

26TH OCTOBER, 1922.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT, HON. MR. CLAUD SEVERN, C.M.G.

H.E. THE GENERAL OFFICER COMMANDING THE TROOPS, MAJOR-GENERAL SIR JOHN FOWLER, K.C.M.G., C.B., D.S.O.

HON. MR. A. G. M. FLETCHER, C.M.G., 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. E. R. HALLIFAX, O.B.E. (Secretary for Chinese Affairs).

HON. MR. E. A. IRVING (Director of Education).

HON. MR. T. L. PERKINS (Director of Public Works).

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

HON. MR. A. O. LANG.

HON. MR. CHOW SHOU-SON.

HON. MR. A. R. LOWE.

HON. MR. H. W. BIRD.

HON. MR. NG HON-TSZ.

MR. A. DYER BALL (Clerk of Councils).

Minutes

The minutes of the last meeting of the Council were confirmed and signed.

Finance

THE COLONIAL SECRETARY, by command of H.E. the Officer Administering the Government laid on the table Financial Minutes Nos. 81 to 83 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 Officer Administering the Government also laid on the table the Report of the Finance Committee (No. 12), and moved that it be adopted.

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

Publican Licence Fees

THE COLONIAL SECRETARY moved the following resolution:

Resolved that the scale for fees payable for Publican's Licences as specified in the Second Schedule to the Liquors Consolidation Ordinance, 1911, Ordinance No. 9 of 1911, shall, with effect from the 1st December, 1922, be repealed and that the following scale shall be substituted therefor:—

Publican's licence:—

(a.)— In Victoria and Hill District (as defined by the Public Health and Buildings Ordinance, 1903):—

When the rateable value of the premises is:—

Under \$10,000	\$1,000
" \$20,000	\$2,000
" \$30,000	\$3,000
" \$50,000	\$5,000
\$50,000 and over	\$8,000

(b.)— Elsewhere in the Colony the publican's licence fees shall be at half the above rates.

THE COLONIAL SECRETARY said—This resolution makes certain alterations and in one respect an increase in fees now charged for publican's licences. The existing scale is: under a rateable value of \$2,000 a fee of \$1,000; under \$4,000, a fee of \$1,500; under \$8,000, a fee of \$2,000; under \$16,000, a fee of \$2,500; under \$32,000, a fee of \$3,000 and above a rateable value of \$32,000, a fee of \$3,500. The old schedule dates from the time when there were a number of small and some-

what disreputable public houses in the Colony which were gradually eliminated by the Government. The result, of course, was favourable to the larger premises which remained. Altogether there are now five fully licensed houses. It is thought equitable to alter this schedule to suit existing conditions and this has been done by increasing the intervals between the rateable values, increasing the fees charged for the largest premises and decreasing the fees for the smallest establishments. The actual result of this increase will be that the fee for the Hongkong Hotel which is assessed at \$180,000, is increased from \$3,500 to \$8,000. The King Edward Hotel and the Repulse Bay Hotel remain as at present and the Palace Hotel, Kowloon, is decreased from \$1,000 to \$500. It is not a question of raising revenue but of adjusting the balance which the smaller people complain is not a fair one.

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

Papers

THE COLONIAL SECRETARY, by command of H.E. the Officer Administering the Government laid on the table an Order in Council under the Societies Ordinance 1920 declaring the society known as the Hongkong and Wuchow Steamers Industrial Association to be an unlawful society.

The Supply Bill

THE COLONIAL SECRETARY moved the second reading of the Bill intituled, An Ordinance to apply a sum not exceeding \$17,869,016 to the Public Service of the year 1923.

THE COLONIAL TREASURER seconded,

HON. MR. E. V. D. PARR—It is admitted that the outstanding feature of the Budget is the present satisfactory position of the Colony's finances, the actual balance for 1921 being \$6,478,745. Land sales, amounting to \$2,500,000 (due to the unforeseen circumstances you mention, Sir) and the Colony's extensive programme of building new roads, is largely responsible for this satisfactory state of affairs. With a continuance

of this wise policy, the \$600,000 estimated from Land Sales during the coming year may be on the conservative side, whilst, given wise and progressive development, assessed taxes, liquor and tobacco revenue, stamp duties, water excess and postage should also continue to increase.

OPIUM AND SMUGGLING

As regards Opium revenue, I hold that what I have said before in this Council on these occasions has proved in the interval to be correct. The Government's difficulty in suppressing the smuggling of the drug will increase in my opinion, rather than diminish, though they may discourage the trade by limiting the supply and increasing the price, thereby handing this additional revenue to the smugglers. So long as China continues to grow the poppy, I maintain, Sir, that this cause will best be served by the Government controlling the import of opium into China. Fining ships will not prevent the smuggling, for ship's officers cannot fairly be held responsible where the police fail. The Hon. Member representing the Chamber of Commerce urged last year that these penalties should not be imposed on ships, where it can be proved that all possible reasonable precautions have been taken by the Masters and Officers to prevent smuggling. The Chamber of Commerce have similarly urged that the Government should adopt the same attitude as the Chinese Maritime Customs in this respect.

SHIPPING MATTERS

We approve of the Harbour Master's appointment being restored to the position relative to other Departments which it formerly held, and the shipping community will, I am quite sure, be glad to hear that our present Harbour Master will benefit by the change.

We shall be glad to know how the matter of Wireless Position Finders stands at present? The importance of our Harbour increases every year and the necessity for these Wireless Finders in times of fog becomes more urgent. The members of the shipping community with whom I have consulted consider that

this instrument is a necessity, and it is hoped that when Hongkong sets the example, the Chinese Maritime Customs will follow suit by erecting similar Wireless Position Finders along the coast.

I think what the Hon. Member for the Chamber of Commerce said last year on the subject of the Observatory has been amply justified in the interval, and it has been proved conclusively that expansion is necessary. We approve, therefore, a new transit instrument and apparatus for remitting wireless time signals which is to be purchased, but the question arises why this instrument was not erected before the present typhoon season and whether, if it had been, the serious loss of two ships, in one case with valuable lives, might not have been averted. The matter is to be referred to the Government and if what I have hinted at proves to have been the case then indeed someone has blundered. My colleague from the Chamber of Commerce has more to say on this subject, but before leaving it I would mention the commendable visit of our Captain Superintendent of Police, which, I understand, was on his own initiative, to Shanghai and Manila to consult with the Police Departments there in order to compare notes and possibly benefit the Colony by their experiences. It might be suggested that the Director of the Observatory would be well advised to pay the observatories of Sicawei and Manila a similar visit.

THE EXPENDITURE ON THE POLICE FORCE

We re-echo your hope, Sir, that the restoration of peace and tranquility in China will before long render the task of the Police in Hongkong a less arduous one than it now is, but fear that at present this is a forlorn hope. We note that the cost of the police establishment is to be advanced by some \$170,000 to a total of \$1,628,000. If found necessary, this sum must still further be increased. The question, however, is whether the Colony is getting full value for these large sums; whether every man, European and Native, in the force is assisting our energetic Captain Superintendent of Police to the best of his ability; whether the Chinese and Indian constables receive adequate inducement not to fail in their duties when temptations arise? Discipline is, of course, of paramount

importance, but do the men have to submit to too many irksome drills off duty? Are their quarters adequate and their living conditions such as to promote contentment and efficiency? Are the language allowances sufficient and distributed to the best advantage? That the Europeans should speak Chinese and the Chinese speak English is most important. There has, I believe, never been a time in the history of the Colony when the efficiency of the Force was more necessary than it is to-day. It seems a question whether the sentences imposed by our Magistrates are sufficient, and whether, for instance, if they were empowered to use the "Cat" more frequently, it would not tend to deter cowards who snatch women's purse bags. We know that "the quality of mercy is not strained" but light sentences under present conditions in most cases at least will not prevent crimes. We are glad to note that the European strength is increased by 32 men, the majority of whom are recruited from the Royal Irish Constabulary. Now that this, one of the finest forces in the Empire, has been disbanded, should the opportunity not be seized to at least double this number? I personally am one of those who think it should. For instance, more European officers are required to superintend and assist the native police and preventive officers in the search for arms, opium, etc., and there are equally other important duties that more Europeans are required for. The policing of our harbour requires constant and vigilant attention. The improvement during the past year has been appreciated, but pilferage from ships and lighters continues and we hope the vigilance of the police will also continue to improve.

EDUCATION MATTERS

Under Education we note that one Shorthand Teacher only is mentioned on page 63 and we consider that the Government should do more to encourage the younger generation to take up shorthand. Hongkong is lamentably behind any other business centre of the Empire in the lack

of elementary shorthand writers, and it cannot be too well known that the necessity for stenographers will increase as the business of the port increases. More consideration in the education of the small European children of the community is called for. We do not grudge our Chinese friends and neighbours being better off than Europeans in Hongkong in this respect but it is not everybody among the European community who can afford to send their children Home to be educated and with the expansion of the Colony this question of the education of foreign children requires more attention.

PUBLIC WORKS POLICY

We come now, Sir, to the Public Works Department policy and we note the Government think they will probably reach the $7\frac{1}{2}$ millions estimated to be spent, as a considerable part of this sum is already allotted to several large works actually in progress. We hope this does not mean that the money is not to be spent to the best advantage and full value received, for it seems very problematical whether so large a sum, under present conditions, can be properly spent. Would not much wastage be avoided by drawing up a more modest programme and getting arrears brought more up to date? We should like to know when the Peak motor road is going to be finished? It was understood this road was to have been completed in time for the last summer rains, but at present it does not seem that it will be ready even by next year's monsoon. I am one of those who make no apology for approving of the building of new roads in the Colony so long as they open new building sites and this policy is, I contend, shown to be amply justified by results. The Unofficial Members, however, would like to be assured that the \$492,000 for the Shek-O Road includes the cost of metalling and tarpainting.

We should like some explanation regarding the following items: — No. 65, Page 79: original estimate for the Kowloon Hospital \$360,000, revised estimate \$554,000.

No. 79 (B): training nullahs, Waterloo Road Nullah, extension to Temple, \$21,000, increased to \$48,000.

No. 98, page 80: quarters for Inspector of Vernacular Education in the New Territories, Taipo, \$15,000 increased to \$35,000. Will this building be required for a native or a European?

No. 106, page 81: what annual revenue is anticipated from the construction of Water Boat Dock at Lai Chi Kok, \$440,000?

The cost of building in the Colony is increasing beyond all bounds and in my opinion under present conditions it is not likely to be less for some time to come, if indeed at all in our time. I say emphatically that it is the Government's bounden duty to look round and see how best they can remedy this serious state of affairs. It is fairly well known that Government work, the building of houses for the staffs, has had to be abandoned owing to excessive costs, which re-acts on the community and makes the present house shortage still further acute. So long as building plans cannot be carried out, for these reasons, Senior Government European Servants should be granted a house allowance and this ought to apply to bachelors as well as families wherever they may be domiciled for the time being. The matter of building costs has been referred to before in this Council and might not have assumed its present proportions if the Government had dealt with it sooner. The building contractors, *vide* a recent letter which appeared in the local Press, and advices addressed by them to their employers, say that the amount of building at present going on in this Colony is such that there are not enough workmen in the Colony to cope with it. What does Shanghai do? There is just as much building going on there, and is it true that certain work is costing more here than it is being regularly carried out for there? Why is the supply of labour into the Colony being unlawfully restricted?

THE LABOUR GUILDS

It is the unanimous opinion of my unofficial colleagues, and I believe I am voicing the opinion of all right thinking men and women in the Colony, that the Government should take immediate steps, by legislation if necessary, to bring all labour guilds, unions and like associa-

tions in Hongkong under stricter control. We have had a most unpleasant experience and a bitter lesson in the last general strike, which practically paralysed the economic life of the Colony. No-one can sympathise more than we do with the legitimate and reasonable aspirations of the labourer for the betterment of his conditions of living, but we strongly condemn those, who, under the cloak of serving the interests of the labouring classes, promote their own interests solely, at the cost of the whole community. It is generally these men, who, while doing the greatest mischief to Society, escape punishment when the law is transgressed. for they pull the strings behind the scenes and at a safe distance. We want to see some legislaion enacted which will effectually put a stop to agitation and intimidation, and will also prevent labour unions being made the tools of unscrupulous persons. My colleague, the Hon. Mr. Bird, mentioned last year sums of money which new workers have to pay as entrance fees before they are allowed to start working here and which, of course, many cannot pay and so have to stay away. Now the contractors, who have written the above letters, must see that this is one of the chief causes, if not *the* cause, of their present troubles. This important building question must be allowed to remain one of legitimate supply and demand, and the Government's plain duty is to see that the development of the Colony is not stultified or impeded by prices reaching a higher point than the general trade of the Colony can support. The high water mark has now been reached. Contractors and the workmen themselves stand to lose most if the present state of things goes from bad to worse.

