

18TH OCTOBER, 1923.

PRESENT:—

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

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. MCI. MESSER, O.B.E. (Colonial
Treasurer).

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

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

HON. MR. H. T. CREASY (Director of
Public Works).

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

HON. MR. P. H. HOLYOAK.

HON. MR. CHOW SHOU-SON.

HON. MR. A. R. LOWE.

HON. MR. R. H. KOTEWALL.

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

ABSENT:—

HIS EXCELLENCY THE GENERAL OFFICER IN
COMMAND OF THE TROOPS, MAJOR-GENERAL SIR
JOHN FOWLER, K.C.M.G., C.B., D.S.O.

HON. MR. A. O. LANG.

Minutes

The minutes of the last meeting were
confirmed and signed by the President.

Tribute to the Late Mr. S.B.C. Ross

The Members of the Council rising in their
places,

H.E. THE GOVERNOR—Gentlemen, as you are aware, we have, since our last meeting, received news of the death of a very valued public servant, Mr. Carne Ross. I have endeavoured, in a *Gazette* notice published yesterday, to express the loss to the service which results from the untimely death of this officer. I can only add that I feel a very strong sense of personal loss because I have known Mr. Ross for nearly a quarter of a century. I met him first when we were both sitting for the Civil Service Examination and I have known him more or less ever since; in fact it was at my suggestion, I remember, that in 1912 Mr. Ross was employed in the Colonial Office at Home in a department in which, as everywhere else in which he served, he left a record of good fellowship and popularity which was to be envied. Mr. Ross was a very efficient officer. One of the last papers which I had officially in connection with him was a high tribute from the Post-master-General at Home as to the ability he displayed in the somewhat difficult task of winding up the affairs of the Postal Agencies in China. He was also in many ways a peculiarly lovable character, a man very widely read, of very original mind and a sense of humour which was found at times almost embarrassing in official documents. I remember, when he came to say "Good-bye" to me on his way Home—knowing I think, as most of us did, that his chances of returning were extremely small—he said "Good-bye" to me with the same cheery light-heartedness as I had associated with him ever since I met him. I have lost a man for whom I had a great affection and I consider His Majesty's Service has lost an ornament.

I propose that we enter on the minutes of the
C o u n c i l t h e r e g r e t w i t h

which the Council has learned of the death of Mr. Ross.

HON. MR. POLLOCK — Sir, on behalf of my Unofficial colleagues, I desire to say we completely associate ourselves with the words which have fallen from your Excellency. It is appreciated by all of us that Mr. Ross was a very efficient and capable public officer and by his death the Colony has sustained a severe loss.

Papers

THE COLONIAL SECRETARY, by command of H.E. The Governor laid on the table an Order made by the Governor in Council under section 2 (2) of the Merchant Shipping Amendment Ordinance, 1917, made on October 11th; and an Order in Council made under section 9 of the Post Office Ordinance, 1900, revising rates of postages.

Finance

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid on the table Financial Minutes Nos. 86 to 88 and moved that they be referred to the Finance Committee.

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

Births and Deaths Registration Amendment Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to amend the Births and Deaths Registration Ordinance, 1896.

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

The Council resolved itself into Committee to consider the Bill clause by clause and it passed through without amendment.

On the Council resuming the Bill was read a third time and passed into law.

New Territories Regulation Amendment Ordinance

THE ATTORNEY-GENERAL moved the second reading of the Bill intituled, An Ordinance to amend further the New Territories Regulation Ordinance, 1910.

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

The Bill passed through the Committee stage without amendment and on Council resuming it was read a third time and passed into law.

The Budget Debate

THE COLONIAL SECRETARY moved the reading of a Bill intituled, An Ordinance to apply a sum not exceeding Nineteen million eight hundred and ninety-seven thousand three hundred and two dollars to the Public Service of the year 1924.

THE COLONIAL TREASURER seconded.

HON. MR. H. E. POLLOCK, K.C.—Sir, I have been asked by my Unofficial colleagues to address the Council on their behalf, leaving it to them to bring forward individually any special points which they wish to make.

THE NEED FOR SPEEDING UP OF PUBLIC WORKS

In the first place we can congratulate the Government and the Colony upon the satisfactory manner in which Revenue continues to flow in, thus enabling us to contemplate with equanimity a large programme of Public Works Extraordinary, and we entirely concur in Your Excellency's remarks upon the "wisdom of the policy of expending on works of development as large sums as can be adequately employed during the year."

In fact we should like, in these times when we have so many demands for the rapid development of fresh building areas, to see the Government keeping yet more abreast of the demand for the development, marking out and granting of sites and passing of plans for fresh buildings than they are at present, and, in that connection, we venture to doubt whether the proposed increases to the staff of the Public Works Department are sufficient to keep pace with the growing demands of this rapidly expanding Colony.

From the recent Table supplied to us on the 5th October, 1923, in answer to Question 5 of the Honourable Mr. A. R. Lowe, we notice that, whereas in the year 1917 the Government spent a little more than the amount of the Estimates

for that year on Public Works Extra-ordinary, we have been going to the bad steadily ever since, the percentage of actual to estimated expenditure on Public Works Extraordinary being 93.61 per cent. in 1918, 85.62 per cent. in 1919, 64.32 per cent. in 1920, 61.47 per cent. in 1921, and 54.08 per cent. in 1922. No doubt we shall be told, in reply, by the Government that that is not a fair comment to make, seeing that the Public Works Extraordinary estimate for 1922 was over four times the amount for 1917. With deference we cannot agree with any such contention. The Government ought to be run on business lines. What would be thought of a commercial firm which had to say to its customers (the public): "Our work has so enormously increased that really we cannot cope with the orders and demands made upon us?" Surely those customers would justly reply: "You should have looked forward, and, when you found the demands on you increasing, you should have provided the necessary staff to cope with it."

Furthermore, this complaint of shortage of staff and consequent delays in the Public Works Department is by no means a new topic. Speaking on the 18th November, 1920, on behalf of the Unofficial Members, on the Budget for 1921, I made the following remarks (see *Hansard* 1920 at page 64):—

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

In connection with this subject I have ascertained from an officer in the Building Ordinance Office, that the month of August constituted a new high record in the passing of plans and that, inasmuch as building plans come in as a rule several months after the sale of land for building on, it is likely that the

present pressure on the Building Office will be much increased during the next six months.

It must also be remembered that the Government has hanging over it at the present moment huge public works, such as the Kowloon Waterworks Extension and Road developments in Kowloon, and the Harbour Development Scheme, which will occupy the attention of a considerable staff for many years to come.

POLICE STAFF

Passing on to the question of Police Staff, we consider that the proposed increase of that staff, which is described by Your Excellency as "a very big and expensive increase," is quite insufficient having regard to

- (i.) The fact that the preservation of law and order is one of our chief needs, and is, indeed, one of our chief assets *vis-a-vis* the neighbouring Provinces of China;
- (ii.) The population of the Colony, especially on the Kowloon side, is increasing enormously;
- (iii.) The criminal population of the Colony and its crimes of violence and depredations on property have also enormously increased, as witness the following extracts from the Captain-Superintendent of Police's Report for 1922:—

"(a) Increase of serious offences, as compared with 1921:—

Murder	increase	10
Robbery	"	127
Burglary and Larceny		
from dwelling	"	152
Piracy	"	5
Unlawful possession	"	42
Other felonies	"	17

In connection with the 35 murders, no arrest was made in 27 cases.

