

18TH NOVEMBER, 1920.

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. A. G. M. FLETCHER, C.B.E. (Colonial Secretary).

HON. MR. J. H. KEMP, K.C., C.B.E. (Attorney-General).

HON. MR. D. W. TRATMAN (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. A. IRVING (Director of Education).

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

HON. MR. P. HOBSON HOLYOAK.

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

HON. MR. LAU CHU PAK.

HON. MR. HO FOOK.

MR. S. B. B. MCELDERRY (Clerk of Councils).

ABSENT:—

HON. MR. JOHN JOHNSTONE.

Minutes

The minutes of the last meeting were confirmed.

Papers

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table sessional paper No. 12 of 1920 being Quarterly Return of Excesses under sub-heads met by savings under heads of Expenditure for the third quarter 1920.

Finance

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table Financial

Minutes Nos. 104 to 108 and moved that they be referred to the Finance Committee.

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

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid on the table the Report of the Finance Committee, No. 7 and moved that it be adopted.

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

QUESTIONS.**The Form of Financial Returns**

HON. MR. H. E. POLLOCK, K.C., in accordance with notice given, asked a series of questions to which the Government replied as follows:—

Q.—In view of the fact that the Government have been able in 1920 to issue Financial returns monthly, instead of at times with more than one month's receipts and payments grouped together, will they give the usual total receipts for January, February and March, 1919, also those of December, 1919, which have not been published, in order that some comparison can be obtained with the 1920 figures?

A.—The figures are:—January, 1919.—Revenue, \$1,809,259.60; expenditure, \$856,879.90.

February, 1919: — Revenue, \$1,252,836.70; expenditure, \$733,971.53.

March, 1919: — Revenue, \$1,208,147.23; expenditure \$1,266,103.29.

The figures for the three months were published together owing to the irregularity of the mails which brought the Crown Agents' accounts for the three months within a very short time of one another.

For December, 1919, the figures are:—Revenue, \$1,342,985.64; expenditure, \$4,851,816.55.

Q.—As the publication of the monthly cash account some three to four months later detracts considerably from its value, and in view of the fact that the Imperial Government is able to issue its Statement within a month after date, cannot some improvement be instituted (possibly by standardising the items and obtaining Crown Agents London figures by telegraph for incorporation) whereby the publication can be made within the month following?

A.—It is unfortunately impossible to publish accurate accounts until the Crown Agents' monthly figures are received and for them to telegraph the exact figures of £. s. d. under each head would involve expense out of all proportion to the benefit secured. The prolonged delays which have occasionally occurred in the past have been due to the irregularity of the mail service. It is hoped that when a normal service is restored the delay in publication will be materially reduced.

Q.—Whereas the monthly financial return merely gives the receipts and payments in one item respectively, which is the minimum of information which can be produced, and as the Government doubtlessly keeps its accounts in the form of the "Financial Returns for the year," cannot a Monthly Account be published to enable the officials and public to follow the returns intelligently on such lines as follows, *e.g.*:—

Items of receipts and payments under their separate standardised heads in columns reading

- 1.—Estimated Receipts 1920.
- 2.—Receipts to date
- 3.—Receipts to same date previous year.
- 4.—Receipts for same month previous year.
- 5.—Receipts for current month, with similar information on the other side respecting payments closing with the balances brought forward and carried forward to complete the account?

A.—Something of the kind shall be done. The exact form of the return will need a little consideration.

Loans for House Building

Q.—With regard to public moneys authorized to be lent at a low rate of interest in order to further the building of additional housing accommodation, will the Government cause a statement to be published annually in the Blue Book, giving particulars of the amount advanced by the Government, interest charged, accommodation to be provided approximate rentals and security given for due fulfilment of contract and also terms of repayment and the names of the borrowers?

A.—The Hon. Member's suggestion has been carefully considered, but the Government has come to the conclusion that it would be undesirable to publish such a statement. Of course, any Hon. Member who desires information on these points for his personal use will be supplied with it.

Q.—Having regard to the fact that owner occupiers are undoubtedly a great asset in any community, will the Government set aside a sum of 300,000 dollars out of revenue for the purpose of making advances at a low rate of interest to persons who are desirous of building inexpensive houses for their own occupation?

A.—It was found, in connection with the loans which were recently made, that the chief obstacle to the building of small detached houses was the lack of suitable sites convenient of access. The only enquirer who was willing to go far afield has been granted a loan for the purpose of building a residence at Fanling. but for the most part applicants expected that land would be found for them at a nominal rate in the most central districts. The Government has under consideration various schemes of development, which include the provision of inexpensive land and houses on the outskirts of Kowloon. In the meantime it is considered inadvisable to increase the already large sum locked up in advances for house building.

The Bathing Beaches

Q.—Having regard to the popularity of the Bathing Beaches at North Point and Kennedy Town and to the fact that those areas are in danger of being required for various purposes in the near future, will the Government

before selling these public and accessible bathing grounds, arrange for the cheap transportation of intending bathers to the North Shore of Stonecutters' Island or some other convenient place for bathing?

A.—While the Government will regard the loss of these bathing facilities with regret, it is not possible to allow them to stand in the way of commercial development, so that it must be anticipated that the bathing places to which the Hon. Member refers will cease to be available at no very distant date. It is considered that the provision of transport to other bathing places is one which can be dealt with adequately by private enterprise and should therefore be left to it.

Railway Accounts

Q.—If the Kowloon-Canton Railway (British Section) is in time to be linked up with the trunk lines of China and when such takes place, questions of rates and allowances are likely to be complicated ones based on both cost of construction, maintenance and running costs, and whereas all the Railways in China are and have been for some time worked under a very efficient and standardised form of accounts, will the Government take immediate steps to place the Colony's Railway accounts on a similar basis so that our officials may be in a position to discuss questions of rates on a common basis?

A.—The system of accounting employed does not, as far as this Government is aware, differ materially from the system employed in China. But the Government will be glad to consider any suggestions for the alteration of its system which the Hon. Member may care to put forward.

The Colony's Interest on Investments

Q.—Is the Colony's interest on investments in British War Loan and Colonial Government Stocks received free of Income Tax? If not, why not?

A.—The answer to the first part of the question is in the affirmative.

Supplementary Appropriation Bill

THE COLONIAL SECRETARY moved the second reading of a Bill intituled, An Ordinance to authorize the appropriation of a supplementary sum of four million and twenty-six thousand three hundred and thirty-six dollars and eleven cents to defray the charges of the year 1919.

He said: I propose after the second reading has been passed to move that the Bill be referred to the Finance Committee where it may be fully discussed.

THE COLONIAL TREASURER seconded, and the second reading was agreed to.

THE COLONIAL SECRETARY then moved that the Bill be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

The Annual Budget

THE COLONIAL SECRETARY moved the second reading of the Bill intituled, An Ordinance to apply a sum not exceeding fourteen million and eighty-four thousand six hundred and sixty-two dollars to the Public Service of the year 1921.

THE COLONIAL TREASURER seconded.

HON. MR. H. E. POLLOCK, K.C., said — Sir, — As the Senior Unofficial Member on this Council, the duty devolves upon me of offering some general observations on their behalf on the Budget for 1921. I shall also, at the end of such observations, add a few remarks of my own; and my colleagues will doubtless desire also to express their own views on some of the items comprised in the Estimates.

In the first place, we regret to find that, in two details, the present Draft Estimates are deficient as compared with those for 1920, namely, first, in the absence of an Index of subject-matter at the end, and, secondly, in the leaving of blanks in regard to the higher Officers in the Chinese Secretariat on page 17 and in other Departments. We hope that these defects will be remedied in the Draft Estimates for 1922.

I will now proceed, on behalf of my colleagues and myself, to deal with the Budget, keeping, so far as possible, for purposes of convenience, to the order in which Your Excellency dealt with them.

As regards the loss on rice, we have hitherto received a preliminary report only, and we are strongly of opinion that a final report ought to have been laid on the table of this Council for information long ere this. We trust that this omission will be remedied as soon as possible. We also trust that this expensive experience will be borne in mind in future and we would ask that, under similar circumstances in the future, expert advice and assistance will be employed by the Government from beginning to end.

With regard to the fact that over one million dollars short of the Estimates for 1920 were spent upon Public Works Extraordinary, we are disposed to attribute a part of that shortage to inadequacy in numbers in the Public Works staff. We would also earnestly press upon Your Excellency's notice the absolute necessity for the promptest dealing with applications and plans which are sent in to the Public Works Department in regard to new buildings or alterations to buildings, seeing that delay in such matters not only retards development and progress, but entails the tying up of capital.

As regards the proposed increase of Stamp Duties, we trust that ample notice of the details of the proposed measures will be given to the public before it is attempted to pass such measures into law, and that any projected increase of Court fees and fees for Registration of Deeds will be referred to the Law Society for its views.

The Hon. Mr. Parr, with whose remarks we are in accord, will address the Council on the subject of the proposed increases in the fees for use of Government Buys and for the medical examination of emigrants.

As regards Hawkers' licences, and the proposal to charge for excess water in the Rider Mains' districts, the Senior Chinese member has some observations to make with which we are in agreement.

As regards the proposed Kowloon East Ferry service and the proposed Motor Bus services at Kowloon, it is hoped that the necessary strengthening of the roads will be speedily put in hand, so that such improved means of communication may be started as early as possible.