The Director of Public Works is operating successfully quarry works at North Point. Cannot the P.W.D. similarly make their own bricks for Government buildings and thus remove another cause of present increased cost?

We note that the estimated expenditure on new pumping plant for Tytam Tuk is \$311,000. Have the Government considered the question of electrical pumps for this extension? If so, what is the relative capital cost of the steam and electrical schemes completed ready for operation, and what is the relative cost of operating same?

PUBLIC LIGHTING

It is noted that the estimated cost of gas lighting for the City suburbs and Hill district has been increased from \$65,000 to \$78,000 and the electric lighting has been decreased from \$25,750 to \$25,000. Is it the intention of the Government to increase the number of gas lamps and decrease the number of electric lamps? Have the Government considered the advisability of adopting the series system of electric lighting for streets which gives such excellent results in Shanghai and further has the advantage of being controlled from one or two points?

REORGANISATION OF PUBLIC WORKS

DEPARTMENT

In view of the large amount of money expended on public works, we are of opinion that further reorganisation of this department is desirable. The duties of the Director of Public Works should be advisory only, and the enormous amount of detail work at present handled by this officer should be carried out by his senior assistants, each of whom should have charge of his own department and have considerably increased powers and responsibilities. Such an arrangement would tend to expedite the carrying out of public works and should remove the present delay experienced in obtaining Government sanction for the erection of buildings, sanitary works, etc. Quite possibly an increase in the salaries of the senior technical staff would be involved, but it is not unlikely that economies in other directions would be effected and the Government would have a body of senior technical assistants each accustomed to the control of a de'partment, and of tried administrative powers from which to select future Directors and Assistant Directors of Public Works as required. In making these remarks we are not criticising our hard-working Director, but are desirous of helping in what it is thought is becoming a too-arduous task for one man.

We are glad to note that the question of providing for large public works by means of a loan, recommended by many unofficial members of this Council, is not being lost sight of by the Government. As the Colony have the money in hand, the amount required for the Praya East Reclamation scheme should be treated rather as an advance recoverable on the sale of the land as it is a matter of temporary accommodation only. But this method of finance, could, with advantage, be made use of in connection with big water works schemes, harbour development, etc., as outlined by Your Excellency.

WATER SUPPLY

The serious state of affairs which arose in connection with the water supply of the Colony during the past few months is proof that much bigger schemes yet are required before the Colony has a sufficient water supply. The public will therefore be interested to hear something more of any scheme for the extension of catchwaters on each side of Tytam Tuk as well as on the mainland. The Colony may have too little water but the Government will never be blamed for economically storing too much.

MILITARY LAND QUESTION

We should like to have heard more from Your Excellency on the subject of military lands. Do the Government intend to wait until a bad fatal motor accident occurs in Garden Road before widening it? The cars have necessarily to come up the hill at a fair speed and it speaks well for the police control as well as for the drivers that no-one has yet been killed, but it remains most dangerous for pedestrians and chair traffic. What is the situation as regards the military lands on the Hongkong side, and how long is the fine site on the Nathan Road, Kowloon, in the middle of a residential district to be used for stabling army mules?

HON. MR. A. O. LANG—Sir,—I desire to associate myself with the remarks of the Senior Unofficial Member, and to congratulate the Government on being able to lay so satisfactory a Budget before the Council. In these times of commercial stagnation the absence of proposals in respect of new

taxation is a pleasing feature, and I trust the present financial position will long be maintained and that increased levies, in any shape or form, will be unnecessary for many years to come.

FOREIGN LIQUORS AND TOBACCO

In the first place, Sir, I venture to renew the representations which I made last year with regard to a reduction in the duties on Foreign Liquors and Tobacco, and in view of the fact that the revenue from these sources is expected to far exceed the estimate I am encouraged to hope for sympathetic consideration of this request. The existing scale of duties is particularly severe in the case of light wines, and the general tendency of these high duties is to increase the consumption of spirits at the expense of a less harmful form of stimulant.

OBSERVATORY

With reference to the Observatory, Sir, I had occasion at the annual general meeting of the Chamber of Commerce, held in April last, to refer, amongst other matters, to the Hongkong Observatory, and the hope was then expressed that the Government would see its way to increase the annual vote in order that the Colony might be supplied with the most reliable data in the shape of daily Weather Maps and Weather Reports, especially during the typhoon season.

I regret to find there is a general feeling that the Observatory and its system of recording storms and conveying information to shipping is not all it should be, and it is obviously unnecessary for me to comment on the importance of this matter in a Colony almost entirely dependent upon its shipping industry. Certain recent events appear to have created lack of confidence, possibly unjustifiable, in the Observatory and the present system of recording typhoons, and as a result a very full report dealing with the subject has recently been forwarded to the Government by the Chamber of Commerce. I am confident, Sir, the Chamber's request will be received in a

sympathetic spirit, and that in a case of this kind the Government will extend its fullest co-operation, more especially as the matter is one affecting the vested interests of the port, both on land and sea, and, what is of paramount importance, one so closely connected with the safety of life not only in the Colony but on vessels and native craft in neighbouring waters. The Chamber of Commerce has suggested certain procedure with regard to an investigation in order to ascertain whether the Colony is being served with the best available meteorological and wireless broadcasting systems, or whether the present arrangements are adequate in view of the important interests involved, and it is hoped the suggestions put forward, as the result of careful deliberation, will, in the main, be acceptable to the Government.

BATHING BEACHES

With reference to Bathing Beaches, Sir, it is satisfactory to learn that the new Shek O Road will be the means of giving access to a part of the island possessing advantages as regards climate and sea beaches superior to those in other parts of the Colony, and I trust it is the intention of the Government to provide some cheap means of transport so that these salubrious spots will be available to all classes of the community.

While on the subject of bathing facilities, I take this opportunity of referring to Kowloon which, although bounded on three sides by the harbour, is even worse off in that respect than Hongkong. At present it is necessary for residents on the Peninsula to go far afield in order to obtain sea bathing, which is admitted to be a health-giving pastime, and under the circumstances I conceive it to be the duty of the Government to remedy this unsatisfactory state of affairs before the advent of next summer.

PUBLIC LIGHTING

Reference has been made to improved gas lighting in Hongkong and Kowloon, though curiously enough, on page 75 of the draft estimates, the sum set aside for gas lighting in Kowloon appears to be the same as this year, viz:—\$17,500—I trust, Sir, this is only a clerical error, because Kowloon is badly in

need of better lighting, especially Nathan Road where there is so much traffic. I would also like to bring to the notice of the Government the necessity of improving the lighting of the public pier in Kowloon, and would suggest, Sir, the installation of electric illumination in place of the present system which is rendered unsatisfactory by frequent breakage of gas mantles caused by launches bumping alongside.

PUBLIC CONVENIENCES

I see that a sum of \$20,000 is set aside for public conveniences in Kowloon, and I understand representations have recently been made to the Government in this connection. Apart from the latrine at the ricksha shelter by the Star Ferry Wharf, there is no public convenience in Kowloon until Yaumati is reached. Recent cases of indecency call for much better provision in this respect than there is at present.

EDUCATION

It is somewhat surprising—considering the importance now-a-days attached to education—to find the Government still adhering to the ancient custom of placing at the head of their educational affairs an officer without special life-long training in this highly technical work. No one would for a moment think of selecting a Director of Public Works, a Harbour Master, or a Medical Officer from the Cadet Service, and in view of the enormous and increasing expenditure on education I strongly urge the Government to take the first opportunity of appointing a Director of Education who has been trained exclusively in this profession. It ought to be possible for a member of any profession serving under the Government to hold the senior appointment in his department; but, if for any reason this is not considered desirable there would be no difficulty in finding a trained educationalist elsewhere. In these days of specialization, years of strenuous effort are required to fit any man for a senior position in his profession and I feel confident that a departure from the old custom—a relic of the days when education was of little account—would add an attraction tending to increase the efficiency of the educational branch of the service.

TOWN PLANNING

With reference to your Excellency's remarks on the subject of town planning, I shall be glad if the Government will state whether it is following any settled policy in the matter of the erection of European houses in the remoter parts of the New Territories. There are several localities, as for example Castle Peak, which afford excellent building sites and it seems advisable that the development of such areas should be systematically planned.

MILITARY LANDS

With regard to the Hon. Mr. Parr's remarks on Military Lands I have always understood, Sir, that there is a long standing arrangement whereby the War Office will surrender, at a figure to be agreed, such lands as are not absolutely essential for Military purposes, and if my information is correct it would appear that they have failed to keep their part of the bargain. I urge, Sir, that the Government should bring strong pressure to bear in order that the areas to which I refer may be released without further delay and thereby permit the development of the City in the direction of Queen's Road East. In similar connection I would refer to Pinewood Battery, with its 70 odd acres, and to the Sanitarium on Craigmin Road, both of which, I understand, have been the subject of numerous applications from private individuals for building purposes. The Colony feels very strongly on this matter, and unless something definite is decided in the near future I fear public opinion will endeavour to oppose future Military contributions.

HARBOUR DEPARTMENT

With regard to your Excellency's statement to the effect that the wages of the crews of all Government launches have been increased to bring them into line with crews employed by commercial firms whose pay was adjusted after the strike earlier in the year, there appears to be some misunderstanding in connection with this matter, and I shall be glad if the Government will explain the position so as to remove any false impression that may have been formed.

HON. MR. CHOW SHOU-SON—Sir, I wish to amplify the remarks of the Senior Unofficial

Member on certain points which intimately concern the Chinese community, and also to touch upon one or two matters affecting the Chinese alone, which have not been dealt with by him.

When the Ordinance regulating childlabour was introduced in this Council at the end of last month, I urged that greater facilities should be given for the education of the young children of the labouring class, so that they may be looked after when their parents are out earning their living. The Chinese have been much gratified with the sympathetic attitude of the Government towards this matter, and I take this opportunity to express our grateful thanks to Your Excellency.

WATER SHORTAGE

My Chinese colleague and I desire to bring to the notice of the Government the great hardships which the poorer classes of the Chinese have undergone during the recent water-shortage. At a meeting of the Sanitary Board at the beginning of August last, I moved a resolution that the old wells in the Colony be re-opened, but that motion was rejected upon the opposition of the Medical Officer of Health, on the ground that wells are liable to contamination and thereby to become a source of danger to the community. Notwithstanding this apprehension, I still urge that the old wells be re-opened and new ones sunk, in view of the very great hardships caused to the poor people, especially now that the rainy season is over and our reservoirs are far from being full. The Government could first satisfy itself that a well is not contaminated by sewage or other matters before allowing it to be re-opened, and could also bring all wells under strict control. As I said at the Sanitary Board meeting when moving the resolution, the Chinese do not drink water that has not been boiled, and they could be warned to use well-water for washing purposes only. More water is used for washing than drinking, and so the well, if opened, should considerably relieve the heavy drain upon our existing limited supply from the reservoirs. I wish it to be

understood that my suggestion is merely an expedient to lessen the hardships on the people and not a substitution for any permanent scheme for increasing the water-supply, which is necessary for our increased and increasing population.

FOOD SUPPLIES

Last year, speaking upon the draft Estimates for 1922, the late Mr. Lau Chupak mentioned a certain scheme for reclaiming a tract of submerged land in a certain part of the New Territories for the purpose of growing paddy that should suffice to meet all local demands for five or six months in the year, thus rendering Hongkong less dependent upon outside sources for the supply of rice. The last general strike in this Colony has proved the wisdom of his suggestion. I think that, profiting by the experience gained from that strike, the Government should encourage as much as possible the cultivation in the New Territories of rice and vegetables, and the establishment of poultry farms, so that Hongkong may not depend to the extent it now does upon outside for its food supply.