In connection with 121 gang robberies, no arrest was made in 106 cases.

In connection with 87 street and highway robberies, no arrests were made in 74 cases.

In connection with 11 cases of robbery on boats and junks, no arrest was made in 8 cases.

In connection with 23 cases of robbery with violence, no arrest was made in 21 cases."

Then we read under the heading "Property stolen and Property Recovered." "The estimated value of property stolen during 1922 was \$882,674.48 as against \$376,531.78 in 1921, an increase of over \$500,000. The average for the last 5 years is \$492,558.91, an increase on the report in 1921 of \$118,790.46. The value of property recovered during the year 1922 was \$81,098.81, against \$34,383.99 in 1921, an increase over property recovered in 1921 of \$46,715.82."

From the above figures it will be seen that the public suffered in 1922 from robberies and thefts (deducting the value of the property recovered from the value of the property stolen) a nett loss of \$800,000 worth of property. In 1921 the nett loss was about \$340,000.

In the Appropriation Ordinance for 1921 the Police Vote for 1922 was \$1,500,000.

In the Appropriation Ordinance for 1922 the Police Vote for 1923 was roughly \$1,660,000.

In the pending Appropriation Bill, 1923, the proposed Police Vote for 1924 is roughly \$1,750,000.

From the above figures it will be seen that the public lost nett in thefts and robberies of property in 1922 a sum equivalent to nearly 50 per cent. of the total Police Vote for that year.

In his Budget speech for last year the Officer Administering the Government said (see *Hansard*, 1922, at page 107):—

"The problem of adequate policing has its special difficulties in consequence of the waves of crime which from time to time spread to the Colony during periods of unrest in South China. It is necessary both to cope with these periodic outbreaks and at the same time to avoid over-burdening the taxpayer with expenditure which may prove

to be unnecessary. The Government has every hope that the restoration of peace and tranquillity in China will before long render the task of the policeman in Hongkong a less arduous one than at present."

We regret to find that the above optimism of the Government has not been justified by subsequent events, and we can see no grounds for optimism in the near future.

In regard to the *numbers* required in the Police, it must be borne in mind that, in addition to their ordinary duties for the prevention and detection of crime amongst a rapidly expanding population, the Police have now—

- 1.— Powerful distractions, with heavy rewards, in Opium and Arms cases.
- 2.— Extra duties as to the control of a largely-increased motor traffic.

Mr. W. S. Bailey, in a recent letter to the Press, shows that Chinese go on single patrol duty in Kowloon at night, and also that constables of any kind were difficult to find at night.

FIRE BRIGADE

We approve of the re-organization of the Fire Brigade and also the Government policy in buying a new fire-float, costing \$180,000.

DISPOSAL OF REFUSE AND ROAD-SWEEPING

Whilst commending the appointment of an "Inspector in charge of refuse disposal," we suggest the employment of refuse carts with tight-fitting lids, and that the work of removing the refuse and the sweeping of dust from the roads and the clearing out of drains by chains should, in the interests of Public Health, be confined to the early morning hours.

There should also, we think, be a modern Refuse Destructor plant for the destruction of garbage and rubbish.

EDUCATION

On the subject of Education we would once again urge the Government to push on with the Saiyingpun School, and, if possible, to complete it within the year 1924.

RAILWAY

In connection with this expensive concern, we should like to be supplied with figures showing the liabilities of the Chinese section for damages to the British section, owing to the long hold-up of the through train connection to Canton, and also to be informed what security we have got for the payment of those liabilities.

Also, we should like to know whether the necessity for the Government ordering extra rolling-stock is not in part, and, if so, to what extent, due to the destruction of some of our rolling-stock by Chinese military operations, and, if so, whether we are not entitled to some reimbursement from the Chinese Authorities on that account?

Also, we notice (from the Sessional paper 8 of 1923, p.18) that more extra posts are being created on the railway than those which are abolished, which seems strange at a time of restricted traffic like the present.

PUBLIC WORKS EXTRAORDINARY—KOWLOON

HOSPITAL

We would urge the Government to push on with all possible speed with the completion of the Kowloon Hospital, a work which has hung fire for so long. The following short history of the negotiations in regard to it has been supplied by a member of the Committee of the Kowloon Residents' Association:

"On 20th May, 1920, the Government invited the Kowloon Residents' Association to choose a site. On 13th September, 1920, the Government considered the site proposed by the Kowloon Residents' Association as the most suitable for the purpose. On 3rd March, 1921, Mr. Pollock asked in the Legislative Council when work would be commenced. The answer was that 'it is not possible at present to give a date. Sketch plans have been prepared and are considered satisfactory. It is possible that work on the site will be commenced within two months and when detailed plans are finished, tenders will be invited. On the 3rd August, 1921, Public Works Committee considered plans for a new hospital, On 27th October, 1921, the Governor in his Budget Speech said that 'in Kowloon a large sum is provided for work on the hospital.' On 28th December, 1921,

Government wrote to the Kowloon Residents' Association saying the hospital would probably take two years to construct. In April, 1922, Mr. Fletcher met the Committee on the site. He explained that the original site would have to be cut down 40 feet to assist development of surrounding area.

The Estimates give the following particulars:

Original Cost	\$360,000.00
Revised Cost	554,000.00
Approved	Estimated
Expenditure, 1923	100,000.00
Revised Expenditure in 1923	201,000.00
Estimated Expenditure in	
1924	200,000.00

This means that if Government spends what it estimates on the work, it cannot be finished much before the end of 1925, *i.e.*, nearly two years later than promised."

The Unofficial members would urge that, if possible, this long-deferred Hospital be completed during the year 1924.

WANCHAI GAP TRAM

We regret to find that there is no mention in the Estimates of the Wanchai Gap Tramway, without which the Mount Cameron District—which, we understand, will open up sites for 88 houses—cannot properly be developed. That tram will also be of assistance to a certain number of people who have built or are proposing to build in the neighbourhood of Wanchai Gap, and between Wanchai and Magazine Gap.

In October, 1921, Your Excellency, in introducing the Budget for 1922, said as follows (see *Hansard*, 1921, p.137):—

"Many works that are desirable, though not very urgent, have had to be dropped for the present. I would mention in particular the tramway to Wanchai Gap, a work which may have to be proceeded with before long as the construction of houses on the new road in the vicinity of Wanchai Gap and on Mount Cameron proceeds. It is recognised that, useful in many ways as the road to the Hill District will be, cheap and rapid transit at regular intervals is necessary to a central

point. As, however, no definite plans have been prepared for this work, and the method of working the tramway has not been decided on, it is unnecessary to increase the vote for Public Works by a sum that will probably not be spent."

Speaking on behalf of the Unofficial Members, on the same subject, in November, 1921, I said as follows (see *Hansard* 1921, at p.158) (after suggesting that it might be possible to carry such a tram even higher up Mount Cameron than the Wanchai Gap):—

"It may also be pointed out, if it be suggested that the time is hardly ripe for such a tramway, that the tramway would take some time to construct and, furthermore, that when the present Peak tramway was opened in May, 1888, there were then only about a dozen houses in the Peak District and half-a-dozen houses in the Magazine Gap District. Moreover, a Tram is obviously the only feasible means of approach, enabling those of moderate means to reside in the Mount Cameron District and is also indispensable for the transport of provisions and other necessaries."