With regard to the anticipated increase of traffic on the Kowloon-Canton Railway, it is our earnest hope that the Canton authorities will, during the coming year, maintain a strong Civil Government, and that the recent lawless epidemic of militarism and violence will very soon wholly disappear, and that the various armed

forces will be disbanded throughout Kwangtung and Kwangsi. We would also, once again, urge the paramount necessity for the speedy completion of the Canton-Hankow Railway, and also for the linking up of the Kowloon-Canton Railway with that Railway.

As regards the Cadet Service, we have not sufficient materials before us to judge whether the proposed scheme of payment of Cadets by seniority instead of by posts is desirable or not; and we should like to know what is the nature of the two strict efficiency bars which are referred to in Your Excellency's speech.

Whilst welcoming the increase in the *personnel* of the Police Force, we regret that there has not been a greater increase in the European section, and we are not satisfied that the proposed number of Europeans in the Police Force is sufficient for the growing needs of the Colony and for the adequate protection of its inhabitants from the criminal classes. We consider, also, that stricter supervision of the Chinese Detective Staff is desirable.

As regards the Prison Department, we are doubtful whether the proposed increases in the Gaol Staff are sufficient. The slight increases appearing in the Estimates seem inadequate to cope both with the Gaol proper and with the recently-opened establishment at Laichikok, more especially as we gather that the chain-gang is to be revived. The establishment of a separate Head for the Prisons Department was one of the recommendations of the Goal Committee, and we are quite in favour of it; and we would suggest, as a corollary, that the Estimates of the Police and Prisons Departments ought to be kept separately from one another in the future.

With regard to the new Gaol at Ngau Shi Wan (Item 73 on page 86) we hope that the most ample room for expansion will be provided, as we consider that the ideal to aim at is to have that Gaol as the sole Gaol in the Colony, thereby concentrating the Prison and its staff in one spot and saving expense, and also releasing

the central and valuable site of the present Gaol for other purposes.

As regards the deficiencies in the European Education staff, the Unofficial Members trust that such deficiencies, which are retarding the teaching in our schools, will soon be remedied. We also consider that there are not enough schools in the Colony for the teaching of English.

With reference to the items on page 73, subsidies to schools in New Territories and Subsidies to Elementary Vernacular Schools in Hongkong, \$7,200 and \$10,000, respectively, we would make the following remarks:—

For years, Vernacular Education—the want of which has been keenly felt by the working Chinese, who cannot afford to engage private teachers for their children—has received meagre attention and help from the Government, although it forms an important factor in British propaganda work and is the stepping-stone to English education so far as the Chinese population of this Colony is concerned. Without a fairly good grounding in their own language, the value and benefit of English education to Chinese youths cannot be so fully realized as they should be. At present the system of vernacular education existing in this Colony is supported by the charitably disposed Chinese, who, beyond a small subsidy or a small grant under the grant-in-aid code, receive scarcely any encouragement or help from the Government. The schools which they are maintaining afford shelter for two or three thousand children of the working class, who, had it not been for such schools, would be thrown on the streets to swell the number of Juvenile Offenders. The present system has no permanency, and those who are running the schools may retire from the field at any time for want of support and encouragement. My Chinese colleagues suggest that the subsidies and grants should be increased, and free scholarships given so as to enable the best pupils to pass on to the Government District schools for a course of English education. When things were cheap and rents low, a grant of 3 or 5 dollars per head might be adequate, but now that everything has gone up in price the old rates ranging from 9 to 12 dollars ought, it is suggested, to be restored.

With regard to the item on page 73 of Building Grants, \$180,000, we should like to be informed how such sum is to be apportioned between the different schools.

We are glad to hear that, at last, a Maternity Wing is to be built on to Victoria Hospital, and also that a

Hospital is to be built at Kowloon and a Hospital for Europeans to relieve the pressure on the Government Civil Hospital on this side of the Harbour. We approve of the proposal to have wards in the latter Hospital in which private practitioners can see their own patients, and we hope that private practitioners will be given leave to treat their own patients in the Kowloon Hospital.

As regards the reconstruction of Queen's Statue Wharf, we would urge upon the Government the necessity for the new Wharf containing much greater accommodation for launches than the present one, and also that it should be constructed in a manner worthy of its surroundings.

As regards items 78 and 84 (on page 86) we should like to know whether the Government foresaw the necessity for this work (which involves the expenditure of over a lac of dollars) at the time when the land was sold for reclamation at Lai Chi-kok, and if this contingent expenditure was foreseen in settling the upset price for such land. We think it ought to have been foreseen. As regards Item 84 we should also like to know whether the sum of \$60,000 for the construction of the water-boat dock at Lai Chi-kok will complete that work.

Whilst warmly commending the Government (and especially the Acting Colonial Secretary) for the steps which have been taking for the provision of additional housing accommodation at the Peak, the middle levels, and Kowloon, we have the following criticisms and remarks to make, numbered 1 to 2, respectively:—

1.—We trust that the Government will strictly enforce the penalties for non-completion by due date of all houses and flats towards the erection of which the Government has advanced money.

2.—We regret that it has not been found possible, in the distribution of the million dollars in loans for bulding, to allocate some of the moneys to persons who are building for their own occupation, as we consider that owner-occupiers are worthy of every encouragement by the Government, and we venture to express the hope that it may be found possible for the Government shortly to set apart (possibly out of the proceeds of

sale of the old Post Office site) a sum of 3 lacs of dollars to assist persons to build houses of modest type and reasonable cost for their own occupation, provided that proper security is given.

With regard to building development in the neighbourhood of Wanchai Gap, we notice with astonishment that the Hill Tramway to Wanchai Gap, for the construction of which a sum of \$150,000 was inserted in the Estimates for 1920 does not figure at all in the Estimates for 1921, and we are at a loss to understand the reason for the omission, as obviously a tram from the low level to Wanchai Gap is an indispensable preliminary to the development of the Mount Cameron District, which cannot be effectively opened up by motor roads only. We presume that the Government has had a survey made of the route of such projected tramway and a rough estimate of the cost thereof, and we should be glad of information on these points.

In your Budget speech of last year (at page 90 of "Hansard" for 1919) your Excellency referred to this subject as follows:—

"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."

4.—We are disappointed to find no reference in your Budget speech to any negotiations with the Military Authorities for the release of the Military lands on Nathan Road. Kowloon. As has been pointed out more than once, sites on that road which are eminently suitable for residences are being occupied by stables for mules.

5.—We hope that the Government will do everything in its power to expedite the speedy commencement and vigorous prosecution of the Praya East Reclamation.

6.—We trust that the extension of the Ho Mun Tin Colony and the development of the area of land at Kowloon Tong on Garden City lines will be pressed forward by the Government.

7.—We also trust that the Government will give its assistance to the Kai Tack Reclamation scheme by

pressing on with the inauguration of the Kowloon East Ferry Service and the Motor bus service to Kowloon City.

With regard to the question of whether there is a shortage of houses in the Colony, there are no houses, so far as we are aware, to let for European occupation in any part of the Colony south of Coronation Road, and it is a well-known fact that the Hotels are so full that passengers arriving here by large steamers are frequently compelled to stay on board.

As regards the City Expansion of the Colony, we are very glad to note from indications in Your Excellency's speech that the Military Lands Question has taken a decided step forward since the matter was debated in this Council on 29th January last, and we earnestly trust that the Military Authorities will continue to co-operate heartily with the Government of this Colony in expediting the procuring for the trade of this Colony, by which we all live, a much needed area for expanding our office and business accommodation

In connection with Harbour Development, we are glad to extend a welcome to Sir Maurice Fitzmaurice, and we hope that his investigations here may result in important developments of the shipping facilities of this Colony.

As regards commercial wireless, we would ask Your Excellency to appoint a small Committee (which we would suggest should consist of the Colonial Secretary, an Unofficial Member of the Council, and the Commodore or an Officer deputed by him) for the purpose of discussing and reporting on the feasibility of utilizing the Stonecutter's Island installation for commercial messages during certain portions of the 24 hours, whilst paying due regard to the necessities of His Majesty's Service.

As regards our finances generally, we would once again urge that it is not fair to the present Colonists that the entire cost of Public Works of a permanent character should be paid for out of current revenue, and we would advocate that short Loans should be raised for such purposes.

So much, Sir, for the united views of my colleagues and myself on the subject of the Budget

I am now going to add a few remarks of my own, in which my colleagues do not concur, in regard to one item in the Budget. namely, the proposal to make the motor road from Magazine Gap to Chamberlain Road. In the first place, Sir, I venture to question

the necessity for this extension because all those who are living in the neighbourhood of Chamberlain Road can easily take the Tram down to the lower Tram Station, and from there they are in touch with all the other parts of the Colony which are accessible by motor. One argument which I have heard against this contention of mine seems to be too paltry for serious consideration, namely, that the motor-owner, whether he goes east or west, will have to spend ten minutes in travelling through China Town. Another argument which I have heard used is that it will be much pleasanter to travel from the Peak to Repulse Bay over the new projected road entirely on the high levels, instead of starting from below. This argument, though better than the last one, does not, in my opinion, justify the making of an expensive road, while we have in this Colony other urgent public matters requiring not merely the expenditure of revenue but also the services of our none too large Public Works staff.