LABOUR AGITATORS

My Chinese colleague and I endorse the remarks of the Senior Unofficial Member in regard to labour guilds and unions. While we sympathise with the legitimate aspirations of the labourer for the betterment of his living conditions, we consider that unscrupulous persons should not be allowed to trade upon the credulity and ignorance of the simple labourers. In my view, such legislation as is suggested by the Senior Unofficial Member is for the real good of the honest and law-abiding working men.

POLICE MEASURES

Stricter measures should be adopted for preventing the smuggling of arms and ammunition into the Colony. I believe that about three years ago Mr. Ho Fook spoke upon this important subject in this Council, and since then the situation has become worse. I know that it is no easy matter to detect arms surreptitiously introduced into the Colony, but the public expect to see better results, even though the Force may have to be further increased for the purpose.

In supporting the recommendation of the Senior Unofficial Member for increasing the strength of the European contingent for the search of arms, and for bringing the Police Force up to a greater standard of efficiency, I know that I have the whole Chinese community behind me. The re-organization of the Detective Sub-Department under a Deputy-Superintendent is a step in the right direction, and I venture to express the view, which I hold strongly, that the number of Chinese detectives should be increased. Whatever may be said of the Chinese as secret-service men, the fact remains that they cannot be dispensed with in this Colony for the detection of crime. Now that they are placed under the immediate supervision of a Deputy-Superintendent who, I presume, understands the Chinese language, and if their conditions of service were improved, as I think they should be, they ought to become useful instruments for the detection and prevention of crime. It is only fair to say that there are not lacking, among the Chinese detectives, men who are ready to face danger in the execution of their duty, as many Court cases have revealed. In order to give our police greater encouragement, the Government should compensate adequately the family of any man who may lose his life in the discharge of his duty. I am sure that this and other suggestions of the Unofficial Members relative to the Police will commend themselves to the Government and particularly to our energetic and over-worked Captain-Superintendent of Police.

HON. MR. A. R. LOWE—Sir, I desire to associate myself with the remarks on the Budget which have been expressed by my colleagues and to congratulate the Government on the financial strength of the Colony's finances at the end of 1921, the practical certainty of an increased balance of "Assets over Liabilities" at the end of 1922 and a still further credit at the end of 1923. It is very apparent now that the increased liquor, tobacco and stamp duties need not have been levied. Taxpayers may find on reading the Blue Book, or the belated monthly figures in the *Government Gazette*, that there is a credit balance at the Bank, an ever increasing

deposit account with the Crown Agents of \$2,600,000 at 31st July, and investments in British Government securities of \$3,831,000, at cost, which were saleable on 31st July at a profit of some \$2,000,000. But we are not all accountants who can appreciate the beauty in such figures and if the duties on liquor and tobacco were reduced, even temporarily, the joy of receiving such a dividend would make our only luxuries more enjoyable and tend to dispel the gloom of the tradeless community. It would put a little more heart in everyone from the richest merchant and Banker to the poorest coolie, and the Government can well afford to do this. I do not think it is the Government's business to tax people for more than their immediate requirements, plus a certain sum for sinking fund for Public Works Extraordinary.

THE COLONY'S BALANCE SHEET

In the debate on the Budget in 1918 the Hon. Mr. Landale complained very bitterly of the inadequate accounts of the Government and, barring an improved monthly cash account which was instituted at my suggestion in 1920, I find no improvement.

A summary of the Colony's financial position at the end of any one year is not supplied. It is impossible to get any idea of our true position unless this is attempted and we have a right to this knowledge without going to a great deal of difficulty in trying to make it up for ourselves. The *Government Gazette* from time to time gives a belated account of summarised receipts and payments, ostensibly on profit and loss lines, and it is true that Public Works Extraordinary are shown separately, but the Kowloon-Canton Railway expenditure includes large items for capital expenditure which can only be found on page 365 of the Blue Book. In these statements 70 per cent. of the ordinary Revenue is shown as one item (Licenses and Internal Revenue not otherwise stated: \$11,600,00, — out of \$16,000,000) and therefore hides more than it shows.

A return to the more detailed statement of receipts of some 17 years ago may be made with advantage, and also to the practice of showing Public Works Extraordinary, as well as other capital expenditure such as new Railway works under the line, in the same

manner as Land Sales are shown at the end of the Receipts on the other. It would then be apparent that we were overtaxed in 1921 by nearly \$4,000,000, or 25 per cent., to pay for recurrent expenses; whilst nearly half of the \$3,600,000 capital expenditure on Public works and the Recurrent expenses whilst additional \$1,634,000 from Land Sales. Similarly, according to the revised estimates for 1922, the Revenue from taxation is estimated to be \$4,000,000 in excess of Recurrent expenses whilst additional receipts from Land Sales this year up to July have almost reached the Revised estimate of \$2,500,000 for the whole year and at the rate of Public Works Extraordinary expenditure, which only reached 60 per cent. of the estimates in 1920 and 1921, and is hardly likely to reach 60 per cent. in 1922, it looks as if Land Sales will pay for all capital expenditure in 1922.

It seems as if similar conditions will apply in 1923, as the Recurrent Expenses (based on liberal lines) are put down at \$14,873,000 and Taxed Revenue (based on conservative lines) is put down at \$17,967,000 and we can therefore assume that we are to be overtaxed another \$4,000,000, as in 1921 and 1922.

To show that the surviving generation have not only paid for themselves but provided a great deal for posterity it is sufficient to show that Public Works Extraordinary cost out of Revenue, during the 10 years ending 1910, some \$12,000,000, or 20 per cent.; and during the 10 years ending 1920 about 12 per cent., costing \$15,800,000, in addition to certain additional capital expenditure amounting to a few millions expended on the Railway.

The moral of all this is that the present inhabitants outside Happy Valley are overtaxed and the Government kindly hoard up the savings for the benefit of posterity though actually they do credit us with the increased interest from investments.

It is difficult to formulate an Annual Balance Sheet as the Colony's Assets and Liabilities are both of a dual nature, viz., in silver and sterling. But commercial firms have to cope with this difficulty and I do not see why the Govern-

ment should shirk doing so more particularly as they are trustees of the people's money. It is obviously more difficult to work up correct figures than to check them, but from the various figures scattered over the *Government Gazette*, Blue Books, and Estimates I have arrived at the following results.

In spite of a doubtful liability of over \$2,000,000, the Statement of Assets and Liabilities at December 31st, 1921, shows a surplus of \$6,476,000, which could have been \$1,400,000 more had the investments been realised, or treated at their realised value. It is obvious that the term "Assets and Liabilities" is a misnomer, for they consist of items of receipts and payments in suspense, of a liquid or temporary nature only, and leave out of account the liabilities forming the public debts of £1,485,732 and \$3,000,000, as well as assets forming sinking funds amounting to \$664,495 and £368,000 (market value £306,000) and £89,093 (market value £91,446). Roughly speaking, had these figures been shown at current values, the public would realise that their liquid assets were about \$1,000,000 more than sufficient to pay off all their liabilities of every description on the same basis, in addition to remaining in possession of 216 miles of Roads and Streets (No record of Cost), Kowloon-Canton Railway (cost \$15,796,000 *vide* Blue Book), Government Telephone System and Cables (no record of cost), Government Hospitals (no record of cost) Government Houses (only 2 recorded in Blue Book), Government Offices, Slaughter Houses, huge Waterworks, Schools, Prisons, Law Courts, Observatory, Launches, etc., etc., which must have cost millions in sterling and/or dollars and are still worth a large sum to-day. These vast assets stand in the Colony's books at nothing. The Government is not only a political institution, but is managing a large city or municipality, and a proper monetary record should be made available each year, not only to show the taxpayer what has been received and spent, but also what remains on hand of any value. Such a statement will be particularly useful when the Colony has to come before the Hongkong or London Market for new loans to meet prospective Harbour improvements and Water Works, as money can be obtained on better terms if it is shown that there are already unencumbered large assets in existence

besides a revenue which exceeds current expenditure.

THE COLONY'S WAR LOAN

On page 103 of the Estimates it appears that the Sinking Fund, at the end of 1922, will amount to \$921,665 and £93,715 in respect of the \$3,000,000 War Loan, repayable 1928. It may turn out that this sterling investment will be a lucky one, owing to a drop in Exchange, but I think Honourable Members will agree with me that it is not a sound policy to invest a Sinking Fund in a currency other than that which it purports to recoup. Further, part of the silver investment is made with the Government Bankers at a lower rate of interest than the loan bears, which is inexplicable, as the Bonds were drawable or repayable to any extent the Governor might decide at any time after 30th November last and this means Bondholders get a free gift at the expense of the taxpayer. Unless, therefore, it is considered good policy to keep local loans on the market, it would seem profitable to pay this small loan off out of cash balances in hand, which are invested at a lower rate of interest.

Regarding the \$2,000,000 4½ per cent. Inscribed Stock of which £1,485,000 has been subscribed at 3½ per cent., I find that the market price of this loan stood at 66 last December representing, if paid off, a saving of half a million pounds or say four million dollars then. At last August the price had risen to 81 which is certainly flattering if not so profitable at the moment. At the same time, certain Government investments will also have increased to a certain extent. What I have to draw the Government's attention to, however, is the fact that according to the 1922 Estimates the Sinking Fund should have reached £383,000 at the end of 1921 yet the accounts gazetted on 5th May last only showed £368,000 (valued at market prices £306,000). Also, according to the 1923 Estimates, £425,628 should be invested in the Sinking Fund at the end of 1922 showing some £57,000 increase; whereas, apparently, the only addition according to the Estimates is 1 per cent. £14,857, and presumably about 4 per cent. interest, say £14,000, reinvested—altogether

£29,000. I hope the estimated figure will be realised, but it seems too good to be true. In any case, the account is an important and complicated one and a full statement should be gazetted each year, instead of only a partial one.

There is a clause in the local Ordinance giving the crown Agents power to use Sinking Fund monies to repurchase and cancel any part, whenever the loan is below par, which, of course, it is at present. I think their attention should be drawn to this point as, though the difference to their commission may be very slight, it would on the other hand be much more satisfaction to this Colony to pay off its liabilities than reinvest in other British and Colonial Loans which only complicate this Colony's accounts.

SURPLUS CASH BALANCES

This Colony is undoubtedly a rich one, but there is no reason why it should not be richer by employing its surplus Taxes locally instead of sending them to London to seek employment. I believe I am right in stating that, under some ancient Colonial Office Regulation, monthly cash surpluses over a stipulated small amount must be remitted to the Crown Agents in London for either safe custody or investment. No doubt, at that time, the standing of the Colonial Treasurer and the local Bankers was not a high one, but times have happily changed long ago, and there is no excuse for this Regulation at the present time. I am sure the local Bankers, especially those having Offices in London, can give as good rates for deposits as their London Offices can, and progressive property owners would welcome the chance of borrowing on good security, and at still better rates, any money not immediately required. In all, there was about \$9,000,000 available on 31st July last for such local investments could this rule have been altered to meet the suggestion I make.

THE RAILWAY ACCOUNTS

Our short valuable railway has its own system of accounts which, as a separate entity is simple and good enough as such. But it seems to have been forgotten that it is even now only a portion of a system, and that eventually this will be very greatly

accentuated when the link with the Hankow and other Chinese lines is completed. When this happens, questions relating to through rates will require a great deal of argument, based on mileage running expenses and original cost rentals, and unless our Railway Officials can have accounts made up on the same exceedingly efficient and standardised form as the Chinese Government Railways record theirs, there will be endless delays and probable loss, as our accounts neither go into sufficient detail nor does the allocation follow similar lines under perhaps identical heads of earnings and expenditure. Unless our accounts are rewritten to conform with the Chinese system the cost of doing so will be greater as each year passes.