In connection with this Tramway the Honourable the Acting Colonial Secretary is reported to have said in an interview with a representative of the *Hongkong Telegraph* (see *Hongkong Telegraph* of 5th October, 1923) that the making of such a Tram "would, for one thing, mean the resumption of a large built-over area," and we should be glad to have this point cleared up.

Before leaving the subject of Public Works Extraordinary we desire to add (1) That we consider that more landing piers are required on the Hongkong side of the Harbour, and that we regard the building of permanent and bigger Piers on both sides of the Harbour as being essential for the progress of the Colony; (2) That the proposed inauguration of a big Ferry from Jubilee Street to Jordon Road has our hearty approval; (3) That we wish to be informed of the Government's intentions with regard to the site of the proposed School at Quarry Bay.

MILITARY LANDS

In regard to the Military Lands Question, we

trust that the Government will publish Sir John Oakley's Report at as early a date as possible after it is received.

INVESTMENTS OF COLONY'S FUNDS

We should be glad if the Government would publish periodically particulars of all the investments of the Government's funds which are in the hands of the Crown Agents.

ADDITIONAL POINTS MADE BY THE CHINESE

MEMBERS OF COUNCIL

The following additional points have been brought forward by the Chinese Members of Council and are approved of by all the Unofficial Members, namely:—

1.—The granting of a Rent allowance to non-European Government Servants of over 10 years' service who are not at present provided with quarters or a rent allowance.

2.—The further grant of assistance by the Government to Confucian schools.

3.—The financing by the Government of the seventeen million dollars Shing Mun waterworks scheme by means of a loan.

4.—The removal of the University to some site on the South side of the Island because the present noise and distractions at night at West Point make the present site an undesirable position for the University.

If the above removal is carried out, it might be desirable to remove Queen's College, which is a day-school, into the buildings of the present University, thus enabling the proposed site of the new Queen's College at East Point, which is badly wanted for building expansion, to be utilized for building dwelling-houses.

On the financial side, bearing in mind the difference in value between land at East Point and land on the South side of the Island, and bearing in mind, also, the fact that the new Queen's College is estimated to cost a million dollars, and taking into consideration, also, the value of the present Queen's College site, it looks as if the scheme were a feasible one. We do not, of course, expect the

Government to give any opinion on such a big scheme just now, but we trust that they will take the above suggestion into their very serious consideration.

We understand that the Chinese Members are also brining forward a suggestion for the granting of recreation facilities in the King's Park to Chinese. Without committing themselves to recommending any allotment of land in that particular locality, which we understand is already heavily pledged to various Clubs and Institutions, the European Unofficial Members are entirely in sympathy with the granting of increased facilities for recreation to the Chinese community.

Having now finished all the remarks which I have to make on behalf of the general body of Unofficial Members, I should like to add a few remarks of my own.

HIGH COST OF FOOD, ETC.

In the first place one would like to know why the Government has ceased to take any interest in fixing the local price of food and other necessaries. Even allowing for the extra rent which has to be paid by persons doing business in Hongkong, and also for a small charge for freight from Canton to Hongkong. it looks as if the people of this Colony were paying, as compared with the people of Canton, too much for their meat, fish, firewood and other necessaries of life. I trust that the Government will look into this matter.

TRAMS IN KOWLOON

I should like to suggest for the consideration of the Government whether it is advisable to have any trams at all in Kowloon. I candidly admit that until recently my view has been that we required for the adequate development of the Kowloon hinterland to avail ourselves of every possible means of communication. I am now, however, inclined to doubt whether that view is correct, seeing that in London and other large cities the motor bus has been driving out the Tram.

Furthermore, the bus has three advantages over the Tram, namely, firstly, it is mobile and not tied to any fixed track; and, secondly, it is faster than the tram; and, thirdly, it is less

noisy.

Another disadvantage in employing trams is that they tend to impede the working of motor bus and car traffic.

HOUSING COMMISSION REPORT

With regard to the Housing Commission Report, I take this opportunity of thanking Your Excellency for your kind reference to the work of the Commissioners in your Budget speech. I quite realise the fact that the Report has been published too recently for it to become at present the subject of any debate in this Council.

HON. MR. P. H. HOLYOAK — Your Excellency, I desire to associate myself with my colleague, the Senior Unofficial Member, in congratulating you on the satisfactory state of the Colony's finances, the more so that it results not from abnormally prosperous trade conditions, but from entirely abnormal conditions in the neighbouring provinces. I am optimistic enough to believe that when trade resumes its normal sway, as we hope it will do before long as the result of more settled conditions in the adjacent territories, that the prosperity which the Colony has seen during the past twelve months will not only be maintained but exceeded, because I have absolute confidence that much of the capital which has found its way into this Colony during the past two years has come here to stay and will remain as permanent investments either in property which has been bought, or in substantial shares in which it has been invested.

SUGGESTED REDUCTION OF LIQUOR AND

TOBACCO DUTIES

Because of this and because of the flourishing conditions to which your Excellency has referred, I venture to suggest to you that the time is opportune for at least reducing the liquor and tobacco taxes by 50 per cent., if not altogether. This taxation has all along been abnormally high. It represents something like 50 per cent. on every man's wine and spirit account monthly, and necessarily adds the high cost of living. If it were necessary, naturally I would uphold it, but on your Excellency's own showing I do not

think the tax can be defended in these days. Indeed I have always felt that indirect taxation in this Colony, whilst we have to submit to it during war conditions for obvious reasons, is both indefensible and unwise, and should not be continued a moment longer than is really necessary. This is essentially a port which has been built up on free trade principles and the sooner we can get back to conditions of free trade, as far as we possibly can, the better for the future of the Colony. If it is necessary later to increase taxation again, I suggest to you it would be better done—not by indirect taxation of this nature which means additional Revenue Officers to collect it—but by direct taxation which taxes everybody.

COLONY'S BALANCES WITH THE CROWN

AGENTS

I fully endorse what my colleague, the Senior Unofficial Member, has said with reference to the investment of the Colony's surplus balances, and in this connection I would ask for a detailed statement of the latest advices of Investments made by the Crown Agents of Hongkong funds, laid upon the table, every month. I am credibly informed that out of cash balances amounting in August, to £780,000 no less a sum than £539,000 was deposited with the "P. & O. Banking Corporation" at rates of interest varying from $2\frac{1}{4}$ per cent. to 4 per cent., though only a small proportion is at the latter figure. It would be interesting to know and it is desirable that we should be told, why this recently constituted Bank should have been selected for so large a deposit, with one exception, to the entire exclusion of other Eastern Banks and what are the securities held against it. I suggest that the time has now come for increasing the limit of \$2,000,000 which I understand can now be obtained on deposit.

I now claim your indulgence to refer at some length to the question of a high power wireless installation in this Colony.