Next, Sir, I take the objection that this proposed road is not desirable. First, on the ground that it will destroy one of our greatest assets at the Peak, namely, the absolute quiet which we enjoy at night. If, as I understand to be the case, it is proposed to continue this road ultimately on through the Mount Kellett Gap down to Pokfulam Road we are faced with the possibility of a fine procession of joy-riders at the Peak at all hours of the day and night. And, even if you call a halt at Chamberlain Road, you cannot prevent anybody who can afford the hire of a car from going up to the Peak on a fine moonlight night, as I presume that the Government does not intend to put up a turn-pike and to issue passes to Peak residents only.

And now I come to my second ground of undesirability which I consider most important, and that is the question of safety of the children living at Magazine Gap and the Peak. The proposed route of the road lies through Magazine Gap itself, and thence along the Craigmin Road to Craigmin West, and subsequently it has to squeeze its way through the small gap between "Cheltondale" and "Balgownie" and then to run for some distance along the present road past the Peak Church, which road is the approach to the Peak school for all children going to that school from any house to the east of that school. And the question which I wish to put is this: Why should we wantonly and unnecessarily introduce a new danger for children living at Magazine Gap and the Peak by building such a road?

I notice that tenders are now being invited for the construction of this proposed road, but I venture to hope that Your Excellency, before sanctioning the

acceptance of any tender, will carefully seek for the correct answer to these two questions:—

1.—Is such a road really necessary for the purpose of giving to Peak residents access by motor to other parts of the Colony?

2.—Is such a road desirable, having regard to the danger which it will bring to children at Magazine Gap and the Peak, and having regard to the fact that it will destroy the present priceless peace and quiet at the Peak?

HON. MR. LAU CHU PAK said—You Excellency, of behalf of my Chinese colleague and myself, I beg to offer a few observations on certain items in the Estimates. In our opinion, and that of most of those whom we represent, the reduction in the number of hawkers' licences, which is intended to save the Police trouble, will more likely have an opposite effect, inasmuch as in addition to looking out for unlicensed hawkers, they will have to devote more time and attention to watching the movements of the unemployed and the vagrants, whose ranks will be swelled by those who fail to obtain licences for hawking as an honest means of earning their livelihood. The Chinese population has in recent years grown enormously and will, so long as political disturbances across the border periodically crop up, continue to grow, so that the number of licences for hawking needs to be increased instead of being reduced. From the Chinese point of view it is more in accordance with righteousness to give a man a few dollars as capital for hawking so as to enable him to gain a decent livelihood than to leave him unemployed and drift into the ranks of vagabonds. I think the objections to hawking would be minimized, if the licences be issued in each district and increased or reduced as they may be in proportion to the number of people residing therein. The licences may also be classified, so that, in the vicinities of markets, licences for selling only commodities other than market products would be issued. In view of the fact that the Chinese community

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hard on a poor but honest man to be punished for trying to gain a livelihood by honest means, not because he defies the law by refusing to pay for a licence, but because he is denied one when he willingly offers to pay for it, we hope the Government will reconsider its decision from a more sympathetic point of view. At any rate, all those who are at present holding licences should be given new licences and an extra number should be given to new applicants in proportion to the increase in the population. As regards the two thousand licences which it is proposed to abolish we should also like to know how it is to be done and whether steps will be taken to prevent possible abuses in connection with the issue.

Water Excess Supply and Meter Rents—Under this heading, it is proposed to charge for excessive use of water in the rider-main districts. It may not be out of place to recall what really led up to the introduction of the rider-main system. The system was asked for as a concession from the Government by the Chinese residents and they paid the cost of its construction, which amounted to more than \$1,000,000. The conditions under which the Chinese live here, to-day, are the same as they were seventeen years ago when the system was introduced. Their houses are almost all let out by floors, and in many cases a floor is sub-let to several families. The ground floor occupied by shopkeepers and tradesmen uses more water than the tenants of the upper floors. Will a meter be fixed on each floor or a meter on the ground floor only, to serve for the whole house? If so, how will the charges be equitably apportioned amongst the different floors or the different families, as the case may be? And who is to be held liable for payment, when one floor becomes vacant? If the landlord is to be held liable for everything, how is he to recoup himself? Is he allowed simply to add what he likes on to the rent and is such addition, if counted as rent, again taxable? These reasons together with several others were, seventeen years ago, laid before the Government by the Chinese community with the request that the rider-main be substituted for the meter system and the Government granted the request on condition that they contributed to the cost of its construction. Practically speaking, it was in the nature of a contract between the Government and the Chinese house-owners. Now, after so many years, in spite of the fact that the Chinese had until recently suffered much hardship from short supplies and that they had been made to spend so much money, they are to be charged for what is essential to good health and cleanliness in their narrow and crowded quarters. Have those who have originated the proposal to charge for excessive use of water in the rider-main districts weighed well every condition,

under which the population of these districts live, of whom the working class preponderates, and have they thought out equitable means of dividing the charges, so as not to increase unnecessarily the cost of living and to cause endless disputes between owners and tenants or between tenants and tenants? The Chinese consider that the proposal, if carried into effect, would constitute a breach of contract on the part of the Government.

Education.—On this subject, sir, we should also like to make a few remarks. British education in this Colony, which has, during the past 75 years, steadily branched out all over China has, in an indirect way, served as a part of British propaganda work and, as such, it should have been so conducted as to gain the good will and affection of all those whom it was intended to enlighten and whose co-operation it aimed at procuring in order to further British interests. Perhaps in the opinion of those in whose hands the work has been entrusted it has already been so conducted, but the result, as we have seen and experienced both here and elsewhere in China, is hardly commensurate with the efforts and time expended. At any rate, it has not been so successful as the efforts of other nations who came into the field at a later date. It is true that appreciation of the facilities afforded by the British authorities and missions for gaining a modern education is to be found wherever British influence prevails, but somehow or other there seems to be a lack of mutual sympathy and support between the British residents and the Chinese. For instance, to-day, at the metropolis of China, where most of the Chinese students educated abroad have gathered since their return, what forcibly strikes a visitor who takes any interest in the subject is that, except those who went there from Hongkong or returned from England, all the returned students have formed themselves into groups working heartily, in sympathy with, and in support of the country from which they derived their education. The nationals of those countries from which the students came back also mingled freely and fraternally with the students and also with the Chinese merchants who have business dealings with them—a thing that is seldom, if e v e r , e x p e r i e n c e d

here. How is it that the Chinese educated in Hongkong and in Great Britain behave so differently? This question we have put to many of our compatriots, and, although the answers were more or less evasive, they all pointed to one factor, and that is a want of mutual sympathy and good fellowship between the Chinese and those from whose country they receive their education. Even in this Colony, the centre of British influence and British enlightenment, there exist social barriers between the rulers and the ruled, which give rise more to mutual distrust than to the mutual confidence which is all-important for breeding mutual sympathy and understanding. The same condition prevails on the mainland of China, where the two peoples meet on more or less equal footing. This state of affairs is most regrettable, and we venture to believe that it can be removed by closer intercourse. Now that we have a University among us, we hope that its growth will be nursed with such care and a liberal spirit as will materially help the ends of British propaganda work. (Applause.)

HON. MR. HOLYOAK—Your Excellency, the various questions raised in connection with the Finance Bill under discussion have been so fully and ably dealt with by my colleague, the Senior Unofficial Member, that it is unnecessary for me to elaborate, or discuss at length, more than one or two points. I am entirely in sympathy myself with the comments of the Senior Unofficial Chinese Member on the subject of hawkers' licences, and I cannot help feeling that during the past twelve months the Police prosecutions of juvenile offenders almost partook of the nature of persecution and must tend, if they have not already done so, to the development of juvenile criminals, with whom, under present circumstances, we have no adequate method of dealing. With your permission, sir, I should like to deal for the moment, first of all, with the important question of British education in China and in Hongkong, which I deem one of the most vital questions before us to-day. At first sight you may feel inclined to call me to order in naming China in connection with this debate which is of more direct interest to Hongkong, but in reality the two problems are absolutely inseparable because the interests of both are common, united and inseparable so far as education is concerned. You will have an opportunity before long of reading the verbatim report of a very interesting discussion, which took place a fortnight ago at the Shanghai conference of the British Chambers of Commerce, which dealt at very great length with the whole question of British Education in China and in Hongkong. You will read of the proposals to establish a British University in the North which it is not

proposed in any sense to make competitive with our University here. We studied this question sincerely and earnestly, and we are convinced that neither the University in the North, nor the Hongkong University can be fed and maintained with-out a system of secondary education and secondary schools provided in different parts of China. I do not think we can separate the two problems; both representing, as they do British Imperial interests. It was felt and very strongly in Shanghai and it is my own conviction—and I know the Committee of the Chamber of Commerce in Hongkong is behind me in this—that we must go even further than providing elementary schools. We must clearly realise that not only the Hongkong University, but the University to be established in Tientsin should be regarded, not as the ultimate end in view, but as a means to that end. We should pass on students from these Universities for final education in our home universities. I say this because it is a well-known fact in the North that our American friends with their zeal, which we all admire, have established schools and universities with this end in view. Already they are returning students who are becoming an ever increasing power in the North. I am not here to criticise their methods. Representing as I do British interests, I contend we cannot fulfil our part, either in China or at home if we do not realise that we must provide sufficient funds to establish and maintain an educational link which will be inseparable from our home universities, so that we shall have a succession of British students returning, who will believe that the first engineering works in the world are British, that the finest products are British, and that the finest public schools are British. There is room for competition between us all and we must work, if I may say so, with friendly rivalry and in a spirit of co-operation. It was for this reason, Sir, we welcomed very particularly, as a beginning the grant to Holy Trinity College, Canton, which we will vote and which is the beginning of such an outline of education as I have emphasised. I am quite certain that the burden is too great for either China or Hongkong and must be supported by Imperial grants. Subscriptions will be raised, but I am firmly convinced that the Imperial Government will also come to our assistance.