THE DEPENDANTS OF MURDERED POLICEMEN

I have been asked to draw the attention of the Government to the inadequate compensation granted to the families of murdered members of the Chinese detective and police force. It is for the good of the Colony if members of the Force are brave enough to risk their lives in the capture of armed criminals for the common good, but it is too much to expect of human nature if this has to be done for only a moderate monthly wage. A man must have something more than this to act unflinchingly, and, however attractive it may seem to the mourners, the chief participant of even a public funeral has a right to have died with the knowledge that his immediate dependants will be adequately cared for by the Government he has given his life to serve.

KOWLOON HOSPITAL

The Hon. Director of Public Works has cleverly tried to stave off a certain amount of adverse criticism by advertising last week for tenders to construct the Kowloon Hospital. The tenders are to be deposited by 4th December so it looks as if the Government really intended to push on with this much delayed scheme. I remember being one of a party of perspiring unofficials who approved of the site selected, after arriving at the top of the hill during the summer of 1920. Although His Excellency has given a guarded explanation of the delay, Kow-

loonites have asked me to enquire if it takes $2\frac{1}{2}$ years to demand building tenders how long will it be before the Hospital will be ready to receive its first patient? I am informed that 49 Europeans were admitted into Hongkong Hospitals during last month.

HIS EXCELLENCY—From Kowloon?

HON. MR. A. R. LOWE—Kowloon only. Some of the cases were serious and urgent, and in more than one case patients nearly lost their lives through the delay in transporting them across the Harbour before an operation could be performed. According to the last census there are over 3,000 non-Chinese residents in Kowloon, and the number is rapidly increasing. I trust, therefore, that the Government will press forward the completion of the Hospital and that, if possible, they will endeavour to start the scheme earlier, in suitable rented premises, or perhaps import temporary structures such as were used with success in Europe during the War.

CHEUNG CHAU NEEDS

The index to the estimates fails to record any reference to the popular and supposed self-governed Residential and Seaside Island resort of Cheung Chau. This municipality is not mentioned on page 55 in the Blue Book, but an obscure item on page 35 of the Estimates reads "Judicial and Legal Departments, District Offices, other charges, Southern District, Local public works \$500" and is supposed to refer to Cheung Chau. The Irish Municipal Treasurer is living in perfect harmony with the English Mayor and other nationals and the only grievance is the non-receipt of the small grant. The ferry service is not what it might be and the new Government pier is only half as long as the old Chinese one, so that launches cannot always find water enough to berth alongside. I trust the Government will not find it difficult to give some practical sympathy to keep this community in peace and happiness. They are pioneers who deserve and are entitled to real support, and I do not think the District Officer should get any kudos for saving this fantastically small sum of \$500.

It has been long recognised that robberies from Europeans are practically non-existent because they hardly ever carry any money

beyond a few cents for current chair hire. Robberies from business and private houses are chiefly incurred from the knowledge that dealings therein are conducted in cash, and the probability that large cash sums are available on the premises at all hours. The more payment by cheque is in vogue, the necessity for cash in hand is reduced to a minimum and the incentive to robbery is removed. To help this movement, I suggest that the duty of 10 cents on cheques be reduced to 1 cent. It would not cost the Government much and it would have the additional advantage that, on the extended use of Bank Accounts, falsification of books will be made much more difficult because the items have to pass through a third party.

CIVIL SERVANTS' WIDOWS AND ORPHANS FUND

Some years ago, the Hon. Colonial Treasurer intimated that the position of the Widows and Orphans Fund was unascertainable from an inspection of the Government Accounts and that no satisfaction could be obtained until an actuary had valued the Fund, which is merged in the current Revenue of the Colony. I think the time has arrived when something of this nature should be attempted, as Civil servants are not satisfied they are being properly treated.

In this connection it would be interesting to know how much the widow and two children of the recently deceased Government auditor, Mr. Brayn, will receive under the present scheme and how much his own contributions amounted to.

THE SHORT CUT TO REPULSE BAY

I should be glad if the Government would hurry up the short cut to Repulse Bay, as large building schemes have taken place there and are not merely in progress. Although I am not interested in the Shek O Road, I think it is a very fine scheme and I would like the Government to carry on the road from the junction at the top of the hill round to D'Aguilar, where the finest scenery in the Colony exists and is not seen by the inhabitants or tourists, except when going round by launch,—when they are too sick to see it.

I think, also, the occasional visitor at these meetings, and the Press, would be more comfortable if they had an extended punkah in this room.

HON. MR. H. W. BIRD—Sir, I wish to fully endorse the remarks made by the Senior Unofficial Member and join in the congratulations to the Government on the Budget which is now before us. The remarks I now propose to make may or may not have the approval of my colleagues. Last year I urged the necessity of laying a pipe across the Harbour to bring water from the mainland, and I am glad to see under the heading of Water Works that money is to be spent next year on the Shing Mun Valley Scheme and at Shek Lai Pui; this is the first milestone on the road to carrying out this important work. This year has shown us that the constant water supply for the Colony has still to be solved and in this connection I would advocate attempts being made in various places in the Colony to obtain water by means of boring. I understand that there are engineers in the Colony with boring tools at the present and, as it is not a costly matter, let us make the attempt whilst the opportunity offers. Who knows but that we may strike valuable springs at various places that would be a Godsend to the poorer classes when the state of our reservoirs necessitates a restricted supply and involves the carriage of water from the street to so many tenements? Whilst there must be sympathy for those who have to rely on the street hydrants for their water supply, it must be remembered that were there no waste of water there would be no need to carry it, and if, through the Tung Wah Hospital and District Watchmen's Committees, this fact could be impressed on the lower-class Chinese — who, I know from personal observation, are the worst offenders—a great deal of unnecessary discomfort might be avoided. My Chinese colleague has advocated the re-opening of wells, and, although I understand the Medical Officer of Health to be opposed to such action, it would seem that there would be little danger in doing this owing to the fact that the Chinese always boil water before using it.

I can find no mention of any sum set aside to provide a playground for the children at the Peak, the necessity for which will be more in evidence when motors start to use the new

road.

PRIVATE GARAGES ON THE PEAK

I take great exception to the decision notified by you, Sir, in your speech to refuse applications to erect private garages on Crown land at the Peak. Let us have the public garages by all means, but that is no reason to refuse private applications. Take the case of the owner-driver who drives his wife home late on a wet night; he has to take the car to the garage and walk back again to his house in the pouring rain—a truly pleasant prospect. I trust, Sir, that those whose applications for private garages have been turned down will be notified that the matter is to be re-opened.

BUILDING QUESTIONS

I referred last year to the cost of building, and the remarks made then are supported by my Chinese colleague's to-day, who agree that the mis-management of Guilds is largely responsible for the lack of workmen, and I fully endorse the sentiments expressed by my colleagues to-day. I spoke last year of the fees which have to be paid by new workers in order to join the Guilds, presumably with the object of keeping new men out of the Colony. This may appear a sound policy to the Guild officials, but I doubt it being so. The pressure of rising wages will undoubtedly act as a stimulus to the use of labour-saving devices, and the adoption of economical methods. Generally speaking, it may be said that while the artificial restriction of the supply of workmen in a trade may raise wages for a time, it calls into play forces tending to restore the equilibrium of demand and supply by diminishing demand. It is always to be remembered that the effect of collective bargaining is not in the long run one-sided. Combinations of workmen beget counter-combinations of employers. I beg to offer some suggestions to the Government and to contractors as to methods whereby building cost could be reduced:—Contracting out to separate trades (in other words, sub-contracting), admirable as it is for the best class of work, is not adapted to building where cheapness and rapidity of construction

is essential. Eight separate tradesmen mean eight separate profits and the one trade waiting upon the other seven. If contractors who have written the circular letter to employers and others would try to eliminate the sub-contractor I feel sure lower rates would prevail. I would also ask the Government to provide greater facilities to the contractors, so that they can have their own building yards and set up labour-saving devices there, such as sawing, planing machines, etc. The limited area in which the Chinese contractor has to work and the absence of any building yard is largely responsible for the high cost of building. For instance, in a steel frame structure, when the steel arrives from England the contractor has to pay for storage of same in a godown until he is ready to use it, because he has nowhere else to put it. Naturally, he allows for such contingencies in his tender. Let the Government set aside some of the intended reclamation at Kennedy Town or North Point so that building materials can be landed there from junks and brought to the site, or as near as possible, by motor lorry. The contractors are ready to lease such ground, only they cannot obtain it. It is for the Government to see that it is made available. Unnecessary restrictions upon building should also be removed. Builders here are restricted to the use of old-fashioned materials and cannot take advantage of the great strides which have been made in constructional matters in the last twenty years. All local bye-laws should be reviewed every ten years, at least, to see what improvements can be made in the direction of giving greater freedom for new developments and inventions. In particular, the laws relating to the height of buildings should be amended.

The troubles in Southern China were responsible for the difficulty in obtaining bricks during this year. The price of same has risen 30 per cent. and the size of the bricks has been reduced. Cannot the Government start its own brick factory in the New Territory? There is ample soil of suitable quality obtainable, and it would seem that it should be a profitable undertaking. The Government makes its own paving slabs and why not its own bricks?

THE CITY HALL

I see no mention in your speech, Sir, of any attempt to deal with the City Hall problem,

and I should like to know what has happened to the report of the Commission appointed to enquire into the matter? This building is like an old frock, which has long since been outgrown by the child. The material is thread-bare, it has been patched and darned, there is no hem to let down and the fabric will not stand the addition of a flounce. The situation must be faced, and the child must have a new gown. This is no longer a matter for private enterprise. That was possible in 1866, when the present building was erected, but it has now become a matter for the Government. There is ample room on the site to erect a block of Municipal Buildings as well as a detached Theatre. The Municipal Buildings should contain a Museum and Library, suites of dancing rooms and a Banqueting Hall. Above there could be accommodated the Colonial Secretariat, Council Chamber, etc., and above that again the Public Works Department. The location of these officials on the town level would be a boon to the community. This Colony should have a Museum of exceptional interest, and I see no reason why we should not possess such a one. The Theatre has long been a subject of scorn and derision. The problem has got to be faced. Sir, it is no use shelving the matter, and whilst the Colony is prosperous the necessary money should be set aside. It is a matter that concerns the whole community and I ask, Sir, that the matter be taken up seriously at once.

CHEUNG CHAU ISLAND

It appears that the needs of the Cheung Chau inhabitants have again been ignored in this year's Budget. Notwithstanding the piracy in 1912, the recommendation of the Jury after the Tai O tragedy in 1917, and the representations of the Residents' Association, there is still only one European Police Officer on the Island and the force at his disposal has been reduced. Another European should be added to the force, the station being constructed to accommodate two. All the roads on the upper levels have been made by the Residents' Association and I shall be glad to know when the

Government is going to take over this work. The Pier is too short and should be extended, if there is any difficulty in carrying it out in stone or concrete let it be extended in wood. The community suffer a great deal from the City refuse dumped in the sea off Kau I Chau Island by the Sanitary Department. This antiquated and objectionable method of dealing with the refuse of the City has been referred to many times before, and it is high time the question of incinerators for disposing of the garbage were taken up. This ferry service is wholly inadequate, and is no longer even safe. It can safely be said that in no other place in the world would between 100 and 200 passengers be allowed to be carried with less appliances for saving life, or in a greater state of personal discomfort. The launches now in use are not suitable for ferry work anywhere.

The Government must be prepared to help pioneers, both by preferential treatment and by providing satisfactory means of transport. I can see in the future the development of the Islands of Lamma and Chung Hue, and I can see them covered with residences, and why should there not be a reclamation on the East side of Chang Hue, with wharves and godowns, where, owing to the depth of water, steamers and junks can lie and discharge their cargo? But in order that these developments may take place, good ferry service is essential, and if the Government will start by organising and, if necessary, subsidising, a proper ferry service to Cheung Chau it would encourage the development of these other Islands.

ROADS AND RECLAMATIONS

I fully agree with you, Sir, and the Senior Unofficial Member on the sound policy of forming new roads and making new reclamations to open up fresh districts, for it is only in this manner that we can spread out our ever-growing population. It has been amply proved that wherever new roads have been built the available lots have been readily applied for and, when developed, have been bought and sold, thereby bringing revenue to the Colony. "Where the new road and the new reclamation is, there will the property-brokers be gathered together," and new-comers will continue to be attracted to the Colony so long as the Government can offer them security of life and property. In this connection, I endorse

all that has been said by my colleagues on the necessity for an efficient Police Force.