COMMERCIAL WIRELESS

On the 20th April, 1911, the late Mr. Hewitt, my predecessor, speaking as the representative of the Chamber of Commerce, asked the following question:—"With regard to the

installation and operation of a Station for Wireless Telegraphy in this Colony, and in view of the fact that the Commercial community is becoming restless at the apparent inaction of this Government, will the Government state definitely what steps it may be prepared to take to furnish what is now an absolute necessity for a Colony, the greatest part of whose trade and life is connected with shipping?"; and in the same month wrote to the Government on behalf of the Chamber of Commerce, as Chairman, a letter from which I quote the following:—"We are of the opinion that a Station with an assured radius of 1,500 miles is urgently needed in the interests of the whole trade of the Colony and that nothing less should be accepted as meeting our present needs."

On the 3rd October, 1912, a resolution on the same subject was moved by the Hon. Mr. Pollock and during the course of a lengthy debate upon the subject the late Mr. Ross remarked (in terms which still apply):—"In the days of invention and rapid change the Colony of Hongkong cannot afford to stand still or wait. Already we lag behind. Witness these wireless stations in Japan and the Philippines and even in parts of the neighbouring Republic of China, whilst Hongkong, probably the greatest, or one of the greatest shipping ports in the world, is, in the matter of wireless communication, dependent upon the courtesy or good offices of one of His Majesty's ships. It is not due to any lack of enterprise on the part of the commercial community, that a wireless station has not already been established here, for we have to wait the pleasure of the Home Government in this matter, and while I do not think any of us doubt the wisdom of the decision arrived at by the Imperial Conference, that all wireless Stations should be State controlled, I think that this Council should urge to the utmost of its endeavours that the matter be not further delayed."

Seven years passed on and on the 10th April, 1919, I myself moved a further resolution on almost precisely the same

lines, and in replying to me the Officer Administering the Government stated:—

"As regards the larger station to which reference was made, there is no doubt in my mind, and I have seen nothing to alter my view, that the station erected at Stonecutters Island is the station which was referred to by the Postmaster-General. It is the station, which, in ordinary circumstances, I feel certain, would have been in full use long ago in connection with the Singapore station and other stations for commercial purposes had not the war intervened. There is very little doubt in my mind that before very long we shall be in a position to use it for commercial cables.

And in summing up the debate and replying to it His Excellency said:

"Moreover, I pointed out that as far as I know the present station would become available for commercial messages in the chain of high-power stations already in existence."

Well sir, it is well known to all of us that the information at the disposal of the Officer Administering the Government at the time was apparently incorrect. For the fact has been fairly established, and increasingly so as time has gone on, that the station was never intended for a commercial station, and in fact was a naval station from the very commencement of it. Commercial use of it was limited to two hours a day which, as far as the experience of the Chamber of Commerce goes, is perfectly useless to us. It is well recognised that in times of crises those two hours a day would naturally be withdrawn. Since then, in the following year, 1922, the 9th of January, my hon. friend, Mr. Pollock asked a question on the subject as he had done on many occasions before and was told again that it was impossible to make a statement, and from varying times onward—from 1920 to the present day—that has been pretty much the reply of the Government, and so far as I know the file and have the liberty to disclose it that is pretty much the position to-day. Whilst the Post Office at Home, to-day is quarrelling with the Marconi Company as to its shares of interest and division of profits, the needs of the Empire, in this Colony in particular,

continue to suffer, and will do. Whatever the needs of the high power station were in 1911, and I think they were fairly illustrated then, and have been increasingly so ever since, they are a thousand-fold intensified to-day. Owing to the disturbed conditions of the neighbouring territories your Excellency is aware that, for weeks on end, it was impossible to communicate with Canton by telephone, Swatow has been cut off, Japan was cut off during the recent earthquake and we have to rely entirely on the courtesy of His Majesty's ships, including the Naval Station here. Shanghai, even last week, was cut off and is cut off to-day, and meanwhile the neighbouring ports with very high power installations belonging to other powers profit at our expense. I do not wish, sir, during a Budget debate, to elaborate the point, but I venture to hope that in view of the urgent needs you will consent to include in your estimates a considerable sum for the establishment of our own high power station with a radius of not less than 1,500 miles, which will enable us to maintain continuous contact with Shanghai and beyond in the North, and Singapore in the South. Then, even though the telegraph system break down, we shall be able to maintain continuous contact,—even though it be by the courtesy of His Majesty's ships in port—with our nationals in other ports which are cut off. At present we are quite unable to do so and we are very largely left to the mercy and courtesy of friendly nations to supply information which ought to be transmitted direct. Even the power station at D'Aguiar which was meant for ship to shore connections, from the time it was installed down to the present time, has never worked satisfactorily. The Chamber of Commerce and individual firms connected with it constantly and repeatedly have complaints from passengers arriving by incoming mails that high power wireless establishments on ships have found it impossible to communicate with this Colony of Hongkong within three hundred miles, and twice this year I have tried four hundred miles out and have not succeeded in establishing communication beyond a hundred and thirty miles.

THE PUBLIC WORKS DEPARTMENT

I pass now, sir, for one moment to the subject of the Public Works estimates

and I do not in any sense intend to discuss them either in detail or at length. I should like personally to congratulate the Public Works Department on their remarkable achievements, short-handed as they have been, during the past year, and admittedly are, upon the ambitious programme which they are carrying on. I would suggest for the consideration of the Director of Public Works the dangerous condition of Garden Road. I have noticed, as you all have done lately, that on the left hand side of the road a considerable number of old trees have been removed, which, whilst we regret the loss, is obviously a step in the right direction of public safety. The motor traffic up Garden Road to the danger of the pedestrian is so great to-day that it scarcely needs any emphasis whatever and I suggest that not only the pathway on the left hand side of the road should be put in complete order but that the gutters on both sides of the road should be covered in temporarily with cement covers, so that it will give something like two feet more to the road, and that a discussion with the military authority take place with a view to seeing whether we cannot obtain something like six feet of ground, loaned to us from the parade ground, in order to construct a pathway. No one who walks up Garden Road or takes a chair up there in these days of increasing motor traffic can fail to be impressed with the danger to pedestrians, or even those in chairs and I submit the public should be catered for and protected by the Public Works Department.

HAIR-PIN BENDS AND TRAFFIC CONTROL

One other subject in connection with the Public Works Department is that of two hair-pin bends, one of which is to be found just beyond the building in which we are met, approaching Government House, and the other at the extreme corner before reaching Government House. Both these bends should be widened so as to make them less dangerous than they are at present. I suggest with the increase of motor traffic, and the fact that we now have over one thousand cars registered in the Colony, and that within a year probably we may double that number, that the main points of traffic control ought to be controlled by European police. I suggest that at the bottom of Garden Road, at the corner of Pedder Street and Queen's Road, and at the corner of Des

Vœux Road and Pedder Street, just opposite the Post Office,—all these points should be under the control of European police. Admirable as the native police are with the limited instruction they have had in the short time, they are not, I think, adequate to control heavy motor traffic at any one of these points. They are liable to get excited. They do not give the proper signal, as I know from my own experience of driving, nor do the approaching chauffeurs take due notice of them as they ought to do. I would welcome not only the establishment of European police at given points but prosecution by the police of people who ignore the signs and pass them.

HON. MR. CHOW SHOU-SON—Sir,—The Honourable Senior Unofficial Member has mentioned certain points as having been put forward by the Chinese Members of Council, and I beg leave to go over them in some detail.