You, yourself, sir, have referred to the fact that the schools here are seriously understaffed and that so far it has been impossible to find suitable candidates to fill the vacancies. We should like to know whether it is not a fact that this is not entirely due to war conditions, but to the fact that the salary offered is not sufficiently conducive to attract suitable candidates. We impress upon you the necessity for filling these vacancies at the earliest moment.

In connection with the Police Department we have noticed with interest the proposal to establish a training school in connection with the new gaol in the Kowloon Reclamation site. We should like to impress upon the Government the importance of training Police officers who can satisfactorily handle the traffic of this place, which is of growing importance. Anyone who has been to the North, in Peking or Shanghai, comparing the system of traffic control we have in force here with that which obtains even in Peking to-day, will recognise that the system which obtains here is yet in its infancy and that we have much to learn.

We welcome the vote made under the heading of Government House extensions I myself have previously referred to the condition of Government House in this Council, but owing to war conditions it was not possible then to ask for a vote. We are glad that it is possible now to bring Government House more into conformity with the dignity of the Colony. Personally speaking I would like to see added to your garage a suitable limousine for the conveyance of your guests in a manner worthy of the dignity of the Colony.

I now come to the question of finance in regard to public works. I am well aware that the Colony is free of debt and that for years past great works have been carried on out of current revenue. But I do contend, and as you have learnt from the Senior Unofficial Member, we are agreed that necessary works have been held back in the past by this policy which, we contend, is not sound. I suggest for your consideration that large public works which are necessary to the growing development of this Colony—the biggest days of which in my opinion, are yet to come—we must take large views of the future, in connection with dock developments on the other side of the harbour and the harbour developments which will possibly be recommended by the expert, Sir Maurice Fitzmaurice whom we welcome amongst us to day. These works should be carried out on the principle of debenture loans raised locally and redeemable in part year by

year, and possibly by premium loans with which our Chinese friends are well acquainted. By such means development would take place more rapidly than it otherwise would.

I have looked in vain for any reference in the estimates to the wireless station for Hongkong. This subject was also discussed at the conference at Shanghai. It has long been felt by the Chamber of Commerce here that the facilities we have in Hongkong are quite inadequate, compared with the facilities in Manila and Shanghai, and is only at our disposal through the courtesy of the Admiralty, for any commercial purpose. We have had to rely on occasions upon Manila for current prices of stocks and commodities wirelessed from the Pacific board *via* Honolulu, and we feel we cannot too strongly emphasise the importance of having a powerful wireless station in a Colony like this where shipping is the lifeblood. We must have a wireless station which can pass on messages to reach London within a reasonable space of time. We hope, sir, you will make these representations to the Imperial Government in connection with the Imperial wireless scheme under consideration and urge prompt action.

In conclusion, I would like to refer to the impending retirement of the Director of Public Works, because this is the last occasion of a budget debate at which he will be with us.

I do not feel competent myself to refer to the many years of loyal and distinguished service he has rendered to this Colony. Many of the magnificent buildings which must impress everyone who lands on these shores, and the roads, which are unequalled in any part of the world, are standing testimonials to him. In parting, we would wish him all the happiness and health in the retirement to which he is justly entitled. I also wish to thank the Colonial Secretary and the Secretary for Chinese Affairs, who are going on leave, for their invaluable services to the Colony. The Chamber of Commerce especially in its relations with the Colonial Secretary's Department has appreciated his untiring efforts, and zeal, often under trying conditions and great courtesy. This Colony is grateful, and we wish to show it by a tribute to their services. We wish them a pleasant voyage and holiday at home.—(Applause).

HON. MR. E. V. D. PARR said—Following the remarks of my unofficial colleagues, I think the most striking feature of the Budget is the proposed expenditure, exceeding the estimate for the current year by some \$3,500,000 in spite of the expected decline of some \$2,000,000 in the opium revenue. It has been further proved during the year that what I said at this Council meeting this time last year on the diminishing opium revenue is as true to-day as then. One result of the British Government relinquishing its control of this traffic and handing the revenue, multiplied 100-fold, to the resourceful smuggler, is the additional work put upon the shoulders of the Police Force in their endeavours to deal with this most intricate ramification of smuggling the world has probably ever known, which extra expense the long-suffering ratepayer has to pay for and, at the same time, make up the deficit in revenue. Some 17 or 18 years ago, when the incoming Liberal party went to the electors of Great Britain on (amongst others) the subject of opium, I recall a conversation with a merchant in this city, and his saying to me: "Believe me, Mr. Parr, no one will ever prevent the Chinese smoking opium, no more than they will prevent a Britisher drinking beer." A period of nearly 20 years has proved what that gentleman said to me then, so far, to be correct. The whole question has served as a convenient political "plank," and the state of affairs is a thousand times worse to-day than it was then, as a consequence. So long as China continues to grow the poppy (and we still read of whole districts under its cultivation) and so long as the smuggling of opium appears to be on the increase in China, I shall continue to urge that the only way to combat the smuggling is for the import of the drug to be controlled by the British Government, as necessary.

As a member of the Public Works Committee I can vouch for the fact that a considerable amount of useful work has been done in the privacy of that Committee room since its re-arrangements on the lines proposed by your Excellency last year, and it may be of interest for me to state that in considering the past year's estimates for new roads our aim and object has been to open up new building sites along the routes chosen, as much as possible. We urge the Public Works Department to bear in mind during the year the necessity for encouraging as many contractors as possible to start and carry on business so as to keep down the pre-arrangement of prices and help the supply to meet what is expected to be an increasing demand in this respect.

I also agree that the Government bear in mind the expediency of making up deficits by short time loans

in local or sterling currency with adequate sinking funds, thus equitably distributing the payment of that development more especially benefitting posterity. Our northern neighbour, Shanghai, has recently been successful in floating a 6 per cent. sterling short time loan of £750,000, this money to be allocated to pay for stores received from Home. I believe this Government would find no difficulty in raising a similar loan or loans at any time of need and that this expediency should be carefully considered before increasing taxation to any large extent. While it is sound policy to spend on development, it is important to remember that the prosperity of the Colony rests on its lightness of taxation in order that the port may remain a cheap distributing centre of trade—if possible, a little cheaper than any rival, present future.

I notice on page 8 of the Draft Estimates that the scale of fees for the use of buoys is to be revised and I would respectfully point out that when these buoys were appropriated by the Government from the Shipping Companies—in many cases at one-third of their then value—they were handed over on the condition that the tariff should not be used as a Government revenue-making concern, but that the fees should be regulated so as to give a fair return on the outlay. We, therefore, view with grave concern the Government's proposal to increase the tariff from \$75,000 to \$95,000, as the former figure is already well known to give a handsome profit on the outlay. We shall be glad to know if the representative Shipping Companies concerned have, through the Chamber of Commerce, been consulted in this matter. We further wish to point out that any increase in the charges of the port such as this, emigrant fees, etc., *vis a vis* similar charges at rival ports, bear intimately upon the trade and continued prosperity of the Colony.

We trust that the proposal for the military to give up the ground around Murray Barracks for building purposes will mature without delay so that these much-needed development schemes may be put in hand and expedited as much as possible. I, personally, am not in favour of spending a large sum of money in continuing the Peak

Tramway to the Queen's Road level as such an alteration will only serve to render more expensive still one of the already most expensive tram services, I suppose, in the world. The lower tram station has done very well where it is for some 30 years and this valuable ground can be put to better public use and the money spent to better public advantage than in continuing the Peak tramline to the lower level. The road will, no doubt, be widened as it is already the most extensively used road by motor vehicles in the Colony. Broad pathways will no doubt be made for chair traffic and pedestrians.

The necessity for more recreation grounds for a growing young community as this Colony mostly consists of, is being felt more every year and I submit, sir, that the solution of this increasingly important matter is that a large space or spaces be levelled and turfed at Kowloon in the more easily get-at-able districts on this side of the hills and that such spaces be served by cheap ferry and tram services. I think I am voicing the sentiments of the general public (British, Chinese, and all denominations alike) when I say that while the Government may be blamed for too little attention in this direction, the importance of the matter so far as it affects the public welfare cannot be over-estimated.

I endorse the Hon. Mr. Pollock's welcome to Sir Maurice FitzMaurice among us and look forward to his report and recommendations for the improvement of our Harbour—our chief asset for the continued prosperity of our port. At the same time we congratulate ourselves on having the benefit of his vast experience, wellknown knowledge and sound judgment in this most important matter.