The Praya East Reclamation is a striking answer to the pessimists. Land is now being sold there at such a price that, if the interest on the purchase-money be added, by the time the land can be built on it will be worth \$10 per feet.

HON. MR. NG HON-TSZ—In endorsing the views as expressed by my senior Chinese colleague, I desire to add a few remarks in regard to the Police Force and water supply. I beg to suggest for the consideration of the Government that more Police should be placed on point and patrol duty, especially in the business part of the town. I have often heard of complaints that no policeman could be found long after an alarm had been raised. No one realises more than I do the difficulties of the police, who have a hundred and one things to attend to while on duty, but I am sure that with his Force augmented the Captain Superintendent could improve the existing system. I not only agree with the recommendations of my senior Chinese colleague in regard to wells, but I also urge the Government to proceed without delay with the construction of permanent works for increasing our water supply, so as to prevent the recurrence of the hardships which the recent shortage has entailed upon the poor. I know for a fact that at the height of the shortage some families with an income of only \$30 or \$40 a month had to pay out of this \$6 or \$7 for having water carried to their flats, which was an expenditure they could ill afford. Therefore I venture to express the hope that any work of construction which the Government has now in view for adding to our water supply will have priority over other public works in contemplation.

THE DIRECTOR OF PUBLIC WORKS said—Sir, I will endeavour to furnish information on the points raised by hon. members affecting the Public Works Department, and I will take first the question of water shortage and supply. Although the rain-fall for 1921—97.34 inches—was high,

being about 12 inches above the average, its incidence was poor. In May of that year over 33 inches fell, and all the Reservoirs were practically overflowing copiously during June, July and August during which period, there was only an average rainfall. The dry season, however, set in exceptionally early, (the last useful rain occurring in the beginning of September) and extended over a period of between 8 to 9 months, until the wet season of this year, which started unusually late in July. This resulted in the reservoirs being left in a very depleted condition at the commencement of the wet season of the current year. In 1921, there was in storage in Hongkong at the corresponding period 2,102 million gallons as compared with 473 millions gallons this year. The wet months, *i.e.* July, August and September, only proved to be months of average rainfall and the deficiency was consequently not balanced.

The conditions prevailing yesterday were:—

Hongkong. — 1,432.7 million gallons:
Consumption 6.1 million gallons per day.

Kowloon. — 370.4 million gallons:
Consumption about 1.75 gallons, per day.

The continuous increase in the rate of consumption of water in Hongkong and Kowloon during the last few years has rendered the development of additional sources of supply a matter of the most urgent importance.

The percentage of increase in 1921, as compared with 1912, is 72.8 in respect of the City and Hill District and 69.00 in Kowloon; whereas the percentage in 1921 as compared with 1918 shows 29.00 for the former and 35.9 for the latter. If the rate of consumption continues only at the same and not at an increasing rate, the daily consumption in 1924 would be as follows:—10.38 million gallons for the City and Hill District and 2.29 millions gallons for Kowloon.

It may be that, when a system of universal meterage under consideration is introduced and put in force, the increase may to some

extent be checked, but the abnormal development now taking place does not justify any calculation being based on this assumption. The maximum unpolluted water capacity of the Island during our driest season cannot be put higher than 11 million gallons per day and this only after the completion of the Catchwaters, now projected, has developed the Catchment Areas to their fullest extent.

It is obvious therefore that, in addition to developing the resources of the Island to the utmost, the Colony must, if its growth continues—and there is every indication that it will—seek and greatly augment its supply elsewhere, in order to meet the demand of the future. Mr. Henderson, the Engineer under whose charge the Water Supply of the Colony is placed, has, for the past two years, been investigating the available sources and securing data in this connection, and, as a result of his labours, I feel able to pronounce with confidence that the future supply of the Colony can be placed on a permanent basis by tapping the enormous gathering grounds lying around the hills, which form part of the range of which Tai Mo Shan is the highest Peak, and by conveying the water impounded in the Reservoirs to be constructed across the harbour by flexible mains.

The Tai Mo Shan area comprises not only the most extensive Catchment Area of the Colony, but the Shing Mun Valley on the Southern slopes thereof, through which the largest stream in the Colony finds its way to Shatin, provides magnificent sites for reservoirs, for impounding the water of the stream I just referred to, at such a height as will permit of (its contents) being conveyed to, and incorporated with, the existing Kowloon Supply and delivered across the Harbour at such a pressure as will admit of the lower portion of the city being supplied direct therefrom by gravitation. Gaugings taken in this stream, after five dry months of the season 1920-1921, showed a dry weather flow of 1.3 million gallons, while those taken after 4 dry months of the succeeding season, during which period only 2.18 inches of rain fell, showed a flow of 2.58 million gallons per day. The stream I am alluding to, with its enormous drainage area is, however, not the only one which can be drained into storage at Shing Mun, for the proposals

contemplated embrace the diversion of the drainage of the large gathering ground which at present feeds the stream that discharges itself in the bay at Tsun Wan.

Assuming for the moment that this district and the scheme as contemplated with all its future possibilities for extension should fall short of meeting the future demands, there is no other district within British territory that could do so. From the very rough surveys available at present, it seems probable that storage reservoirs of an aggregate capacity of 3,000 million gallons can be provided in the Shing Mun Valley, with a minimum of masonry work in the shape of dams. On the other hand, it is estimated that 1,300 lineal yards of open conduit and 3,100 lineal yards of tunnel will have to be formed to carry the supply to the proposed Filter Beds near the Kowloon Reservoir. From this point one main would branch off to the Kowloon Supply, and the other, by a route not yet decided, to Kowloon Point, from which place, it is anticipated, it would cross the Harbour and deliver the supply to a Service Tank probably formed in, but below the surface of, the Public Gardens which would, after the completion of the works, remain as we see them at present.

There is much to be done in obtaining and collating the necessary data for the preparation of the detailed survey and in deciding upon the most economic and advantageous sites, before a definite and complete scheme can be submitted, but a Survey Staff are already located on the site, and every endeavour is being made by Mr. Henderson to bring the scheme, should it be approved, into use at the earliest possible moment. Even with the greatest expedition, it is scarcely possible that a supply would be available in Hongkong from this source within the next three years.

In the meantime the immediate need is being met by the construction of the Catchwaters referred to in the estimates now under discussion. Work has already been commenced on one of them, the Stanley Mount East, which will be 12,140 feet in length with sectional capacity equal to carrying off one inch of the collectable rainfall per hour from a drainage area of 400 acres. It will come into use gradually as each length is completed, and should be finished and in full

use within 12 months from now. If it had been in operation since Taitam ceased to overflow in July, 1921, and under the weather conditions which prevailed subsequently, it is estimated that the water supply would, taking a conservative basis, have been augmented by 304 million gallons.

The particulars of the other catchwaters, for the construction of which provision is made in the Estimates are as follows:—

Stanley Mound West, 8,600 feet long, 160 acres.

Violet Hill, 4,400 feet long, 92 acres.

The cost of both the above will be \$95,000.

Date of completion 1.6.24.

Jardine's Look Out, 6,200 feet long, 75 acres, cost \$20,000. Date of completion, 1.6.24.

In Kowloon, the works projected to meet the more immediate demand are:

- (a) the extension of the existing Kowloon Catchwater, for a length of 10,800 feet, which will drain an additional area of 346 acres of catchment area at an estimated cost of \$170,000.
- (b) the construction of a small Reservoir at Shek Lai Pui—a valley close to, but at a higher level than the existing Reservoir. By the erection of two comparatively small dams a Reservoir of about 120 million gallons capacity can be formed, the Catchment Area of which, however, will be comparatively small. It, however, appears to be the best possible solution for quickly augmenting the existing supply.

It will deliver the impounded water into the existing one so that no Filter Beds or long lengths of pipe lines will be required to complete it. In fact, it is simply an extension of the latter. The capacity of the existing works is 1.75 million gallons per day which will be increased to 2.4 million gallons daily by these proposals.

Before leaving this subject, I will just refer to a point I have heard raised, to the effect that Taitam Tuk already over-

flows in flood time involving a certain amount of waste which by the addition of the proposed catchwaters, will be increased.

The answer to this is the impossibility of designing economical works which would meet all variations of rainfall. Should the rains come all together in the early months of the wet season, reservoirs of enormous storage capacity would be required to contain the water available, but such an occurrence is unusual, and the cost of providing for it would be almost prohibitive.

COST OF BUILDING

With regard to the cost of building, the Hon. Colonial Secretary will probably be speaking with regard to this later. I would, however, state that there is little indication in the near future of any reduction in the cost of building. The very desirable suppression of child labour, the increasing strength of trades unions, the shortage of labour and other factors, preclude any possibility in this direction.

The price of bricks is undoubtedly a great factor in the cost of building. The demand was for some time greater than the manufacturers could meet, but I was informed on reliable authority, when recently in Canton, that large quantities are now obtainable but only at a price. It is possible that the price may be reduced but not, I am afraid, to any appreciable extent. Chinese interested in these matters have been approached with a view to inducing them to start brick-fields in British Territory, more particularly near the Railway at Lo Fu, and I am hopeful that negotiations now in progress may result in the establishment of such works.

The question as to whether the Government should manufacture its own bricks for the many public works is also incidental thereto. I am not, however, prepared to recommend such an undertaking, for in spite of the reference to the Quarry, which the hon. member, Mr. Parr, has been pleased to make as being operated successfully, it has proved an object lesson as to the difficulties to be encountered in running concerns of that nature by direct labour, and these difficulties would be magnified if the works were at a distance from headquarters. I am disposed to think that Government might

assist matters of purchasing large quantities of standard-sized bricks to be delivered over considerable periods, storing them in bulk at certain convenient points, and delivering them by lorry to the works. It is possible that where transport and storage were co-ordinated, a better and cheaper brick might be obtained.

This increasing upward tendency of the cost of labour renders it necessary to reconsider whether former axioms that native labour was cheaper than machinery holds good to-day. It is probable that a check can only be placed on such rising prices by installing labour saving machinery and by making the best use of mechanical transport wherever possible. An economy could probably be effected by Government providing the necessary machinery, locomotives, trucks, and service trucks required for carrying out the larger works. The cost of such plant must be a very expensive item to contractors, particularly so when its use may have to be confined to one contract only, and this risk has not only to be paid for but the cost involved must often deter contractors from tendering. The Government could make more or less continuous use of plant by lending it out from contractor to contractor and thus spread such cost over a longer period. This matter is at present under consideration.

Another factor with which contractors have to contend here is the lack of waterside facilities, there is little quay storage space for either receiving or transporting building materials, earth, etc., this question is also at present receiving the serious consideration of the Town Planning Committee.

WATER-BOAT DOCK

With regard to the annual revenue expected from the Water-Boat Dock at Lai-chi-kok, it is estimated that the gross receipts from the Lai-chi-kok supply this year will be \$65,000. It is further anticipated that this amount will continue to increase in the increasing ratio now obtaining. Hon. members should bear in mind that the existing supply station is,

and always has been, of a very temporary character and certainly no credit to the Colony. A new Dock of some kind was a case of Hobson's choice, because the land, or rather water, on which the present station functions has been sold to be reclaimed in accordance with the laying-out scheme for that district. The new Dock will be designed and equipped to permit of the water-boats taking their loads aboard in a minimum of time.

TYTAM TUK PUMPING PLANT

Full particulars of the requirements of the Tytam Tuk pumping plant were sent home to the Crown Agents for submission to their Consulting Engineer to report on the respective merits of steam and electrical pumping. This report, which advised the adoption of steam plant, was received in July, and, after full consideration from all points of view, it has been decided to follow the Consulting Engineer's advice. The comparative costs are based on figures taken from the Consulting Engineer's (Mr. Fairley's) letter, dated 1st June, 1922, and data locally supplied for revised cost of electrical pumps:

Electrical pumps, two sets, £20,950.
 Steam pumps, one set, £28,100.
 Costs of pumping as stated by Mr. Fairley:
 Electrical current, 9.4 cents per 1,000 galls. pumped.
 Steam fuel, 4.5 cent per 1,000 galls. pumped.
 For a quantity of 3,000,000 gallons per day for 6 months:
 Electrical current, £7,147. 0s. 0d.
 Steam fuel, £3,421. 17s. 6d.