Under "Miscellaneous Services" \$60,000 has been inserted for Rent Allowances which, I understand, are for those European Civil Servants who are not occupying Government quarters. At a meeting of this Council held on the 30th August, the Honourable Mr. Kotewall made an appeal on behalf of the non-European Civil Servants for similar relief; and I was pleased to find, on looking up the *Hansard* report of that meeting, that the suggestion was sympathetically received by the Government. If, for financial reasons, it is found impossible to extend the privilege throughout the Service, I would support Mr. Kotewall's suggestion to make a start with subordinates who have more than ten years' service.

Arising out of the item "Grant in Aid of University of Hongkong" under the same main head, I wish to dwell upon a very important question affecting the Institution. From time to time certain prominent Chinese residents, and lately a member of the University staff, have expressed to both my Chinese colleague and myself the view that it would be to the benefit of that Institution if it could be removed to a more secluded and salubrious spot on the Island. The Honourable Mr. Pollock has, in his speech, roughly outlined a scheme which looks to the Unofficial Members to be practicable; and it only remains for me to add

that the hostels, or some of them, when vacated by the University students, would make very suitable quarters for Government Servants. As stated by Mr. Pollock, the Government cannot be expected to pronounce, here and now, a definite opinion on such an important proposition; but it is hoped that they will give to it the careful consideration which it deserves.

On behalf of the Confucian Society, my Chinese colleague and I strongly appeal to the Government for further assistance. In 1919 a grant of \$10,000 was made to the Society in aid of its elementary vernacular schools, but this sum has long been exhausted; and last year owing to lack of funds the society was compelled to close four of them — a retrogressive step which, we think, is to be deplored. The insufficient number of elementary vernacular schools has for many years been keenly felt by the Chinese community, and the situation has lately been accentuated by the Child Labour Ordinance. Useful as are the unassisted voluntary efforts of the Confucian Society, they have proved to be sadly inadequate and it seems but fair that the Government should share the burden. We therefore hope that the Government will make an annual grant to the Society, which is doing such good work in the education of poor children, to enable it to open more schools.

In connection with the item "Maintenance of Recreation Grounds," Kowloon, under Public Works Recurrent, we ask that a piece of ground in King's Park be allotted to the Chinese. The park may have already been heavily pledged to various non-Chinese clubs and institutions, but we respectfully submit that the Chinese community is entitled to the use of a part of it.

Your Excellency in the speech introducing the Budget said, in connection with items 44 and 98 under Public Works Extraordinary, that the Government was considering the possibility of removing the main cemeteries to an adjacent island. We shall be glad to have full particulars of the scheme before it is carried into effect, as we wish to examine it carefully to see if it is inconvenient and expensive to the Chinese, especially to the poorer classes.

Without advocating for the moment the

control of food prices, we support the suggestion of the Honourable Senior Unofficial Member that the question of its practicability and the general question of the prevailing abnormally high prices of all necessaries of life, may be carefully looked into by the Government.

To obviate periodic recurrence of the great hardship which the shortage of our water-supply has in the past brought to the poorer classes, we urge that any scheme or schemes which the Government may have in view for increasing our water-supply should be taken in hand with every possible speed. The Shing Mun Waterworks scheme, which is to cost \$17,000,000, and upon which Your Excellency dwelt at some length in your Budget speech, appears to be necessary, enormous though its cost is; but we are of the opinion that it should be financed by means of a loan. The usual argument against the raising of large loans to finance public undertakings as tending to careless expenditure cannot, we submit, be adduced against this scheme, as it must be agreed by all that the expenditure is one of absolute necessity to the Colony. Nor can it be successfully maintained that it is unfair to pass on to posterity, which will have its own needs and burdens, a legacy of debt created by the imprudence of the present generation, for the scheme will benefit succeeding generations no less than ourselves. We look upon any proposed loan for this undertaking as a permanent investment of capital, a form of loaning which has the support of economists and public financiers of the highest standing. I am glad that this opinion of ours, like the others mentioned by the Honourable Senior Unofficial Member, has the support of our Unofficial colleagues.

While joining in congratulations to Your Excellency upon the very satisfactory condition in the finances of the Colony, we deem it necessary to sound a note of warning against embarking upon expenditure that is not absolutely necessary. At the present moment we happen to have a large surplus, but we should not forget that it has been largely built up by the revenue derived from two items—Opium and Land Sales—which cannot for ever continue to yield their present quota of income. Far be it from us to suggest postponing public works

which are essential to the development of the Colony, or withholding ameliorative measures from public servants to make them contented; but we advise close scrutiny of every fresh demand for expenditure so that, when the rainy day comes, as it is bound to come soon or late, we may be able to face it with equanimity.

HON. MR. A. R. LOWE—Sir,—I desire to associate myself with the remarks on the Budget which have been expressed by my Unofficial colleagues and to congratulate the Government on the extraordinary financial liquid strength of the Colony's finances, which, I believe, no other part of the British Empire can equal. The Government estimates a still further surplus at the end of 1923 after paying some \$5,000,000 out of revenue for capital expenditure. This state of things is all very well if it is a matter of luck.

"LEGALISED ROBBERY BY OVER-TAXATION"

Partly it is luck, I admit, but there is a part which consists of legalised robbery in the shape of over-taxation of the individual, and for the past few years this has been so patent as to be a disgrace to the Administration if taxation is merely meant to cover recurrent expenditure plus a fair allowance in the shape of contributions to sinking funds to wipe out capital expenditure, which in every other well or badly conducted country, colony or municipality is provided for by borrowings. Under our peculiar conditions we should only require to borrow annually a sum equal to the Capital Expenditure less Capital receipts in the shape of Land Sales.

Last year, when I had the honour of speaking on behalf of the Justices of the Peace on the 1923 Budget, I foretold the largely increased surplus at the end of 1923, which the Officer Administering the Government did his best at some length to belittle if not inferentially deny. He attempted to compare the Colony with a Public Limited Company and asked permission to build up a reserve of \$10,000,000 as "an equalization of dividend fund." I do not see any justification for such a comparison, but, assuming the Government were justified, they have easily exceeded the limit of \$10,000,000. Even according to their own figures, this so-called Reserve has

increased from \$6,400,000 in 1921 to \$12,600,000 in 1922, and will be \$14,000,000 at the end of 1923 at least, in fact it has gone beyond that already. Even these figures are \$2,200,000 lower than they should be, as the Shipping Control profits are erroneously treated as a liability. Under similar circumstances the Directors of a Limited Company would find it very difficult to withhold paying a bonus dividend of four to six million dollars, and therefore the Government can easily afford to refund four to six million dollars taxation on account of 1923—that is, if they desire to live up to their word.

As an old resident of over 25 years' standing, and especially speaking as a Government nominee, I want to see the Government keep their word, like they did over the 50 per cent. increase in rates during the War. This can be done to some extent by suspending the duties collectable on Liquor and Tobacco, estimated in 1924 to produce \$3,395,000, which would also bring us back to the proud position we held so long of being a free port. I asked for this reduction last year and it has since been justified, but it was not responded to by the Government although the Officer Administering the Government admitted the duties on light wines were too heavy and would be reconsidered, which has not been done apparently. Further, you, Sir, have recently objected to the high price of alcoholic liquor in the hotels and I offer this solution of your difficulty.

