-station to render it suitable for the increased number of Police to be accommodated when the Fire-station is erected.

Under "Roads" a sum of \$150,000 is provided for making new roads and improving existing roads, while it is proposed to extend Coronation Road towards its eventual terminus in Sham-shui-po. A beginning is also to be made with the road to the China Light and Power Company's new station.

Under "Miscellaneous" the principal work

will be the filling-in of the low-lying areas in the neighbourhood of Tai-kok-tsui and Fuk Tsun Heung.

Though there is abundance of water in the Kowloon Reservoir the difficulty has hitherto been to supply the rapidly-growing population owing to the impossibility of getting water-mains of suitable size during the war. Provision has been made for laying a larger main from the reservoir filter-beds and for improving the distribution system.

New Territories.

In the New Territories provision has been made for completing the surfacing of the road from Fanling to Castle Peak so that it may be suitable for motor transport in all weathers. A very necessary patrol path along a portion of the frontier is to be constructed.

Under the headings "Drainage" and "Miscellaneous" large sums are to be expended in connection with the growing town of Shamshuipo, and provision has also been made for a scheme of electric lighting for Taipo and Taipo Market.

The estimates for the Post Office show little change from those of former years. A large increase in the work of the Parcels Branch has necessitated the addition of two 5th Grade Postal Clerks and of two Postmen at \$144 each, and increases under "Other Charges" have been considered necessary amounting to \$1,100. The working of the Post Offices continues on a satisfactory basis, the net profit for the year 1918 for both Postal and Telegraph Services amounting roughly to \$270,000.

Kowloon-Canton Railway.

Under the heading "Kowloon-Canton Railway" there are a few small changes in the staff and a considerable number of increases and decreases occur in the votes for "Other Charges" under the various heads. Expenditure on the Railway varies somewhat more than in the case of other Departments. These increases and decreases, as will be seen from the Abstract on the table, amount to \$24,035 and \$22,248 respectively, giving a net increase of \$1,787. The reasons for the changes will be found in the footnotes attached to the Estimates.

A considerable increase is shown this year in the "Special Expenditure" for the Railway. After the years of war it has become necessary to have considerable renewals of rolling-stock and machines. It is proposed to obtain from home the frame-works for 4 new carriages, which will be built up and completed locally at a total cost of \$70,000. Cylinders and tyres require renewing, and votes amounting \$10,741 have, therefore, been inserted. One new locomotive, also, is urgently needed, and a sum of \$20,000 is therefore provided for that purpose. A considerable increase in goods traffic is anticipated as conditions become more normal, and to cope with this increase and to replace worn-out vehicles it is proposed to provide for 30 new thirty-ton wagons at a cost of \$198,333. A vote has also been inserted for additional machines for the workshops amounting to \$15,067.

Under "Construction," also, votes amounting to \$2,650 have been inserted for necessary improvements to the line. The net increase in Special Expenditure is, therefore, \$305,574.

Pensions.

Under the head of "Pensions," honourable members will note with regret that the pensions of Sir H. S. Berkeley, Mr. Seth, and Mr. J. Dyer Ball have ceased owing to their deaths.

The resignation of Sir Henry May has already been referred to in this Council, and I am glad to think that his eminent services to the Colony, in which he spent practically the whole of his long official career, are to be suitably commemorated. The pension of another public servant who was for many years Treasurer, Mr. A. M. Thomson, also appears, and among the pensions to be paid will now be that of Mr. D. Jaffe, whose state of health, I regret to say, necessitates his retirement. Among much useful work that he performed in connection with the public works of the Colony the building of the dam at Taitam Tuk will always stand as a tribute to his engineering skill.

Among the Widows' and Orphans' Pensions appear the names of the widows of two more Police-officers who lost their lives in tragic circumstances, namely, Inspector Terrett and Sergeant Glendinning. In both these cases the

Government has granted additional sums, making the total up to £104 a year. The pension granted to Mrs. MacFarlane recalls the great loss that the Government suffered by the sudden death of Dr. MacFarlane, whose work as Bacteriologist had been of the greatest service to the community during the several epidemics. He had also, for some years, done special work for the Dairy Farm Company with very satisfactory results.

Under "Charitable Services" there is a new item of \$25,000 in aid of local Chinese charities. This sum will be administered by a Committee, over which the Secretary for Chinese Affairs will preside.

A Warning.