KOWLOON HOSPITAL

The estimate of \$360,000 was based on the original designs prepared for it. The Government invited representatives of the Medical Profession and the Kowloon Residents' Association to express their views on such designs and as a result thereof, the Public Works Committee recommended certain alterations and extensions which were adopted. Combined with the decision then arrived at to further lower the level of the site, this resulted in the increase in the estimate to the \$554,000 alluded to.

REVISED ESTIMATES, AND THE REASONS THEREFOR

The original estimate of \$21,000 referred to (for extending the Waterloo Road Nullah) was prepared prior to the preparation of the detailed plans and was, therefore, to a great extent, only an approximation. That of \$48,000, now included, is based on detailed plans and quantities. The latter, moreover, includes covering over a portion of it which was found to be essential in the light of more precise information.

Owing to the increased cost of building since the original estimate was framed, the lowest tender received for the accommodation required was just below \$35,000. The proposed building will be of the usual standard of Government buildings, designed to cost a minimum in upkeep, but the accommodation provided, though ample, can hardly be described as extravagant. I would point out in this connection, but solely for the sake of comparison, that the rates in the annual building contracts in the New Territories are 110 per cent. in excess of those in Hongkong. The Hon. Colonial Secretary will be able to state by whom the building is to be occupied.

The Shek-O Road is estimated to cost \$492,000; this includes cost of metalling and tar painting.

As to the Peak Motor Road, the contract for that portion of the Peak Motor-Road between Magazine Gap and "The Homestead" site was let on the 9th April, 1921, the date for completion set out in the contract being April 4th, 1922. The contractors for the work also obtained the contract for the erection of the houses on the "Homestead" site, under which contract they had to remove a very considerable amount of excavation. As this excavation was required for filling on the section of the road between the "Homestead" site and the Peak Tramway they were awarded the contract for that length also, as an extension of the section just referred to, the date for the expiry of both contracts being extended to the 24th August, 1922. The first section up to the "Homestead" site should be completed by the end of the year. I am, however, unable to state when it will be finished up to the Peak Tramway, the rate of progress depending so much

on the progress of excavation at the "Homestead" site. The contractors are under a penalty of \$100 per week, since the date just mentioned, and I am exerting the utmost pressure in endeavours to expedite the work. Labour troubles and difficulties have undoubtedly been the principal factor in the delay.

LIGHTING OF PUBLIC HIGHWAYS, CITY AND HILL DISTRICTS

The increase in the cost of gas-lighting for the City and Hill Districts is due to the new type of burner and mantles being installed. The decrease in the cost of electric-lighting for the City and Hill Districts is due to lower rates to be paid under the proposed lighting agreement. The Government has the question of improving the lighting of the City under consideration, and, until the effect of the new burners and mantles now being installed to the gas-lamps has been seen, a definite reply cannot be given. The Government has had under consideration for some time past, the "Series" system of electric lighting for the City and Kowloon districts.

THE SUB-CONTRACTOR QUESTION

In regard to Mr. Bird's suggestion for doing away with the sub-contractors, sub-letting, in the sense of carrying out work by a body of men under piece work conditions is a practice which, I am afraid, is never likely to be entirely eradicated in China: if it so happens it will be from action within the men's own ranks — by their own guilds — and not by any pressure which can be brought to bear on the contractors. I am not even certain that it would be wise to attempt to introduce to them a new economy: it would certainly increase the already very high cost of things without any apparent compensating advantage.

GREATER FACILITIES FOR BUILDING YARDS

The Town Planning Committee have recommended to the Government that certain areas shall be set aside for the erection of saw mills, and storage of timber, and other building materials, and further areas will be allotted for this purpose as the work of the Committee proceeds. The only restrictions on any method of construction are those in force in London or any of the larger American cities, and every encouragement is, and will be, given to the

adoption of any type of construction which will tend to reduce cost. I understand that a Constructional Company has been registered in Hongkong, within the last few days, composed of an influential combination of Directors, with the object of erecting buildings of the most modern type of construction, and with the most up-to-date machinery. The advent of such a Company is welcomed, and I trust that the venture will attain such a measure of success as will ensure its up to date methods being adopted on all hands. *Experientia docet.*

REVISION OF BYE-LAWS PERIODICALLY

These are being continually modified and are now sufficiently elastic to permit of the erection of all buildings of a sound type of construction.

BORING FOR WATER

Mr. Bird spoke of boring for water. It is very unlikely that any appreciable quantity of water is likely to be obtained on the Island from borings. Its configuration and the nature of its formation preclude this possibility. Moreover, in all the extensive cuttings and excavations which have been made—some to a depth of 100 feet—no sign of springs of any volume has been noticed or reported.

On the mainland there are certain valleys—where accretions of sand deposited by erosion exist—where it is possible that water might be obtained, but, in view of the fact that the proposed supply schemes will afford, much more economically, an adequate supply for all purposes, it appears hardly necessary to expend any considerable sum in boring. If, however, it is found that borings can be put down at an inconsiderable cost, it might be worth doing so, say at Aplichau, which at present has no sufficient supply and can only be supplied by laying a main across the channel.

PUBLIC LIGHTING AT KOWLOON

With regard to the lighting of public highways at Kowloon, to which the Hon. Mr. Lang referred, this is a clerical error the amount for gas lighting at Kowloon should read \$21,600, not \$17,500, as printed in the 1923 estimates.

KOWLOON MATTERS

A recommendation that electric light, in lieu of the present gas lighting, be installed to this pier is being forwarded to the Government.

With reference to latrines at Kowloon Point, south of Jordan Road, in addition to the public convenience at the ricksha shelter near the Kowloon Ferry, there are two other public latrines south of Jordan Road—one in Canton Road, opposite Navy Street; and the other opened recently in Shanghai Street, opposite Bowring Street. There are also two large latrines on private property—one on the Hongkong and Kowloon Wharf and Godown Co.'s premises and the other at Messrs. Holt's Godown.

The Town-Planning Committee are considering a recommendation for public latrines near the junction of Haiphong and Nathan Roads, and the junction of Canton and Jordan Roads.

OLD WELLS

With regard to the remarks of the Hon. Mr. Chow Shou-son with respect to wells, an effort was made to find the position of some of these old wells that have been so much referred to. We exhausted the plans of the Sanitary Board, after that, all those of the P.W.D., with no result. Mr. Chow offered to interview his Chinese friends and ascertain if they knew the position of the old wells. I am still waiting for that information from Mr. Chow. If it is possible to locate any suitable ones they will be examined with a view to bringing them into use.

KOWLOON HOSPITAL

As to the tender for the hospital in Kowloon, I regret that it has been rather delayed, but it has been partly because the Committee of Inspection, that went into it very thoroughly, revised the plan very considerably. Also, after a comprehensive survey of the levelling in Kowloon, it was decided to lower the site.

Lengthening the pier at Cheung Chau will be gone into. As to the short cut to Repulse Bay, work is proceeding at the other end and will be continued.

WORDS OF APPRECIATION AND EXPLANATION

May I now take the opportunity to thank Your Excellency for the gracious references to myself in your speech on the first reading of this Bill? I sincerely appreciate them and am grateful for the consideration shown me. I am, however, fully conscious of the fact that, while I may to some extent accept them personally, they are none the less, I feel sure, an appreciation of the work of the Staff of all grades of my Department, and I accept them on their behalf as a fitting recognition of their services.

Whilst doing so, I wish also to express to you, Sir, and to this Honourable Council, my own appreciation of the loyal co-operation I have had from the whole of the Staff—Engineers, Surveyors, Secretarial Officers, Clerks of Works, Overseers, and Clerks. It has been a great source of regret to me to see the long hours of overtime which have had to be worked by some of the last-named officers, day in day out, throughout the year, owing to the lack of accommodation, which has rendered it impossible to increase their ranks.

I would like to add just one word in this connection, with respect to the remarks of the Hon. Mr. Parr, about the amount of detail handled by the Director of Public Works. It is not for me to speak on the issue raised by him, but I desire it to be understood that, if this Council approves the Estimates as they now stand, the various items coming within the province of the Public Works Department will be carried out *in toto* by the Executive Engineers who alone are responsible for them from their inception and who, upon the schemes being finally approved, are further responsible for all the details connected therewith and for carrying them out to completion. And I do not think, Sir, that any of those engineers will be found asking for any more work at present. What I wish to clear up is that any detail I handle is certainly not in the way of doing any of the work of the other officers. The executive engineers are exceptionally keen and capable men, and the amount of department work they have to do is sufficient to occupy their whole time. The Water and Harbour Departments of this Colony are big jobs in themselves, and jobs that affect the work of the Director of Public Works least. It is not the big works that give the trouble;

they are carried out by engineers. It is the hundred and one jobs that are no one else's job that come round to the Director of Public Works.

THE DIRECTOR OF EDUCATION—The criticism of the Senior Unofficial Member as to the teaching of shorthand is a small matter which can very easily be answered. Shorthand is a subject which requires to be studied intensively. It is no good learning it for an hour a week. I have no doubt that if the school authorities, with the advice of the Inspector of English Schools and the Board of Education, agree that shorthand should be taught, the Government will very quickly supply a teacher. My private opinion, expressed perhaps hastily, is that the general education of the boys is such that they would be better employed in getting on with the ordinary school subjects, like English and mathematics and French, than in any specialisation. When they leave school they can learn all the shorthand they want. If they stick to it for five or six months.

The Senior Unofficial Member asked that more should be done for the small British school children in the Colony. That more should be done is my earnest desire. At the same time, I should like to point out that much has been done. Twenty years ago the first British school, the Kowloon school, was started here, and I said at the time, and I have never heard it challenged, that it was the first school of this kind in the British Empire exclusively for British children; and since then there have been established three similar schools, the Victoria School, the Peak School and the Kowloon junior overflow school,—altogether an enrolment of about 250 children. They have a very strong staff on the whole, consisting of twelve fully trained teachers, two excellent teachers of our own training. One of whom was, I may add, in her time a pupil of the Kowloon school, and five untrained teachers. As to the employment of untrained teachers, they were engaged immediately after the war, at a time when it meant either closing schools altogether or conducting them with any teachers we could get. They have now had training as teachers for periods of anything between five and two years, and I myself am very well satisfied with the work they are doing. I said that the Kowloon school (junior) is a recent development. It is not sufficient to

relieve the pressure on the Kowloon school, to which extra class-rooms are being added; and it is hoped to increase the accommodation of the Peak School also as soon as possible. So much has been done for British children here, and I do not think as much has been done in any Colony of this size in any other part of the Empire. After all, the British children are not the only care of the Director of Education. It is a very delicate matter for me to answer my friend on the left (Hon. Mr. Lang), regarding the desiderata in my successor, but I would point out that my successor when chosen as a specialist from home will, no doubt, be chosen also from amongst those who have had at least eight or ten years experience of Chinese child psychology and knowledge of the Cantonese language. It must be remembered that of the 35,000 children who come under the control of this Department 250 are British children and the rest—a very, very great majority of the rest—are Chinese, and of these more than 20,000 have education in the Chinese language alone. They are looked after by four inspectors who are, of course, specialists because they have special knowledge of the Chinese language and the Chinese people. The Director of Education has to control that sub-Department as well as others. It deals with 400 vernacular schools and will expend next year \$80,000, and it will be seen that it is a serious responsibility and one which requires specialists to look after it.