The introduction of Diaphones and Wireless Position Finders will be much appreciated by the Shipping community using the port. It is right the Colony should lead the way in this and other developments and it is hoped the Chinese Authority will in due course institute these improvements along the China Coast, well known as one of the most crowded shipping thoroughfares of the world and at certain far too frequent seasons of the year one of the most prevalent to dense fogs and adverse currents.

I again reiterate what my colleagues have pointed out before in this Council with regard to the linking up of the Canton railway with the Kowloon line. It seems strange indeed that the vast potentialities of railway development in south and central China do not apparently seem to be realised by the Chinese Authorities. The recent political troubles around

Canton seem to have postponed indefinitely any solution of this all-important business for the welfare of the country. We trust that the Kwangtung and Kwangsi factions will adjust their differences speedily and settle down to carry out their destinies and great responsibilities.

I should like to see a Government Propaganda Department started. It has been remarked upon to me on more than one occasion by new influential arrivals from Home that the average man in the British Isles has no conception of what this outpost of our Empire consists of at the present time, converted as it has been in the course of some sixty years by British enterprise from a fever-stricken and swampy barren island to a busy thriving commercial community. Thousands of millions of money have been spent and millions more are being spent on the development of the Colony and it should be the privilege and duty of all to make these things known at Home and around the Empire where they may not now be appreciated and when they can help on the good work in any way by so doing.

I cordially agree with what the hon. member for the Chamber of Commerce has said about our Director of Public Works, the Hon. Mr. W. Chatham, C.M.G., who has every right to feel proud of having successfully carried out during a long and honourable career a fair proportion of this great work. In tendering him the Colony's thanks we wish him a long and happy retirement in the Old Country.

We would also respectfully offer our congratulations to your Excellency on your administration during the past year. I endorse the remarks of the Hon. Mr. Holyoak regarding the Colonial Secretary, the Hon. Mr. A. G. M. Fletcher, C.B.E., and wish him as pleasant a holiday in England as it is well-earned and deserved. In these remarks we include the Hon. Mr. Hallifax, our Genial Secretary for Chinese Affairs.

THE COLONIAL SECRETARY — Sir, I must open my remarks with an apology in respect to the first point raised by the hon. member representing the Justices, who drew attention to the matter of the index. We were very pressed at the moment in connection with the settlement of the subordinate

officers' salaries and, were unable to find time to compile the index. With regard to page 17 I am not quite sure that I understand the reference made by the hon. member to the absence of the names of the Heads of Departments. They are included in the list on page 15 and it will be seen that the Secretary for Chinese Affairs is one of four officers at the top.

HON. MR. POLLOCK—My point, sir, is that they should appear under the department headings.

THE COLONIAL SECRETARY — The hon. member referred to the question of the rice transactions and suggested that the report regarding the final winding up ought to have been laid on the table long ago. In the first instance the auditing and checking, have not been long completed and we have also been waiting for the consideration of the matter in connection with the Supplementary Appropriation Bill which is to be considered this afternoon in the Finance Committee. I think his strictures as to expensive experience and lack of expert advice and assistance are somewhat undeserved. With regard to expenditure, we bought about 83 lakhs of rice and on that the total loss was approximately 27 lakhs, and I venture to say that the figures of some individual merchants in this Colony will make no better showing in respect of their transactions for the same period. It must be remembered that, through force of circumstances, we were compelled to buy on a rising market in order to steady the price and we were unable to sell until there came a falling market and the prospect of obtaining future supplies.

With regard to his point in connection with the possible inadequacy of the Public Works staff, His Excellency referred to this at the last meeting, and pointed out that we were employing some local firms, and that, if it should be necessary to engage additional staff, this would be done. With regard to Stamp duties it is the intention of the Government to give full notice to all parties interested of any proposed increase. The hon. member mentioned next the strengthening of the roads in connection with the proposed motor bus services at Kowloon. This is arranged for under Public Works Extraordinary, Page 85 of the Estimates, where a sum of \$100,000 is set aside for this purpose. There is also an additional sum for the New Territory Road and for improving the surfacing as far as Lanchikok, which will possibly be the terminus of one branch of the service. He also expressed the hope that the Kowloon-Canton Railway will be linked up with the Hankow railway. Negotiations are in an advanced stage and there is hope that as soon as things settle down in Canton a speedy solution will be found. He

then referred to the question of European Police and said the force was not sufficient for the protection of the population from the criminal classes of the Colony. I may say that the Police cost money, and the European Police cost a very large sum indeed. It will be seen that the increase this year is from something like nine lakhs to thirteen lakhs, an increase of \$400,000. The hon. member has produced no facts or figures to show we are not sufficiently protected. I think it is a great tribute to the efficiency of the Police that we have had such a clear record as regards crime recently, in view of the disturbed state of affairs in the neighbouring Province. I may say, too, that it is the opinion of Government that the Shipping Companies and Merchants here are rather too prone to substitute Government protection in these matters for—may I say?—self-reliance. We have had recent correspondence on the subject in regard to broaching of cargo and thefts along the water front. It has been pointed out that the European Police along the front could, no doubt, do much to remedy this state of affairs by better supervision and they could, no doubt, make the way of the transgressor somewhat harder, but this touches only the fringe of the subject. The Government, in a letter as recently as yesterday, pointed out to the Chamber of Commerce that in their opinion the remedy lies in the hands of the persons concerned. There is considerable laxity in the matter of the supervision of the cargo and goods carried about the harbour. For example, goods lie all night in junks and lighters without any supervision and then the owners express surprise when on arrival in America it is discovered that bricks have been substituted for tin. Coal is weighed from ship to lighter, but not from lighter to godown. Some owners pay their launch coxswains a fixed sum for running expenses which is a direct inducement for the theft of coal stores. There was a recent case where a ship employed a number of coolies and quite by accident a large gang of cargo broachers were discovered at work broaching cargo in the middle of the day. I think that if shippers and employers of labour co-operated more in providing proper supervision, the task of the Police would be considerably lightened, and their services would

be rendered more effective. I believe I am right in saying that in Singapore the rank and file of the European police are something under 40; here it is 180; and I think in Ceylon the European force for the whole island is about twenty-three.

In regard to the prison at Laichikok, a large sum for temporary staff was recently voted by the Council and I think the numbers are quite ample to cope with the present situation. The hon. member referred to the possible introduction of the chain gang. This is hardly the intention of the Government. The proposal is to use some prisoners to cover over the refuse dumps at Laichikok and the hon. member may rest assured that adequate steps will be taken to see that the prisoners are properly guarded. He also drew attention to the question of a separate heading for the Police and Prison departments in the estimates. This is the intention, and the printers have been instructed to change the heading and insert the prison as a separate department. It will be seen that the title of Assistant Superintendent, Victoria Gaol has been altered to that of Superintendent of Prisons. I may also say that it is the intention with regard to the new gaol at Ngaushiwan that it should be the sole gaol, except for a few cells in the neighbourhood of the Police Court. The acreage is something over fifteen acres for the gaol and Police school, as compared with the area of 1.7 acres on the present site. It is proposed to employ prisoners in quarrying stone lying on the northern boundary of the new site whereby more ground will be added.

I will now refer to the question of Education; to the inadequacy of the European staff and of schools for teaching English as mentioned by the senior Chinese member and the member representing the Chamber of Commerce. I think that, as regard staff, the effect of the war is still felt. Men were taken out of training for five years and there is a great shortage at home where they can command almost any price they like. Our system of advertising at home is hardly good enough I think. The sterling salary merely is quoted, without reference to the fact that exchange is allowed at 2/- and under, and no mention is made of cheap house rent and free passage. Mr. Tanner, the Headmaster of Queen's College, who has gone home on leave, has been asked to arrange on the spot that candidates may clearly understand what the position is.

HON. MR. HOLYOAK said that he thought that all women teachers should have free quarters.

THE COLONIAL SECRETARY—The work is in progress and a large sum of money had been provided.

On the question of vernacular education I think I may say that the Government is fully in sympathy with the views expressed, and they owe much to the efforts of Mr. Lau Chu-pak to whom is due the progressive policy of the Confucian Society's schools. The Government vote is not a very large one—a vote of \$10,000 this year. This question is very largely affected by a lack of vernacular teachers. We are trying to remedy that by training men at the University. With regard to technical education, the Government has largely increased the grant, recognising that the higher classes are more expensive and require more efficient teaching. I am not sure of the exact figure, but I think the grant for the top class has been raised from \$24 to \$50, that of the intermediate class from \$20 to \$30, and of the lower class from \$15 to \$20. The hon. member for the Chamber of Commerce referred to the grant to Holy Trinity College, Canton. Not only is there a vote of \$50,000 for this year, but a sum of \$50,000 has recently been paid. In order to encourage the College to assist itself, it has been made a condition of the grant that the College must raise an equal sum. They have already got their first \$50,000 to which the Government has added \$50,000 and they will no doubt be in a position shortly to get the remaining sum. I am glad the hon. member recognizes the fact that we cannot carry the whole burden ourselves. The next point raised is in regard to the allocation of building grants. The promised allocation to St. Joseph's is \$40,000; to Holy Trinity, Canton, \$50,000; and to St. Mary's, Kowloon, \$20,000, (not definitely promised). For Fairlie and St. Stephen's Girls School, to be located in West End Park, we have a total obligation of something like \$12,000 speaking from memory.