H.E. THE GOVERNOR—No, I have not objected.

HON. MR. LOWE—I am sorry, Sir. Then I have made a mistake. I think the very least the Government can do is to reduce the duties to the level of those collected by the Chinese Customs, which would then bring the price of drinks down to those ruling on the China Coast.

A HOMELY ILLUSTRATION

I trust I have made the foregoing figures intelligible, but, as they are larger than most of us usually have any knowledge of, I will try to bring them home to you in a more personal manner. It is not unusual for husbands to brag to their

"better halves" when they get a rise in salary or find they have had a successful year, which during 1922 amounted to some \$4,000,000 clear after spending \$5,000,000 on permanent improvements. I'm sure congratulations would at once be forthcoming, and "I'm so glad" would be quickly followed with "because I saw some lovely new frocks in Powell's and Madame Flint's this morning and the children want a holiday at Weihaiwei." I hope no husband would dare to reply: "I'm so sorry, it can't be done, my dear, because I've already sent the money to invest in London and Queensland." At least he wouldn't say it twice, which he might be asked to do if he had spoken rather absent-mindedly. Hongkong would not be a very pleasant place for such a husband to live in, and I'm glad to see so many of the Official members of this Council are married, so I take it they will like to live happily in Hongkong during the coming year.

THE OPIUM REVENUE

The original justification some years ago for these taxes was that the Opiumtax would cease. This has proved to be false, but what has proved to be true is the public's ability to find fresh taxation when necessary, even to a greater extent than that derived from opium. We have for some years, and especially recently, read a lot of hypocritical gush in speeches in Europe by representatives of certain interested nations on the subject of opium prohibition.

HIS EXCELLENCY—Order, order. I cannot allow the hon. member, speaking in this Council, to insult the representatives of friendly Powers. He must at least give them credit for honesty. The term "hypocritical gush" cannot be used in this Council in relation to the utterances of the representatives of friendly Powers.

HON. MR. LOWE said he was willing to withdraw the word "hypocritical."

H.E. THE GOVERNOR — If the hon. member substitutes some such phrase as "erroneous views," it will meet the case.

HON. MR. LOWE assented to the correction.

HON. MR. LOWE — Recent events indicate

that a more fit value is now being placed on such utterances, and I trust that your Excellency's most excellent remarks on the need for the tax and the impossibility of withdrawing it under present conditions (which show no signs of likely alteration) will impress on the Honourable Colonial Secretary that his reply to my question on the same day to the effect "that it is certain the large revenue derived from the opium tax must entirely cease in the near future" was not justified, and therefore his denial of over-taxation falls to the ground.

HOW TO READ THE ACCOUNTS

The Colonial Secretary also said that I implied that Land Sales should balance Capital Expenditure. I never said or implied anything of the sort, but I will agree that Land Sales plus borrowing on Loan should equal Capital Expenditure, and then any difference between the other receipts and payments will show whether we are under or over taxed each year. The Government figures show that under such a system Ordinary Revenue has been over-raised by about 15 per cent. in 1920, 20 per cent. in 1921, 23 per cent. in 1922, 18 per cent. in 1923, and they are now asking for 15 per cent. in 1924, amounting to over \$3,000,000. The Government were asked by me last year to slightly alter their form of Revenue and Expenditure Account which hides this state of affairs from the public. They carefully show the Revenue, exclusive of Land Sales, which is quite right; but they mix up Capital Expenditure on the other side of the Account amongst General Expenditure. It is neither logical nor fair and should be altered. Regarding

THE COLONY'S BALANCE SHEET

There isn't one. As I have reminded you already, His Excellency the Officer Administering the Government likened the Government to a public company, but I do not know what the shareholders of, say, our leading Bank would remark if the Directors sent out the 40 or so lists of Assets and Liabilities of their Branches with the intimation that shareholders could make up their own General Balance-sheet if they wanted to find out whether the Bank was solvent and how

much there was to pay a dividend. However, I have supplied such a Balancesheet to the Government for each of the years 1921 and 1922, bringing into account our Loans outstanding and Sinking Fund investments. These show that, without the Shipping Control profits, we could have paid off all our liabilities and still been \$890,000 to the good at the end of 1921, whilst at the end of 1922 we could have paid every penny we owed and been \$4,900,000 to the good. This is the state of affairs after spending many millions out of Revenue on Public Works and Railway between 1900 and 1922. With reference to

THE COLONY'S WAR LOAN OF \$3,000,000

AT 6%

I have pointed out that, according to the Ordinance, this could have been paid off on and after 3rd November, 1921, if there had been surplus cash to do so, which they had in plenty, and also that the Government were losing by paying out 6 per cent. on the loan and getting less on the Sinking Fund investments. This latter fact is denied by the Colonial Secretary, but the Government accounts show that of some \$1,800,000 there is invested in the Sinking Fund \$400,000 at 7 per cent., \$500,000 at 6 per cent., and \$900,000 at 5 per cent., which only averages less than $5\frac{3}{4}$ per cent. The balance of \$1,200,000 unprovided for in the Sinking Fund may be said to be covered by the \$600,000 in the Bank, earning probably 2 per cent., and the rest in other Sterling investments such as 4 per cent. Funding Loan, which only brings in about $4\frac{1}{2}$ per cent., and this average will be further reduced as the short loan investments will bear a much lower interest. The excuse is that the investments in Sterling have luckily risen in value and that exchange has gone down, which more than covers the loss. This is a gamble pure and simple, and however lucky they may be at the moment I do not agree with such a policy and still consider the loan should be paid off. The bogey of the Military Authorities claiming more because the loan is paid off in total instead of by instalments does not seem fair to me. As far as I can see, they are for some reason making us an allowance of \$76,000 a year until 1928 in exchange for a \$3,000,000 gift in 1916. Surely, it is only logical to suppose that if we discount

this allowance at 5 per cent. for the remaining 5 years in the 1924 Estimates they will be glad to receive \$76,000 a year more than they expected to get in the following years to 1928. It is asking something of the Government to alter their finance arrangements, but our surplus funds are abnormal, which is my justification for doing so. It will also simplify the accounts, and our credit as a borrowing power (when we require to become one) should be enhanced by showing we can pay off borrowings before their time, especially without the necessity of re-borrowing as most countries are forced to do. Coming now to the

INSCRIBED STOCK LOAN £1,485,000 AT $3\frac{1}{2}$ %.

This is repayable in 1943 at par and it is quoted in the London Market at 81 or thereabouts. The impossibility of buying it back because it is too tightly held wants some believing as the price has risen from 66 at the end of 1921, and how the Government can know this without having referred to the Crown Agents, I don't pretend to know. It seems strange we can buy Queensland stock but not Hongkong stock. However, assuming there is some truth in this assertion and that we either don't want to pay off, or the holders won't be paid off, the fact remains we have the money in Surplus funds to do this and the next best thing, in my opinion, is to pay it or rather wipe it off our books by transferring so much of our free investments in British Government Stock to the Sinking Fund as will be sufficient to balance the account. In other words, the debit side will show the loan outstanding at £1,485,000, and on the credit side "Sinking Fund Investment at cost, £1,485,000." The effect would be a record amongst the list of Government Investments in the London financial papers; further, our mouths will be less inclined to water at the sight of a lesser high surplus than the June figure of \$15,367,000 and a reduction in the bottled-up rage at not being allowed to get at it. In addition, our accounts would be simplified and the estimated expenditure of \$999,603 for Interest and Sinking Funds would not be required. It is true that Interest receivable \$650,000 would not be so large, but the compensation for this is that we shouldn't have to pay the War Office 20 per cent., or

\$130,000 in 1924, for the privilege of keeping our accounts in the present form. If this saving is effected it must be decided on before the end of the present year.