THE COLONIAL SECRETARY—Sir, I will speak first on the subject of smuggling which was approached, from two different aspects, by the senior unofficial member and the senior representative of the Chinese. The Senior Unofficial Member said, I think, that it was not fair to make ships' officers responsible where the police fail and that, provided all reasonable precautions were taken, shipping companies should not be prosecuted. I am afraid, Sir, that it is the experience of this Government that ships' officers do smuggle and that they do receive money for keeping their eyes shut to what is going on. Cases do occur in which a large hole is cut in a deck

or engine room bulkhead, or the panelling is removed bodily from a saloon, in which cases either there is gross neglect of duty or there must be some connivance by a responsible officer. The Government, however, as a matter of fact, has gone further than the hon. member asks, and has made it a rule that prosecutions are not to be instituted against ships and shipping companies unless it is possible to prove negligence or connivance on the part of the ships' officers. I think, Sir, that shipping companies, perhaps, might do a little more than they do at present in the way of stricter disciplinary measures.

The senior representative of the Chinese took the other aspect,—the danger to the community in connection with the smuggling of arms and ammunition. The Government is fully alive to the importance of this question, but it is faced, on the one hand, by this insistent demand on the part of the shipping companies for less rigorous measures against their ships and on the other hand by similarly insistent demands frequently made in this chamber and elsewhere on the part of the Chinese representatives that less rigorous measures should be enforced as regards the search of property, persons, and houses. The suggestion to increase the police and the revenue forces is by no means a complete answer to this question. As hon. members are aware, the finding of contraband is mainly a matter of information and to increase the number of searchers is unnecessary, unless you intend literally to pull a ship or house to pieces. The other alternative, to increase the rewards paid for information, leads to additional corruption and bribery which are the inevitable concomitants of such a system. I think, Sir, that it is difficult to find any remedial measure—except that I would suggest that Chinese public opinion should more strongly support the efforts of the Government in this matter.

WIRELESS SHIPPING AIDS

The second point raised by the Senior Unofficial Member was the question of wireless position finders. He will be glad to learn that an expert from the Marconi Company is now installing a finder and it should be ready in the course of next month. It will have a radius of 80 miles from the Colony. Regarding transit instruments for time signals,

the time signals are at present sent out under a system arranged by the Director, using the Observatory clocks through Stonecutters' wireless station. This transit instrument is merely a mechanical method by which a system of time signals will be sent under the international code. The absence of this machine would not have affected the fate of the *Gondia* and the other vessel to which the hon. member referred. I may say that storm warnings are broadcasted twice daily by the Observatory from Cape D'Aguilar, and that the Observatory was in touch with the *Gondia* up to the time that she was 100 miles from the centre of the typhoon.

The hon. member also suggested the advisability of periodical visits by the Director to neighbouring ports. I understand he did visit various ports last year, I think Shanghai, Japan and Manila. The Government endorses the suggestion that it is advisable that the Director should keep in constant touch with neighbouring Observatories. The hon. member representing the Chamber of Commerce referred generally to the question of the Observatory and stated that the Chamber of Commerce had recently addressed the Government on the subject. I may say I only received that communication yesterday: I have not had time to deal with it in any way. The Government is fully alive to the necessity of keeping the Observatory efficient and up to date, and will give its sympathetic consideration to the proposals that have been made.

THE POLICE

The next point touched upon was that of the Police. It was asked whether the Government was satisfied that the police, to the best of their ability, assist the Captain Superintendent of Police and whether they are adequately remunerated so as not to fail in their duty. I consider, Sir, that under its able and energetic officers our police force maintains a standard of zeal and efficiency second to none, and, as regards its present conditions of service, in pay, leave, and pension, these, I venture to think, compare favourably with those of any other police force in any other part of the world. The hon. member mentioned

questions of drills, quarters, and living conditions. These matters were very carefully enquired into in 1920 when a revision of salaries was taking place and the Government made certain concessions and were satisfied that these were adequate. I think that there is a tendency on the part of post-war recruits in all departments of the service to expect rather more of the community than the community is prepared to give them. The hon. member went on to refer to the language allowances. These, I think, are adequate. The importance of the question is realised and is emphasised in a police order which makes the learning of Chinese compulsory upon Europeans and debars a man from promotion unless he passes certain examinations. The importance of Chinese learning English is, perhaps, not quite in the same category. The question of harbour police has been largely answered, I think, by the two fast patrol launches recently put in commission. With regard to the European strength, as His Excellency pointed out in his opening speech, it is a matter which requires careful consideration. It involves large expense, not only in salary but also in housing accommodation, which cannot be provided in a day, and the Government thinks it advisable to hasten slowly.

SHORTHAND

Shorthand was mentioned: that has already been dealt with by the Director of Education, but a point struck me when the Senior Unofficial Member spoke of the great prospects which were going to open up in Hongkong for shorthand writers. Quite recently a case came to the notice of the Government of three persons who came here from Australia with the idea that enormous fortunes were to be made by shorthand writers and we had to send them all back at the Government expense. I think a word of warning is, therefore, necessary.

COST OF BUILDING

With regard to the cost of building, the Director of Public Works suggested that I should speak on the question of policy. It is rather a difficult one. The Senior Unofficial Member pointed to the fact that the Government had recently found it advisable to curtail its building programme in regard to two houses which it was going to erect and he has

drawn the moral that we thereby will not increase the housing accommodation as we should. Of course, we cannot have it both ways. The Government was on the horns of a dilemma and preferred not to burden further by its demands a supply which is already in adequate. Where a very large number of persons all want the same thing, and there is not much of it, economic laws will have their way, and the applicants must pay a high competitive price or go without. I think that the Government could no more intervene than, for example, it could intervene in the case, which not infrequently happens, of a rumour that the Government is going to expropriate the Dock or the Wharf Company, which sends the shares up some 20 points, and it is all demand and no supply.

On the other aspect of the question,—labour restrictions — labour unrest and guild regulation are in quite a different category. This very important question has been having most serious consideration by the Government, and, I think, three hon. members advised legislation. The Government will gladly consider any constructive suggestions to this end. One is apt, perhaps to overestimate the efficacy of restrictive measures. Legislation is not a panacea for all the ills of the body politic, and to solve the problem I would look rather to education, the improvement of the housing of the very poor and of their living conditions, and would give to them a better stake and interest in the Colony.

The question of bricks has been dealt with by the Director of Public Works. I would simply add that the Government takes a great interest in this matter. It is in touch with certain members of the mercantile community and samples of clay have been sent Home for analysis.

HOUSING ALLOWANCES

The senior unofficial member referred to housing allowances and suggested that they be extended to bachelors. Now that this question has been raised I think that an explanation may clear the air. Subordinate servants, bachelors included, do all receive free quarters or house allowance: the senior servants are not entitled to free quarters, but the arrangement for an allowance in aid of rent was made to enable a man

to live in comfort with his family in a house in the Colony. A married man's expenses are necessarily much higher than those of a bachelor, and it is not considered advisable to extend the system of allowances further than this at present.

HON. MR. PARR—Commercial houses make no difference whether a man is married or a bachelor.

THE COLONIAL SECRETARY—It may be the case that commercial houses regard it as part of a man's emoluments. We do not. The bachelor ordinarily, in my opinion, is very well paid now. House allowance is not part of his emoluments, and we do not want to encourage him to take a house to live in by himself: he can live cheaper than that, but the married man has the expense of his wife and family, and therefore we think he should receive an allowance to meet the very high rentals which are charged by private landlords and to relieve him from paying the full economic return on Government buildings.

THE EDUCATION DEPARTMENT

I have already dealt with the remarks of the hon. member representing the Chamber of Commerce as regards the Observatory. He referred next to the Educational Department, and the ancient custom of appointing a man to the head of the service who has not had a life long experience and training. I think, Sir, this is a somewhat sweeping generalisation. As far as I remember, from somewhere about the middle 70's the only heads of the Department have been Mr. Eitel, for about 20 years, followed by—for a year or two—Mr. Brewin, and for the last 20 years, at least, the post has been held by Mr. Irving, who was brought here specially from the Straits Settlements for the purpose. I think Mr. Irving's training and experience do fairly rebut the suggestion that we have any custom of employing an officer who has not had a life long experience as Head of a very important Department. It is a question, of course, on which it is impossible to dogmatise, but I have noticed that the universities and other leading educational institution, especially in America, do tend to appoint to their leading posts men of affairs, rather than men whose whole career has been spent in scholastic work.

SPECULATIVE LAND PURCHASES

The next subject was the Government's policy as regards the building of the houses in the European districts in the New Territory. It is a matter which has been receiving very careful attention, and it is before the Town Planning Committee. For some years past speculators have been buying up land,—the most attractive parts of the most attractive sites in the Territories,—under the impression, apparently, that they can allow agricultural land to lie fallow and that they can convert it into building land at will. It cannot be too widely known that this is not the case. The conversion of the ordinary cottage of the New Territory native is allowed as a matter of course, but in spite of that the lease, in every case, provides that conversion is not permitted except under a special licence from the Government, and that although this is readily granted it is subject to certain conditions. The Government does not admit the claim that a man can convert the house and have the land around his house in the nature of waste at a nominal rent. He is required to take up the complete lot on the ordinary lines, as in Hongkong. It is sold as a whole and not divided into house and garden. The Government is laying out areas for building. It has already finished at the cross roads at Fanling, near the Golf Club, where there is one application for a new house. A lay out is practically completed at Castle Peak and also at Ting Kau on the Castle Peak Road in the vicinity of the waterfall. It is not the intention to hinder building, but it is desired to discourage the speculator and to prevent the erection on some of the best sites in the Colony of what a district officer recently described as the "glorified bathing sheds," that were to be put up at Castle Peak.

The hon. member referred to a misunderstanding as to the question of wages of launchmen. I think I can explain. His Excellency referred to the fact that the wages of Government launch crews were raised into line with the wages arrived at on the strike settlement. That apparently contradicts the state-

ment of the Harbour Master during the strike that owners are advised to advance to the wages of Government launch crews. As a matter of fact, the settlement came out very near but slightly better than the wages paid by the Government, and the Government have made these slight readjustments. But in doing so they have done away with certain allowances, as was explained, and the difference is quite insignificant.

The senior Chinese member referred to the question of education in connection with child labour. The Government proposes to offer financial support to any approved scheme which may be put forward by Chinese charitable or educational societies, or by large employers of Chinese labour.

The question of wells has been very carefully considered, as the Director of Public Works pointed out. The Government is not disposed to fly in the face of its expert advisers, and although it fully realises that in China and also in the New Territories wells are used, it is not disposed at present, and sees no necessity, for allowing it.

He referred next to the question of cultivation in the New Territories. This Government entirely endorses his suggestion that the cultivation of vegetables and rice and the establishment of poultry farms should be encouraged. The scheme that was begun and fostered by the late Mr. Lau Chu Pak has very recently come to fruition and the promoters will no doubt make a commencement immediately. I may say that any other persons who bring forward suitable schemes of the same kind will receive most favourable terms.

The hon. member who represents the Justices gave us some intricate figures regarding the Government accounts and I notice that the Treasurer has not replied. I do not propose to rush in where he fears to tread. The question of policy, I understand, will be dealt with by His Excellency.

THE CHEUNG CHAU SETTLEMENT

He and the Hon. Mr. Bird have spoken of Cheung Chau settlement. The question of extra police has been very carefully considered, and the Captain Superintendent advises, with full responsibility, that two Europeans are not

necessary. They have nothing to do, the patrol launch passes twice daily, and the Government is satisfied that there is not an adequate reason for having this additional assistance. It is proposed to post two more Indian constables. It is possible that later more police will be required on the neighbouring Island of Ping Chau, which requires just as much policing, from the Government's point of view, as Cheung Chau. The other question was that of roads and general improvements. These are under consideration and the Government is to approach the community as to whether they are prepared to pay the ordinary rates which are part of the obligation for improvements. The refuse question I sympathise with. It has not been before the Government—as far as I know: it will certainly be referred to the Head of the Sanitary Department. As to the ferry, I think the community there under-rate the very great obligation they are under to the Kaifong of the Island who run and are responsible for the ferry. They are much too apt to grumble at the inconvenience of the service that is provided. The Government has under consideration the whole ferry policy and the question of the piers. This is now before the Town Planning Committee and this particular ferry question will receive due consideration.

The hon. member, Mr. Bird, has referred to the question of boring for water. The Director has dealt with it, but I may add that a geological survey is going to be made of the whole of the Island and the Territories, beginning about September next, and this question will be specially referred to the Surveyors for consideration.