With regard to the Queen's Statue Wharf, it is the intention of the Government to build a large wharf with ample accommodation for launches. It has been proposed that there should be a long pier. In addition to

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will cost \$150,000, it is possible that a projecting pier will block up the area now used by small launches and yachts in the vicinity. The wharf will be so constructed that its can stand as the base of a projecting pier, and it will be entirely in keeping with the dignity of the surroundings. Sir Maurice Fitzmaurice will be consulted on the matter. With regard to the water boat basin at Laichikok, when arrangements were made for leasing land in the vicinity an additional sum of 5 cents per foot was charged in order to ensure that the leasees should bear their share of the cost. The Government has to provide a considerable sum because it has to train a stream which alone costs about \$180,000.

The hon. member referred to various points in connection with the housing question. The Government has become very much more strict in the matter of penalties recently. In the first place, after the first lapse, treble or quadruple rates are put on, and then a more substantial fine in addition, and finally there is re-entry. We have re-entered in one or two cases recently. The question of the allocation of \$300,000 with security has been answered in the question which the hon. member put at an earlier stage of this meeting. In regard to the same subject the Government as speedily as possible is marking out land in the Ho Mun Tin district and hope very shortly to come to some arrangement with the parties interested in the building of a certain number of houses there. It is also marking out land at Kowloon Tong and arrangements there are being advanced as speedily as possible. I think the grant of cheap land and easy communication will very largely solve the housing difficulty. It was found in the recent allotment of money that the large majority of the applicants were men of straw who had no possible security to give. Their only suggestion was that the Government should provide the houses for which they should pay some \$25 a month. Only one has made a definite proposition and he has been given very cheap land at Fanling and an advance of half the cost of his house.

The hon. member has learnt with astonishment that no steps have been taken to proceed with the proposed tramway to Wanchai Gap. I, for my part, hear this statement with astonishment, because the unofficial members, who are members of the Public Works Committee of this Council, advised that it should be left out. I would mention that a rough survey has been prepared and a very rough estimate of the cost is two lakhs, without taking into account motive power of any description. We might take power from the Hongkong Electric Company. One reason why it is not going on is that sites at Wanchai Gap are being opened up by the new road. One of the reasons for the

Wanchai Gap Tramway was the inadequacy of the present tramway to the Peak. We are negotiating with the Peak Tramway Company to bring the tram down to Queen's Road and to enlarge the cars to carry nearly double the number of people they now carry. I hope the arrangements made will not necessitate any large increase in fares.

HON. MR. POLLOCK—I should like to ask when the unofficial members said they did not want the tram to Wanchai Gap.

H.E. THE GOVERNOR—During your absence, I think, Mr. Pollock.

THE COLONIAL SECRETARY — The hon. member also referred to the military land in Nathan Road, Kowloon, and expressed the hope that there would be hearty co-operation between the military and Government on that matter. We can assure him on that point. The project generally is that the military should go over to the other side and that they should give up that area along Nathan Road, known as Whitfield Barracks; that the European troops should be accommodated at Gun Club Hill and King's Park, leaving the golf course intact and that native troops should be to the north and east of Kowloon city. It is hoped that we may be able to take over the military hospital and that a new hospital for the military would be built on one of those hills directly west of the Cement Works. The smoke nuisance will have to be abated. With regard to the U.S.R.C., it is suggested that this should be on the site of the present parade ground at Whitfield. These proposals are, of course, purely tentative.

The Praya East Reclamation is being pushed on as quickly as possible. The preliminary work is very heavy and two engineers are devoting their whole time to the matter. As soon as figures are ready tenders will be called for. The hon. member has expressed the hope that, in order to assist the Kai Tack Reclamation scheme, the Kowloon East ferry service and the motor-bus service should be pushed on. As regards the ferry service, tenders are being called for this week. As

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motor-bus service, we have referred the proposed schedule and rates to the Kowloon Residents' Association and we are merely waiting till they have given us their views.

The hon. member suggested appointing a Committee to discuss and report on the feasibility of the Naval Wireless Station at Stonecutters being used for commercial purposes and in this connection I may refer also to the remarks made by the member representing the Chamber of Commerce. The matter has been fully discussed and it will serve no useful purpose to go into it again. It has been pointed out that the station is not powerful enough and the system on which it is run is not fitted for commercial work in the ordinary sense. With regard to the general question I have here the report of the Imperial Wireless Committee, 1919-20, which considered the whole subject of wireless telegraphy throughout the British Empire. It is apparent to everybody we cannot stand alone. We must have stations linked up in order to get our messages through to England.

THE COLONIAL SECRETARY then read several extracts from the report to the effect that stations not more than 2,000 miles apart were recommended, a commencement to be made with the chain ending in Hongkong.

HON. MR. HOLYOAK—I have read the report very carefully myself. What I wish to emphasise is that we must have a station and we must have it at the earliest possible moment. This morning's paper reports wireless messages between Bordeaux and Shanghai and New York and Manila.

THE COLONIAL SECRETARY—In reply to Mr. Lau Cha-pak on the question of the hawkers I am astonished that Mr. Holyoak has expressed his sympathy with the hon. member's remarks. I am surprised because Mr. Holyoak has also stated that Hongkong has not begun to realise that there is such a thing as motor-traffic. The question of hawkers is primarily one of traffic control, and of good order and cleanliness. It is admittedly difficult for the Government to state exactly the number required in the public interest before they transgress into a public nuisance. They admittedly squat with their stalls all about the thoroughfares and litter the place with refuse and add very considerably to the labours of the Sanitary Department in scavenging. They insist on selling their wares in prohibited areas and generally obstruct traffic. Anyone who has been through western Victoria or Yaumati will agree. We have waged incessant warfare to get the streets reasonably clear and

I submit it is unfair that we should be asked to issue licences indiscriminately and then put on extra Police to chase them from pillar to post. The Government estimates a revenue of \$28,000 on 7,000 licences, as against 9,000 in the present year. It is not proposed to reduce the numbers by taking away licences; all hawkers who now have licences will have them renewed and if there are more than 7,000 applicants for renewal, licenses will be renewed accordingly. Licenses will also be given to new applicants in special cases, but they will not be granted to all and sundry. It is not proved that because a license is refused to a person he immediately becomes a criminal but it is true in many cases that a hawker takes out a license and pretends to carry on a trade as a cover for criminal practices. You cannot in a town like this have both the mediaeval and the modern system. The native idea of the uses to which public thoroughfares may properly be put is not in accordance with the modern school of thought on the subject and I think it is reasonable in the interests of traffic control and the management of the city generally that these licenses should be kept within a reasonable figure. The honourable member also mentioned that there might be abuse in connection with the issue of a limited number of licences. I do not think so. All present holders will be entitled to a renewal of their licences and new applications are carefully inquired into.

With regard to the proposed charge for excess water, the rider mains were given at the request of the Chinese but it must be borne in mind that they were given also to enable the Government to check the use of water and their primary object was that when the shortage of water came in the winter to cut off the water from Chinese tenement houses. It was found that, in order to conserve the supply, it was necessary to cut it down to something under two hours a day. During a period of restricted supply the Chinese turned on the tap and wasted the water. Now we have a supply lasting throughout the year and the wastage is very great indeed. I think the hon. member would prefer some tax upon the amount used rather than that the supply should be limited to an hour a day,

with street fountains only available during the rest of the time. There are certainly various difficulties as regards the imposition of the tax but its incidence would be on a wide basis. There is no definite statement as to increased fees; it is simply proposed to add to the revenue from this source.

As regards the question of the buoys in the harbour, raised by the Hon. Mr. Parr, the suggestion to increase the fees has not been gone into at any length. The cost of everything—even the cost of passages on the ships of the hon. member's own company—have gone up very much indeed and there is no reason why the Government should remain in the position it was in six years ago. With regard to emigration fees our fees are, I think, below those of other ports and the figures show that we can put on these extra charges. The Council may rest assured that the Government will do nothing to prejudice the important interests of the Colony in this matter.

I may, in conclusion, express my deep appreciation of the complimentary words expressed by the two hon. members with regard to myself, which, I think, are rather deserved by the service as a whole to whose efficient co-operation the smooth running of the Government machine is entirely due.—(Applause).

HON. MR. POLLOCK—One point to which the Hon. Colonial Secretary did not refer was to the question of private practitioners being allowed to attend their own patients in the Kowloon hospital.

THE COLONIAL SECRETARY—That is the intention of the Government.

HON. MR. POLLOCK—I am not convinced that the unofficial members refused the Wanchai Gap tramway.

THE COLONIAL SECRETARY—It was discussed in Committee and it was agreed that the scheme should be omitted.

THE DIRECTOR OF PUBLIC WORKS—Before replying to points raised by hon. members, with regard to public works which have not been dealt with by the Hon. Colonial Secretary I would ask permission first to express my deep appreciation of the remarks relating to myself which have fallen from the hon. member opposite (Hon. Mr. Holyoak), and from my hon. friend on my left (Hon. Mr. Parr). It has always been my endeavour to maintain the high standard of excellence of the public works generally which had been

established by some at least of my predecessors in this Colony.