THE COLONY'S INVESTMENTS

I am very glad to see the Government have in one instance taken to heart my argument last year that the Colony would be richer for employing its surplus taxes locally instead of investing in London. I refer to the \$400,000 7 per cent. Mortgage in Chinese Estates, Ltd. An extension of this policy is desirable, as it would fulfil the recommendations of the Housing Commission for Government assistance in the laying-out of further land to meet the shortage of houses.

I see from the June, 1923, accounts, and particulars are given of the Colony's investments costing \$6,105,744, from which it can be calculated that the market price had risen to \$7,369,000 at 2/3, which is very satisfactory though I don't quite approve of the £41,000 Queensland Stock. From recent Government answers it appears that the larger sum of \$7,580,911, under the heading of "Crown Agents Deposit Account," is not what it appears to be but is another Investment Account representing short Loans, etc., and I am glad my colleagues have asked for a statement of these from which, when published, I trust our local Bankers and financiers can see whether they can offer better terms. Presumably, the Government have not particulars, otherwise they would have given the information regarding names of borrowers, amount, rate of interest and period, in the same manner in which the other more permanent investments are stated.

I am glad to note that since I called attention to the matter the Colonial Office has kindly allowed us to keep up to \$2,000,000 with local Bankers, if our Officials think it desirable, in place of \$700,000 in past years. Perhaps quite rightly, the Hon. Colonial Treasurer has not availed himself of this privilege to the full. Anyhow, it shows the Colonial Office is amenable to reason to some extent when called upon to exercise it. I now want to go further, as, having previously shown we have cash laid aside much more than sufficient to pay off our local and London borrowings, I think we are entitled to ask for full power to invest our surplus money as our Officials, with the

approval of the Unofficial Members, may think fit. The previous fatherly attitude of the Colonial Office has been very stern and safe in dealing with its Hongkong son. It has not allowed its son to launch out on his own, as its uncles and cousins have been allowed to do, by borrowings to enable capital expenditures to be logically spread over their estimated usable life, except in very extra-ordinary circumstances. The consequence is that Hongkong's individuality has been stunted in the past, and we are reaping the disadvantage as our Government machinery is unable, and has been for some years, to cope with Public Works Extraordinary.

THE QUEENSLAND LOAN AND CONSTITUTIONAL

REFORM

Arising out of what I have just said, we find out that this year the Crown Agents have, without so much as "by your leave," started to invest our over taxation in Queensland Stock and are still buying. Personally, I have no quarrel with Queensland. From all accounts it is a very rich undeveloped country over five times as big as the British Isles but with a population of only 700,000, which is roughly what Hongkong alone possesses. The Colonial Office, presumably, exercises some control over it, and a justly celebrated late Governor of Hongkong, Sir Mathew Nathan, apparently rules over its destinies at half the salary we were pleased to pay him here. Perhaps rightly, they have been allowed to borrow £85,000,000 for Public Works Extraordinary or over £100 per head of each inhabitant, and rumour is they are going to London for more soon. Against this their Sinking Funds are lower than any other Australian Colony, none of which shines much in this direction.

What I want to emphasise here is the differential treatment against Hongkong. Is it the Colonial Office, or the whim of own Officials, which forces us to be treated like irresponsible children? The irony of it is that we irresponsibles are forced to lend our money to help our, to my thinking, audacious cousins. The Government nominees in the Upper House in Queensland were discharged last year and the Governor alone presides over the Executive Council of elected Cabinet Ministers. The Legislative Assembly (which corresponds

with our Legislative Council) is composed of 72 elected Members and every man and woman in the Colony has a vote. A recent article in the *National Review* on Queensland refers to it as "a Bolshevick corner of the Empire," and supports this description with facts.

There are a number of Europeans in this Colony who think they ought to have a vote, and that the European Government nominees on the Council (of whom I happen at the moment to be one) should be abolished. It is a very modest programme and I am heartily in agreement with it. We find the Government Officials of Hongkong are very much averse to the Constitutional Reform Association of Hongkong. They frown and look down on it at every opportunity. Perhaps the reason is that most of them enjoy their weekly holiday afternoon at the Legislative Council meetings, but if you, Sir, will take a "tip" from Queensland it would not be necessary for Officials to leave their offices, as a recent law makes the Queensland Government safe from defeat even on a snap division, as the leaders carry their followers' proxies with them and vote for their supporters if they happen to be absent. My argument merely amounts to this, if the Government puts its money on the Queensland horse it must have some faith in its strength and staying power. My particular fancy is the Hongkong colt, and if you are going to use Hongkong and Kowloon money I would prefer it on "Hongkong" to "Queensland," and even if you are not in agreement with me I merely ask you to give us some (not all, for conditions are somewhat different) of the advantages you are willing to give the Queenslanders.

Perhaps I am blaming the Government unjustifiably if they claim to be innocent parties to their own bet and that the Crown Agents and the Under Secretaries for the Colonies between the Straits and Wei Hai Wei (Messrs, Collins, Becket, Pashim and Gent) also did not know what they were doing. If this is so, then I think it is time the Hongkong Government managed its own affairs and annually invited one of these gentlemen to Hongkong to make sure they do know when they advise anything that Hongkong is an actual spot with a strong dash of red in it, and red as good as their own and entitled to reasonable treatment.

I will say this for Queensland, and that is they can grow a Cypress pine yielding an aromatic coniferous hardwood which is a white ant resistant and is therefore used for common housebuilding purposes. It would be a great

thing for Hongkong if our "Afforestation Department" could manage to indigenize such a tree and save future architects and contractors much wasted effort and house-owners much expense.

PUBLIC WORKS DEPARTMENT EXPENDITURES

The recently published figures summarising costs and estimates of the P.W.D. have been read with much interest, and the annual reproduction of them for at least a decade is the only means of focussing the work done by this Department. The Government's decision not to republish it up-to-date annually on the ground that it is useless is, in my opinion, to be deplored as, I understand, a somewhat similar statement is published by the Ceylon Government, but I am sure the Hon. Director of Public Works will find it necessary to keep up the statistics for his own private check. I am sure, therefore, the public, whose money he is spending, would like to be in possession of a similar easy comparison of this large spending Department. Personally, I would have said it is a useful statement, though not a nice one. It does show that prior to 1919 the Department did actually complete nearly all the work they engaged to do, but never since; and 54% is a bad figure for 1922, and if there is any improvement in 1923 I shall be surprised. We want to see this percentage improve considerably long before the D.P.W. retires on pension. Again, it is being drummed into us, by the Press particularly, that prices have gone up 100% in recent years. If this is correct we must discount the large increase in P.W. Extraordinary by 50%, which I take to mean, but subject to correction, that in spite of a large increase in personal emoluments little (if any) more constructive work has been done than, say, 5 years ago. Further, these figures provide an easier method of guessing where we are with the future Estimates. For instance, if the Revised Estimates for 1922, produced in October, 1922, only resulted in \$3,500,000 being spent when only \$1,100,000 was spent up to June, what is the chance of the revised estimate of \$4,743,000 for 1923, just shot at us, being justified when the June accounts only show \$1,339,000 spent? On the facts it doesn't look honest, and one can only guess this is a political manœuvre to bolster up the 1924 Budget in the same

manner as has been done during the past four years with the object of providing a plausible reason for non-reduction of taxation.