I have now referred to most of the more important details of the estimates, but before concluding I wish to revert for a moment to the totals of revenue and expenditure. It will be observed that the estimates, as framed, show a balance in favour of revenue of something more than four lakhs of dollars. It is probable that this balance is under-estimated, as the dollar has, for purposes of sterling payments, been converted at the very safe rate of 3s. But, on the other side, there are two factors to be reckoned with. One is the deficit on rice purchases, to which I have already alluded. The other is the fact that whatever may be the exact result of the discussions which have taken place with regard to the emoluments of Government servants, it is certain that considerable additional expenditure must be incurred on that account. I am confident that no member of this Council or of the community will grudge the payment of whatever may be decided upon as necessary for the purpose of giving adequate remuneration to the members of the public service. I trust that this important matter may be settled at no very distant date, but at present it is impossible to make any definite provision in the estimates owing to the difficulty of saying even approximately what amounts are involved. I have already referred to the sum of \$465,000 which has been inserted under "Miscellaneous Services" to meet the special allowances which are now being paid, and when these allowances cease the money will be available for purposes of such permanent increase in

emoluments as may be ultimately approved. I mention these two matters now because it is not improbable that the expenditure on them may result in turning the favourable balance of the Estimates into a deficit. I do not think, however, that that is a consideration which need cause any hesitation in voting the sums provided in the Estimates. These sums include very large expenditure on works of development, many of which may confidently be expected to prove remunerative at an early date, and I submit that such works are a proper charge against the accrued balances of the Colony, which are in a position to stand some reduction and which could not, in my view, be devoted to a better purpose than to furthering the development of the Colony.

With these remarks I submit the Estimates for the consideration of honourable members. I am aware that there are many matters of importance not dealt with, but I must ask for some measure of indulgence in consideration of the fact that I have only recently arrived, and that some time must elapse before I can place definite proposals before the Council for dealing with such questions.

It is proposed to take the second reading of the Supply Bill on Thursday, October 30th., if that will meet the convenience of honourable members, and in the meantime the Colonial Secretary and Treasurer will be glad to afford any information on the subject of the Estimates that may be required.

The Bill was then read a first time and the Council adjourned until the 30th. inst.

FINANCE COMMITTEE.

A meeting of the Finance Committee followed, the Colonial Secretary presiding.

Incidental Police Expenses

The Officer Administering the Government recommended the Council to vote a sum of six hundred and ninety-six dollars (\$696) in aid of the vote Police and Prison Departments, A.—Police, Other Charges, Incidental Expenses.

THE CHAIRMAN—This sum is required for expenses incurred in India by Mr. Perdue when recruiting Police.

The vote was agreed to.

Boundary Stones

The Officer Administering the Government recommended the Council to vote a sum of two hundred and twenty dollars (\$220) in aid of the vote Public Works, Extraordinary, Hongkong, Miscellaneous, (23) Boundary Stones.

THE CHAIRMAN — The vote for the boundary stones at Cheung Chau to mark out the area under the recent Ordinance. There are 23 boundary stones in all.

The vote was agreed to.

Scavenging

The Officer Administering the Government recommended the Council to vote a sum of one thousand, three hundred dollars (\$1,300) in aid of the vote Sanitary Department, Other Charges, Scavenging City, Villages and Hill District.

THE CHAIRMAN—This is required for special scavenging work on account of the recent outbreak of gastro-enteritis. The special cleaning out of back lanes was undertaken as it was found that flies were carrying the disease.

The vote was agreed to.

Typhoon and Rainstorm Damages

The Officer Administering the Government recommended the Council to vote a sum of nine thousand, two hundred dollars (\$9,200) in aid of the vote Public Works, Recurrent, Hongkong, Miscellaneous, (17) Typhoon and Rainstorm Damages.

THE CHAIRMAN—The expenditure covers a very long period. The heavy rains on July 4th. and July 8th. did considerable damage and more damage was done by the heavy rains in August. The total cost of making good the damage was \$28,200. The money voted \$19,000, leaving the amount of \$9,200 for which this vote is required.

The vote was agreed to.

Roads, General Works

The Officer Administering the Government recommended the Council to vote a sum of forty-five thousand dollars (\$45,000) in aid of the vote Public Works, Extraordinary, Hongkong, Communications, (13) Roads: (p) General Works.

THE CHAIRMAN—This is expenditure incurred mainly near buildings which have just been completed. The connection of Upper Albert Road and Garden Road cost more than was anticipated as, upon opening the road, water mains and various pipes were discovered which had to be removed. The cost of the whole of the work under this vote was \$79,700. The original vote was \$35,000 leaving a deficit of \$44,700 or roughly \$45,000. The estimates, it will be remembered, were drawn up last year on a broad basis and when the war came to an end it was possible to undertake further work.