The hon. senior unofficial member referred to the necessity for the prompt dealing with plans for alterations to buildings and new buildings. Provision is made in the ordinance for a very limited period within which plans must be dealt with and if he could bring to my notice any case in which that period has been exceeded I will be glad to investigate it. According to the ordinance the parties who deposit such plans may proceed with the buildings if no intimation of disapproval is received within the period stated. With regard to the Praya East Reclamation scheme I can only say that some delay will necessarily result from the visit of Sir Maurice Fitzmaurice to investigate the question of harbour improvements generally and the establishment of wharfage and railway communication on the other side of the water. It is necessary to have a great deal of information prepared for his benefit and the staff that would be otherwise engaged on the Praya East Reclamation work has had to be taken off for that purpose.

The hon. senior unofficial member referred to the motor road from Chamberlain Road to Magazine Gap. In that case the question was referred to the Public Works Committee, consisting of all the unofficial members, and they were unanimous in recommending the construction of that road. I am aware of course, that my hon. friend Mr. Pollock was absent from the Colony when that occurred, but I think he should have it out with his *locum tenens* in the first instance before complaining of the insertion of this item.

HON. MR. POLLOCK—I entirely disagree with the hon. member. Why should not I have my own views on the subject, and why should I not express them?

THE DIRECTOR OF PUBLIC WORKS—I merely wished to mention that it was not a matter which had been inserted by the Government without reference to the unofficial members and that the work had received their unanimous support.

I think the Colonial Secretary dealt very fully with the question of the rider main system. The reason for introducing this system was that a Bill had been passed by this Council providing for the withdrawal of the services to the houses generally unless meters were introduced, and for giving a supply to the people from public fountains only. That was the reason why the rider

main system was applied for and ultimately introduced.

The main object of the meters, of course, is to economise the water supply and prevent the necessity for further great extensions of the waterworks to maintain the supply. Such extensions, if necessary in the future, must be attended by far greater expense than hitherto. Mr. hon. friend on my left (Mr. Parr) referred to the desirability of encouraging the introduction of new contractors. If any contractor can show me that he has some experience of work and has carried out successfully works elsewhere, I am always ready to include his name in the list of contractors eligible for tendering for Government works. The hon. member also mentioned in a casual way the desirability of utilising level spaces to the south of the Kowloon hills for recreation purposes. I would be glad if he would show me where these level spaces are unless he refers to the swampy places lying to the right and left of the Taipo Road near Taikoktsui. There are practically no level spaces that I am aware of at Kowloon that can be rendered available for recreation purposes without the expenditure of a considerable sum of money.

H.E. THE GOVERNOR—Honourable gentlemen—Before proceeding to refer to one or two points which have not been referred to either by the Director of Public Works or the Colonial Secretary, I should like to say how much I, as Head of the Government, appreciate the remarks of the member for the Chamber of Commerce with regard to our three colleagues here; but I would also like to say that we shall get much more work from Mr. Chatham in this Council before he retires; otherwise I myself would have referred to his retirement.

With regard to the Cadet Service, the senior unofficial member asked for information on the subject of the efficiency bars and generally on the question of the general scheme of payment by seniority instead of by posts. The position is that in such a small service as this it is extremely difficult to fit the right man into the right post because the man who is an expert police magistrate may be the senior man in his class and under the old system when a post such as that of Postmaster-General or Treasurer fell vacant you had to promote the senior man to the post whether he were the best adapted to the work or not, while there might be a junior officer who would prove an extremely good man for the post. That is not a very satisfactory position. Another objection to the late system of classification was that promotion in a small service like this was very uneven. A man might be kept back from

promotion for quite a long time because his seniors remained in office and it was extremely hard for a man to be kept in one class for ten to twelve years before he could get promotion. I came to the conclusion, and the Secretary of State agreed, that the fairer and better course would be to pay a man on the plan now adopted so as to be certain you can employ a man to the best advantage and put him into the post for which he is most fit. That involves the abandoning of the system of classification. There is a danger under this system, of course, that you must always be prepared to get a man who is content to do the minimum amount of work which will enable him to draw his increments. There is no reason why you should allow a man to proceed from bottom to top of the scale doing only a minimum amount of work, enough to make sure of his increments. For this reason two halting places have been made—one at £600 and one at £900 and only men who are considered really worth higher pay will draw increments beyond those figures. I think that is the only satisfactory solution, and under this scheme really good men will get promotion. In connection with that subject the hon. member drew attention to the fact that in the Estimates certain departments showed blanks, *e.g.*, on page 17. The reason for that is partly due to this change in classification but in any case it was thought desirable to place the Cadet Service under a separate head for convenience of accounting. This system is followed by the Federated Malay States and Ceylon after considerable experience in trying to make things clear. It has the disadvantage of not enabling anybody to see at a glance the total cost of a department, but I guarantee nobody has been able to ascertain what the total cost of a department was in Hongkong under the other system. An officer put into a department as a substitute would draw part of his pay from one department for his previous position and part from the department in which he was temporarily placed, and this gave a very considerable amount of annoyance to the accounting officers, as the hon. Colonial Treasurer will tell you. I can see that at first sight it looks rather curious to find all

departments given in the Estimates without any heads, but I am sure when you get used to the system you will agree with me that it is more satisfactory.

With regard to what the hon. member has said with regard to Magazine Gap Road, I confess to a certain amount of sympathy with the hon. member, and I may say this is one of the points on which I differ from some of my official colleagues. I think, however, some of the fears expressed by the hon. member are rather unnecessary. I do think the road is desirable. It will open up new sites and will relieve the intolerable congestion on the Peak Tramway, at least we hope so. The Peak Tramway will, we hope, be improved, and that is one reason that the Colonial Secretary has given why the Wanchai Tramway has been dropped for the moment, but it certainly will take some time before the improvement of the tramway is possible and meanwhile I think it is highly desirable that the road should be provided to relieve the congestion. I think the danger to children is slightly exaggerated. The roads have many uses but playgrounds for children is not one of them. There is no serious danger to children if they are properly looked after. The road will be 20ft. wide, and we are not depriving the children of any roads they have habitually used because the road is practically on a new line.

HON. MR. POLLOCK—There are very important parts of the road, sir, which will disturb the present road that the children now use in going to the playgrounds and for walks. This road will not, as far as I am aware, open up any new sites.

THE DIRECTOR OF PUBLIC WORKS—I do not think it will open up many.

H.E. THE GOVERNOR—If the new road had opened up any big number of sites I would have had no hesitation whatever in recommending it, but the fact that it will open up any sites at all is sufficient justification for the opening of the road. The provision of an alternative route to the Peak is also one of importance. With regard to the disturbance of the peace and quiet of the Peak, I do not think there is serious danger of night being made hideous by a continual stream of cars racing over the Peak all night. Is there not a time limit, after which hired motor cars are prohibited?

HON. MR. POLLOCK—They are very late hours.

HON. MR. HOLYOAK—One o'clock, I believe.

HIS EXCELLENCY — If necessary, that can be altered. The hon. member's views on this subject are not supported by his colleagues. When the proposal was made to omit the Wanchai Gap tramway the members on the Public Works Committee made no observations in opposition to it.

HON. MR. POLLOCK—When was this meeting held?

THE COLONIAL SECRETARY—There were two meetings. One was an informal meeting because Mr. Holyoak and Mr. Johnstone were going away. At the second meeting I was not present, but the Director of Public Works reported that no change was made in the draft proposals.

HIS EXCELLENCY—The probable cost of the tramway would be somewhat heavy and for many reasons it would be advantageous for it to stand over. We may possibly consider it next year and take it up in 1922.

There remains the question of public works from loans. I agree very largely with what was said by the hon. member representing the Chamber of Commerce but I am not sure that I have any definite information to support his contention that progress has been retarded by the practice of paying for works out of revenue. As hon. members will have seen, the Public Works programme contains a very large amount of work which cannot be paid for out of the revenue of this year, but we are in possession for the moment of certain balances, and I think it is a wise policy to reduce these balances before having recourse to loans, which must necessarily be very expensive. I was surprised at the figures given by the hon. member (Mr. Parr) with regard to a Shanghai loan. If you have a loan for a short term of years you have to provide very heavily for a sinking fund. Presuming it is not floated at par we should have to consider that as well, and it seems likely that we should have to allow for an annual payment of 9 per cent. It is rather more than we can afford. If this were a case of a heavily taxed community which could not afford to pay for large works from its income. I would certainly support such a proposal but I think that this is probably the lightest taxed community in the world at the present moment and I think it can afford to go on paying out of its income.

This policy, however, is likely to come to an end shortly. Whatever Sir Maurice Fitzmaurice's proposals may be, it will doubtless be desire of the Council to carry them out, certainly to a large extent, and I feel quite confident from what I know of engineers that the proposals will involve a considerable expenditure. When that time comes I am quite with the hon. member that we should resort to a loan rather than retard development.

The Bill was read a second and third time.