GARAGES ON THE PEAK

With regard to the question of private garages on Crown land at the Peak, it must be remembered that sites adjacent to and accessible from the new motor road are very few and far between, and there are scores of houses some distance from the road. It is thought not to be fair to allow one or two people on the road to take the sites and let the other people go begging. It was after consulting the Automobile Association that it was decided it was more equitable to provide private, not public, garages at central points in which 12 or 20 cars can be accommodated in separate lock-up places

where the owner can have ready access to them, and it is not reasonable that one or two car-owners should be allowed to monopolise the available sites. With reference to what was said as to walking home in the rains after garaging the car, that applies to anybody who does not live on a motor road.

I think, Sir, these are all the points to which I need refer. I would like, in conclusion, to express my great obligations to all my official colleagues for their ever ready assistance and advice in all matters relating to the public welfare.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT said—The Colonial Secretary, the Director of Public Works and the Director of Education have referred to most of the points raised in the course of this debate, but I would like to thank Honourable Members for their very kind reception of the Budget which has been drawn up to provide, as far as we possibly can, for the requirements of the Colony and having in view the very prosperous condition of our finances. We felt that, as I said in my address, we should be prepared to draw heavily upon our balances if it became necessary to do so. As I also anticipated, it may not be necessary to do so to any great extent. In connection with the financial side the hon. member who represents the Justices of the Peace has produced a very vast mass of figures which I hardly, at a moment's notice, feel prepared to deal with. But I took some of his points, and I would like to refer shortly to them, and I would like to deal with them now on fairly broad lines because I think he is under a misapprehension in regard to certain matters. In the first place at the beginning of his speech he dealt with the balances of the Colony at the end of the year 1921, the anticipated credit balances at the end of the current year and then he added "a still larger credit at the end of 1923." I do not think anything I said could have led him to imagine there would be a still larger credit balance at the end of 1923 than at the end of 1922. I did say that I thought it was possible that if our revenue maintained itself in the same satisfactory way as it has in the difficult times of the last few years that our balance might not be reduced by such a larger sum as we have estimated for. But that is a very different thing from saying that our credit balance will be

larger at the end of 1923 than at the end of the current year.

THE TOBACCO AND LIQUOR LICENCES

Building on that anticipation, he went on to say that it was, therefore, proof that the tobacco and spirit duties need not have been increased. There I entirely disagree with him. I think it is essential in this Colony, where we produce nothing, that in order to conduct our financial arrangements year by year we should have a large credit balance, and that credit balance in view of our present requirements should not, I think, be less than ten million dollars. These duties on tobacco and spirits are duties which only affect those who indulge in the use of tobacco and liquors, or what a well known statesman once described as "the minor vices," and I do not see why people who indulge in minor vices should not pay adequately for doing so. Some people deplore the fact that revenue from the tobacco, wine and spirit duties is so much, but I do not think, considering the size of the community and the climate and other things, that the revenue we derive from these duties is so very much. I fail to see why we should not increase the duties to a figure which can easily be paid by those who indulge to a moderate extent in wines, liquors and tobacco. Therefore, I maintain they are a perfectly legitimate increase and we have to look to them to build up a revenue which we consider will be more or less of a permanent nature. It is just the same as any public company in building up these balances. It is what a company would call the "equalisation of dividend fund." We may some years have a deficit we cannot meet and we take it out of the balance; other years we have a credit balance and we replace it. Every public company does that, and I do not think the Government can do otherwise. I would like to say in connection with the liquor duties that the Government will consider the point raised by the Honourable Member representing the Chamber of Commerce with regard to light wines. It is possible that the duty there may be rather heavy—heavier than is necessary—and that will be taken into consideration.

THE GOVERNMENT ACCOUNTS

The hon. member went on to talk about belated accounts. The accounts are not belated at all. It is impossible to publish actual statements of revenue and expenditure of a particular month until the Crown Agent's account is received from England. We can always give the hon. member a rough statement at any time after the end of the month, but it is of no interest to him to know what the revenue and expenditure for the month has been until the Crown Agents' account is received. Then he spoke of assets and liabilities not being stated in full, and referred to the value of our roads, buildings and waterworks and what not. Our accounts are purely cash accounts and we cannot sell a viaduct carrying water. It is purely liquid assets we deal with and purely a cash account from day to day and year to year. That is the only way we can work. If we had to have loans on works which were remunerative we should have to show whether they were justifying the expenditure so far as the profit was concerned.

NO OVER TAXATION

Licences have been referred to as yielding a large portion of our revenue. That is perfectly true. Except rents and assessed taxes, we have only them to depend upon except some undertakings of the Government, some of which are profitable and others not. I hope water will be more profitable in the future than it has been in the past; the post office is certainly more profitable and the railway may become profitable. What we do try to do is to build up a permanent source of revenue—such revenues as assessments and, as I referred to just now, spirits and tobacco. There is no question of over-taxing here. It is stated, and I think everyone agrees that we are very lightly taxed. The sinking funds are both in a healthy condition. We cannot pay off the \$3,000,000 loan, owing to a legal difficulty. We have money to do it but I believe we cannot pay it off.

REORGANISATION OF PUBLIC WORKS DEPARTMENT

As regards the reorganisation of the Public Works Department advocated by the Senior Unofficial Member, there is no doubt that that would be a very proper thing to do. It is a question which will soon come under the

consideration of the Government. It has already been spoken of and I am sure something of the kind will be necessary. If we have the harbour developments anticipated it will certainly be necessary to keep that as a separate department, and it will possibly be necessary to keep the water department as a separate department. It is not a very easy subject to tackle, but it is one, I think, which will have to be faced very soon.

THE MILITARY LANDS QUESTION

I would like now to speak on the subject of military lands to which reference has been made by more than one Honourable Member. The Government and the military authorities got together and I want to express the gratitude of the Government to the General Officer Commanding and those of his officers who took part in the proceedings, including the Chief Engineer, on the great help they rendered in the matter. Entire agreement was reached, and a scheme was drawn up. That scheme was long ago sent to England and we are now awaiting the answer. We cannot proceed any further until the scheme has been approved. It was most gratifying to us that an agreement was reached and I am sure that if the scheme is approved and put into force the Colony will benefit immensely from it. I will say in the connection that consequent on the work to be done under the scheme Garden Road, referred to by the Senior Unofficial Member, would be closed to wheeled traffic, probably, and so it is unnecessary to go into any widening of it. I join with the Honourable Member in rejoicing that no accidents have taken place there, and I hope that condition will continue until some other means of access to the higher levels has been devised.

THE CITY HALL

As regards the City Hall I cannot agree with the Honourable Member on my right (Hon. Mr. Bird) that it should be made a sort of compendium of offices, restaurant and public reception rooms as he proposes. I strongly object to working in offices with a theatre on one side and public rooms on the other. I do not

think it is advisable. In any case it would be a very high building. When we have the military lands and the Government is in a position to make a proper lay-out of them no doubt these public institutions will be properly provided for. The City Hall is not so bad as it is made out to be, though the Museum is deplorable. I think that we are very lucky to have a City Hall and assembly rooms in so central a position. No doubt great improvements will be made when we are in a position to do so.

BATHING BEACHES

Regarding bathing beaches I have seen it stated in the papers that the Government has said that there can be no more room for bathing beaches in Hongkong. That is quite wrong. The Government appointed a Committee, of which I was a member, and that committee reported and recommended the formation of a bathing beach on the west side of the electric lighting station, next to the Yacht Club. That beach was made and I must congratulate the Public Works Department on the great success they made of it. A large number of people made use of it during the past summer. It is impossible to create at once a sandy beach where there was none before but the idea is to make a beach there by putting sand which we hope will stay there, and to place a boom across to keep away oil and other things which float in the water there. It is really a large bath with a sandy beach, and there is accommodation there for a large number of bathers. It is the most we can do in that part of the Colony, it is on the tram-lines, and I hope as the years go by it will be more and more used and become better as more work is done upon it. It is not intended to reclaim that part but to keep it as a public bathing beach. The Government does that at considerable sacrifice of money, as it will be a very valuable frontage. Any extension of the electric light works will be elsewhere so as to preserve the beach. Then the beach at Kennedy Town may have to be moved, but it is possible that some form of bathing will take place there in the future. As regards Kowloon, there is a proposal under consideration to form a bathing beach on the East side of the railway reclamation. It is not a very suitable place, and I do not think the promoters have realised all the difficulties and the expense involved. It is quite possible that whatever is put there will

be destroyed once every summer by typhoons or severe storms. But still the Government, I hope, will be able to provide something which will afford bathing facilities for the people of Kowloon. I have always been much interested in the subject of bathing for people who are not able to get away from town to any distant point and I am certainly not going to let the matter drop.

COMPENSATION FOR POLICE KILLED ON DUTY

The Senior Chinese Member referred to the payment of compensation to families of police officers and detectives killed on duty. It is a subject which is under the consideration of the Government now, and all hon. members of the Council can rest assured that where men risk their lives and are killed in the performance of their duties the Government recognise that their families should not suffer by their deaths.

The playgrounds at the Peak are now under consideration. It is considered better instead of having one large playground to have smaller areas where children can play without going very far from their homes.

TOWN PLANNING

Before I close I would like to refer again to the question of town planning. I made brief reference in my address on the first reading to the work of the Town Planning Committee, and I think that any hon. members who go about the Colony, especially in Kowloon, and see what has been done will realise what a very valuable work it is. The names of the members of the Town Planning Committee were given by me in my address, but I want especially to mention certain members of the Public Works Department who, in addition to all their other work, have given a great deal of time in getting out plans and investigating matters for the Town Planning Committee so that their work might be carried out to the greatest advantage. The first is Mr. Jackman, who is Assistant Director of Public Works in charge of all works on

the Kowloon side. The second is Mr. John Duncan, Executive Engineer in charge of Harbour Works, and the third is Mr. Parker Rees, Principal Land Surveyor. They have been working for months in connection with the Town Planning Committee. Others have also been doing work which is much appreciated by the members of the Committee. They are Mr. Wilson and Mr. Rouse, engineers, and Mr. West, surveyor. I hope the work of this Committee is going to facilitate the work of the Public Works Department in the future and it is so closely involved with the future development of the Colony and its prosperity that I wish to make special reference to it again. I am much obliged to hon. members for their most helpful speeches and I will conclude by putting the question that the Bill be read a second time.

Members signified their assent.

On the motion of the COLONIAL SECRETARY, the Council went into Committee to consider the Bill clause by clause. Committee stage having been completed, the Council resumed.

THE COLONIAL SECRETARY moved, and the COLONIAL TREASURER seconded, that the Bill be read a third time.

The motion was carried and the Bill passed accordingly.

Adjournment

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT—The Council adjourns *sine die*.

FINANCE COMMITTEE

A meeting of the Finance Committee was afterwards held, the COLONIAL SECRETARY presiding.

A Police Vote

H.E. the Officer Administering the Government recommended the Council to vote a sum of \$13,920 in aid of the following votes:

Police Department, Other Charges:—

Disinfectants	\$	220.00
Furniture, Repairs and Renewals		500.00
Launches and Boats: Repairs		10,500.00
Transport		2,700.00
		Total
		\$13,920.00

THE CHAIRMAN — The vote for disinfectants was \$1,200. In 1920 it was \$2,400. It was reduced too drastically and this extra sum is required. The vote for furniture was reduced from \$3,000 to \$2,500, and this extra sum of \$500 is required. The item of \$10,500 for repairs to launches and boats includes a bill of about \$6,000 carried over from last year. The transport vote is \$10,000, and this sum of \$2,500 represents increase in cost.

Approved.

Fire Brigade Votes

The Officer Administering the Government recommended the Council to vote a sum of \$2,750 on account of Fire Brigade, Other Charges, Rent of Temporary Fire Station.

THE CHAIRMAN—This is rent of the fire station in Des Vœux Road. We are much indebted to Mr. M. J. D. Stephens for a very reasonable rent.

Approved.

The Officer Administering the Government recommended the Council to vote a sum of \$440 in aid of the vote, Fire Brigade, Other Charges, Stores.

THE CHAIRMAN—The vote is \$12,000 This additional sum is for blankets for the new firemen.

Approved.