The vote was agreed to.

Time Service Apparatus

The Officer Administering the Government recommended the Council to vote a sum of one thousand, four hundred and fifty dollars (\$1,450) in aid of the vote Royal Observatory, Special Expenditure, Renewal and improvement of Time Service Apparatus.

THE CHAIRMAN—This is for improving the Time Ball apparatus which got out of order.

The vote was agreed to.

City Roads and Bridges

The Governor recommended the Council to vote a sum of eight thousand dollars (\$8,000) in aid of the vote Public Works, Recurrent, Hongkong, Communications, (4) Maintenance of Roads and Bridges in City.

The vote was agreed to.

Anchor for Bokhara Rock Buoy

The Governor recommended the Council to vote a sum of two hundred dollars (\$200) in aid of the vote Harbour Master's Department, Special Expenditure, Anchor for Bokhara Rock Buoy.

The vote was agreed to.

Public Works Recurrent Expenditure

The Governor recommended the Council to vote a sum of six thousand dollars (\$6,000) in aid of the following votes:—

Public Works, Recurrent, Hongkong:—

Buildings, (2) Improvements	
Buildings	\$2,000.00
Miscellaneous, (12) Maintenance of Praya Walls and Piers,	2,500.00
Miscellaneous, (15) maintenance of Public Recreation Grounds	1,500.00
	<hr/>
	\$6,000.00
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The vote was agreed to.

Road in Kowloon

The Governor recommended the Council to vote a sum of ten thousand dollars (\$10,000) in aid of the vote Public Works, Extraordinary, Kowloon, Communications, Road to China Light and Power Company's new station.

The vote was agreed to.

Police Matshed

The Governor recommended the Council to vote a sum of three hundred and seventy-five dollars (\$375) in aid of the vote Police and Prison Departments, A. — Police, Other Charges, Purchase of matshed at Tsing Lung Tau (Tsun Wan District).

THE CHAIRMAN—This is the matshed used as an office on the road to Castle Peak. It is not proposed to move the shed but to use it now as a sub-Police-station.

The vote was agreed to.

The Road Round the Island

The Governor recommended the Council to vote a sum of three thousand dollars (\$3,000) in aid of the vote Public Works, Extraordinary, Hongkong, Com-

munications, Roads: Deep Water Bay to Tytam Tuk Road, Improvements to Section from Deep Water Bay to Repulse Bay.

THE CHAIRMAN—This is for widening the road from Deep Water Bay to Repulse Bay.

The vote was agreed to.

Repatriation of the Insane

The Governor recommended the Council to vote a sum of two thousand, three hundred and thirty-five dollars (\$2,335) in aid of the vote Miscellaneous Services, Repatriation of insane persons.

THE CHAIRMAN—The opportunity arose of repatriating certain insane people. It is a very difficult thing to do and it was thought the opportunity should not be lost.

The vote was agreed to.

New Road

The Governor recommended the Council to vote a sum of twenty-one thousand, six hundred dollars (\$21,600) in aid of the vote Public Works, Extraordinary, Hongkong, Communications, (13) Roads: (c) Repulse Bay to Tytam Tuk, 1st. Section, New Road.

The vote was agreed to.

Hire of Police Launch

The Governor recommended the Council to vote a sum of one thousand and

sixty dollars (\$1,060) in aid of the vote Police Other Charges, Steam-Launch *Blackhead*, Hire.

THE CHAIRMAN—This sum is for hiring the launch *Blackhead* which is in charge of the custodian. It has been used by the Police. It is proposed to pay \$10 a day from the middle of September to the end of the year.

The vote was agreed to.

Purchase of Steam Launch

The Governor recommended the Council to vote a sum of three thousand, five hundred dollars (\$3,500) in aid of the vote Police and Prison Departments, A. — Police, Other Charges, Purchase of Steam-Launch *Hapag*.

THE CHAIRMAN — This launch was wrecked on August 26th. The hull containing the engines and boilers was purchased and now a new hull is being built.

The vote was agreed to.

Registration of Companies at Shanghai

The Governor recommended the Council to vote a sum of one thousand dollars (\$1,000) in aid of the vote Judicial and Legal Departments, A. — Supreme Court, Other Charges, Registration of Companies at Shanghai.

The vote was agreed to.