Armistice Day Holiday

H.E. THE GOVERNOR—I take this opportunity of adding a few remarks to those I have already made. Hon. members are aware that shortly before the 11th November I issued a proclamation declaring the day of the Armistice anniversary a holiday. I think it was in accordance with the public wish and with the practice elsewhere. The Colony was in rather a peculiar position because it already had a public holiday on Monday, being the Monday nearest to November 9th. This year I did not wish to take any decision in a hurry so I allowed the holiday to stand in addition to the one on November 11th. I do not think it advisable in the future to have two holidays following so close on each other, and my view is that we should adhere to the holiday on November 11th and drop out the holiday on the Monday nearest to November 9th. I desire to mention to this Council that this is my intention in the future, and if any hon. member has any objection on his own behalf, or on behalf of his constituents, I will be glad if he will let me know in due course, as I do not intend this to be a matter of discussion at this meeting.

The Plants Ordinance, 1920

THE ATTORNEY-GENERAL moved the second reading of a Bill intituled, An Ordinance to provide for the protection of trees, shrubs and other plants. He said: The object of the bill is to protect, where desirable, trees, shrubs and other plants growing on the hillsides and in other places of the Colony. The particular occasion of the bill is the protection of one shrub, the azalea. That shrub used to be much more common in years past than it is now and in the flowering season was a striking, feature of the landscape. It is desirable that we should preserve a shrub of that kind. I think the destruction and gradual disappearance of the shrub is due to ignorance and thoughtlessness. It is not known that the plant is not one that lends itself to table decoration, because if the flowering branches are cut the plant is unable to produce a further full supply of flowers for five years. A draft of the regulations which

it is proposed to make has been circulated with the Bill. It is proposed to make provision that no person shall without lawful excuse sell or offer for sale or have in his possession any portion of an azalea except whole plants grown outside the Colony and brought into the Colony as whole plants, and portions taken from private gardens with the consent of the owner. The onus will be on the alleged offender to prove that he comes within one of the exemptions named. The regulations will be laid on the table of the Council, and if any member of the Council wishes to move an amendment he will have an opportunity of discussing the proposed regulations when they have been laid on the table.

THE COLONIAL SECRETARY seconded.

HON. MR. POLLOCK—What steps have been taken to inform the Chinese of this proposed legislation?

THE HON. SECRETARY FOR CHINESE AFFAIRS—It will be translated in the Chinese press.

H.E. THE GOVERNOR—Is it necessary to inform the public by beat of tomtom?

HON. MR. LAU CHU PAK—Advertisements should be inserted in all vernacular papers. That will be sufficient.

H.E. THE GOVERNOR—You consider that satisfactory?

HON. MR. LAU CHU PAK—Yes.

The Bill was read a second time. Council then went into committee to consider the Bill clause by clause.

There were no amendments, and on Council resuming the ATTORNEY-GENERAL moved that the Bill be read a third time.

THE COLONIAL SECRETARY seconded, and the third reading was passed.

**Protection of Women and Girls'
Ordinance, 1920**

THE ATTORNEY-GENERAL moved the second reading of a Bill intituled, An Ordinance to amend the Protection of Women and Girls' Ordinance, 1897. He said: The object of this Bill is to increase the powers of the authorities in dealing with the traffic in girls. The objection to the present section which the Bill proposes to amend is that it is necessary to prove that the girl who is found here in the possession of a man left or was taken out of the possession of her father or mother, or some other definite person having lawful charge of her, such as a guardian. In many cases it has been found difficult to trace the girl's relatives and very frequently it is almost impossible to get them down in time to appear at the prosecution. In other cases convictions are thrown away by the stupidity or connivance of the girls themselves, and it seems not unreasonable that when a man is found in the Colony with a girl in his possession, he should be called upon to say how he came into possession of her, and to prove his title to be in possession of her with the consent of the people entitled to give consent. The onus of proof is thrown on the man. The Bill also provides that if the girl appears to the magistrate to be under twenty-one years of age she shall be presumed to be under that age and unmarried, unless the defence proves that she is married or is of that age. It is extremely difficult to prove the ages of the girls and in some cases they do not know themselves or are unwilling to help the prosecution. It was felt that throwing the onus of proving the consent of parents on the defence might seem rather too drastic because it might lead to prosecutions out of spite. It is therefore provided by Clause 3 that no prosecution shall be commenced without the consent of the Secretary for Chinese Affairs.

THE COLONIAL SECRETARY seconded.

The Bill was read a second time.

Council then went into Committee to consider the Bill clause by clause. There being no amendment, on Council resuming, the Bill was read a third time and passed.

Criminal Intimidation Ordinance, 1920

THE ATTORNEY-GENERAL moved the second reading of a Bill intituled, An Ordinance to restrain certain acts of intimidation. He said: This is another attempt, as was the last Bill, to fill up a gap in the fence

erected against crime. Cases have frequently occurred in which intimidation was used by individuals and societies for the purpose of forcing a person to do something unlawful or restraining him from doing a lawful act. Sometimes a man is forced to join an unlawful society and sometimes a man is prevented from carrying on his lawful occupation in a lawful way. The law, at present, is not strong enough to deal with these acts. The Bill has been drafted on the lines of a section in the Indian Penal Code. The Bill provides for cases in which threats are made indirectly. It will be no defence to prove that the threat was not addressed directly to a person. Every person who commits an offence against the Ordinance will be liable to a fine of \$500 and to imprisonment for any term up to six months, and, on indictment, to five years' imprisonment.

THE COLONIAL SECRETARY seconded

HON. MR. POLLOCK—Isn't there a part referring to injury to reputation, as well?

THE ATTORNEY-GENERAL—Yes.

HON. MR. POLLOCK—Are Chinese in the habit of attacking one another's reputations?

HON. MR. LAU CHU PAK — Yes.

The Bill was read a second time.

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

No amendment was made and on Council resuming the Bill was read a third time and passed.

The Adjournment

The Council adjourned for a fortnight.

FINANCE COMMITTEE.

The Supplementary Estimate

At the conclusion of the Council Meeting, a meeting of the Finance Committee was held, the COLONIAL SECRETARY presiding.

The Committee considered the supplementary estimate for the following sums:—

Harbour Master's Department.....	\$34,606.10
Miscellaneous Services	3,821,703.60
Police and Prison Departments.....	23,941.94
Public Works, Recurrent.....	120,509.87
Charitable Services	25,574.60
Total.....	<u>\$4,026,336.11</u>

THE CHAIRMAN—There is a sum of \$34,000 for the Harbour Master's Department. It will be seen that the whole of this expenditure is in respect of the acquisition and rearrangement of moorings in the harbour. We had to put down a number of additional moorings and buoys owing to increased tonnage. This answers in part the questions of the Hon. Mr. Parr in regard to additional fees. Under Miscellaneous Services, there is a vote of \$3,821,703. Particulars will be seen on page 13. Figures have been given regarding the loss on rice. The loss on exchange is due to the rising dollar which lowers our sterling rate. When the dollar falls there is a surplus. It is purely a book transaction.

HON. MR. POLLOCK—When the final report of the rice transaction is laid on the table, will we have an opportunity of speaking on the matter? This is not final, is it?

THE CHAIRMAN—No: members will have full opportunity to discuss the report.

THE CHAIRMAN—Miscellaneous Services also include \$68,000 in connection with prisoners of war and \$98,000 special allowances made to officers at the front. With regard to Public Works Recurrent, there again it is for additional work we have been able to put in after the war. While the war was still on we did not feel justified in launching out into expenditure on it. The Charitable Services grant is practically covered by the grant on page 60—\$25,000 for local Chinese Charities. This was voted by the Council. It

represented a sum which formerly was derived from the ferry services at Yaumati which were taken over by the Government.

HON. MR. LAU CHU PAK—It was promised to the Tung Wah Hospital.

THE CHAIRMAN—Yes, it was promised and the Council voted it.

The Bill was approved.

Capitation Grants

The Governor recommended the Council to vote a sum of \$7,640 in aid of the vote Education Department, Other Charges, Capitation Grants.

THE CHAIRMAN—I referred to this subject just now.

Approved.

Typhoon and Rainstorm Damage

The Governor recommended the Council to vote a sum of \$35,000 in aid of the vote Public Works, Recurrent, Hongkong, Miscellaneous, (17) Typhoon and Rainstorm Damages.

THE CHAIRMAN—This covers heavy items such as repairs of land slides on the Shauiwan—Taitam road, and a number of other landslides throughout the Colony.

Approved.

Road Widening Beyond North Point

The Governor recommended the Council to vote a sum of \$20,000 in aid of the vote Public Works, Extraordinary, Hongkong, Communications, (16) Roads, (k) Shauiwan, —Widening existing road between North Point and Quarry Point.

THE CHAIRMAN—The vote was for \$60,000 and the tender was 23 per cent. above the estimate. This sum has been allowed for in the estimates of the second half of the year.

Approved.

Dredging Foreshores

The Governor recommended the Council to vote a sum of \$1,500 in aid of the vote Public Works, Recurrent, Hongkong, Miscellaneous, (16) Dredging Foreshores.

THE CHAIRMAN—The vote was for \$9,000 and the increase is due to the increased cost of moving a pier.

Approved.

Lugard Road Extensions

The Governor recommended the Council to vote a sum of \$5,000 in aid of the vote Public Works, Extraordinary, Hongkong, Communications, (16) Roads, (c) Lugard Road Extensions.

THE CHAIRMAN—The vote this year was \$45,000 and they pressed on with the work quicker than was anticipated.

Approved.