H.E. THE GOVERNOR—I do not quite follow the hon. member. Does he mean to suggest that the figures have been deliberately falsified?

HON. MR. LOWE—No.

H.E. THE GOVERNOR—If that is not so I shall be obliged if the hon. member will read it again. That was the impression he gave me, and I should like hon. members not to be under the same impression.

HON. MR. LOWE—I will use the word "logical." It means the same to me as an accountant.

H.E. THE GOVERNOR—The statement appears to be an accusation that the Government has falsified its figures to agree with its policy. If the hon. member does not mean this, I must ask him to say what he means. I cannot allow that statement to pass.

HON. MR. LOWE hesitated to reply.

H.E. THE GOVERNOR—If the hon. member is unable to explain himself, he had better resume his remarks.

HON. MR. LOWE (resuming) — The statistics clearly show that the P.W.D. is either not doing its work, or, if it is, then it is shouldering the blame for which another Department is responsible, and I therefore think their continued publication is justified.

THE RAILWAY

Your Excellency has referred to the decision of the Government to reorganise the Railway Accounts in the form I have agitated for years previous to last year's debate, and it is not surprising that this decision arrived at in the Spring came as a shock to me and, unfortunately, it found me in a less favourable position to cope with what is required than I believed myself to be in last year. In any case, if my whole staff had been employed, the work necessary to restate some 16 Balance-sheets of a complicated nature and with the necessary statistics (without which they would be useless) could not have been finished now, as your Excellency indicated he had hoped it would be.

I have given some thought and attention to the matter and made some enquiries both in Canton and Hongkong, and I hope shortly to discuss the matter again with the Hon. Colonial Treasurer. Unfortunately, when we have met our deliberations have had to be confined to Hotel financial details in which he is equally, if not more so, interested, I understand, from a Government point of view. I hope, however, to agree with the Government in a scheme by which most of the work will be done by the present Railway staff with the addition of a clerk or two.

CIVIL SERVANTS AND WIDOWS AND ORPHANS'

FUND

Last year I made some remarks on the reorganisation of the Widows and Orphans' Fund with special reference to one of my own clan, the late Mr Brayn, who left a widow and two young children, and I see from the 1924 Estimates that she has been granted a pension of £101.4.7. per annum. This does not seem to me a very adequate income for such a responsibility, even if the deceased did contribute to it out of his salary, and I can't find out any sum at all paid to the widow of the late Mr. Hutchison, who had no children. I trust the Government will make a compassionate allowance in both these sad cases and include in it, in the case of Mr. Brayn, the back pay if any, which I understand he forfeited by dying a few months earlier than it was decided on.

THE COLONIAL SECRETARY—Sir, my outstanding impression from the remarks which have been made by the Hon. Members who have spoken is one of surprise—and I may add of gratification—that they have found fault with so little, the reason being, perhaps, that they now keep themselves so constantly in touch with the Government over all matters connected with the welfare of the Colony that the programme before us records the considered opinion of the community, rather than *ex parte* recommendations by the Executive. The two main criticisms have been in respect of the staffing of the Public Works Department, and the strength of the Police Force. I think that here I can largely refute the Senior Unofficial Member out of his own mouth, in his advice to the Government

that it should work according to business methods. The Government does endeavour—although you may not think it—to work according to business methods, but it has the custody of other people's money, for which it is responsible, and therefore it has to proceed with a caution which is not necessary to the individual merchant who is taking his own private risks with his own private money. We model ourselves rather upon the Hongkong and Shanghai Bank—which is also an institution having the custody and responsibility for other people's money—and not upon the individual who takes big risks in the hope of big profits. It is not necessary, I think, to remind the business men of this Colony of the danger of excessive optimism. We all remember the rubber boom, when rubber was to be 10s. a lb. for many years to come; and the 1919-1920 post-war boom, when everything was "roses all the way." We are now having our own particular and extraordinary boom, which is quite without parallel in the history of the Colony, and although the more sanguine, as they always do, think on this occasion that the thing is going on forever, I think the majority view the situation with what I may call a healthy pessimism. The Government does so. I am sure that it considers very sound the advice given to it by the Hon. Mr. Chow Shou-son—a man whose wide experience of affairs entitles him, if anybody, to speak—but that we should watch carefully each demand for fresh expenditure, so that when the rainy day comes—as come it must—we may be in a proper position of security.

THE BOOM IN LAND SALES

Take first this question of the staff of the Public Works Department. In this connection I have come across some striking figures, in another connection entirely, with regard to the effect of the boom in land sales. In twenty years, from 1901-1920 inclusive, our total revenue from land sales was five-and-a-half million dollars; in the years 1921-1922 and the first three months of 1923 our revenue from the same source was \$7,000,000. I think that the Senior Unofficial Member's advice was to follow the example of a business man who increases his staff according to the demand. I may compare ourselves, for instance, to a motor car manufacturer who had a steady out-

put of 300 cars a year, and then a boom came and the demand increased to 3,000 cars a year (the proportion of our land sales must be something like that: I have not worked out the figures). I think that if that merchant increased his staff, his buildings, and his capital accordingly he would be a very foolish man. Possibly manufacturers who misjudged the extent and duration of the post-war boom will tell you the same thing.

Our extraordinary land sales have given rise to an extraordinary amount of work in the Public Works Department and I was glad to hear the remarks in that connection by the hon. member representing the Justices of the Peace. The way in which every man in the department has risen to the occasion is deserving of the highest praise. We need only look round and see the new development on every side. The Government will pursue a policy of caution but at the time it realises that this development is going on and that the Colony generally is increasing in every way, and it is making provision for considerable extra staff. I have a note to the effect that we are getting several new officers—one electrical engineer in charge of the electrical department; three assistant engineers—one for the Water Works and two for the Shing Mun scheme; six assistant land surveyors, two bailiffs in the Survey Department, two assistant engineers, and two overseers in the Architectural Department, one assistant engineer and two officers in the Building Ordinance Office, and one overseer and one stenographer in the general department. I think that these additions to the strength adequately meet the legitimate demand.

It is the same case with the Police. I think that the community has got into the habit of crying "Wolf" in this connection with unnecessary frequency.

THE COLONIAL TREASURER—Hear, hear!

THE COLONIAL SECRETARY—Kowloon nerves were very badly shaken a few months ago by the murder, in very public circumstances, of a Chinese constable and they have not been reassured by the thrilling account of a walk taken by Mr. Bailey one night through the Peninsula. But what are the facts? His Excellency, at the last meeting, gave figures which

show an increase of 35 per cent. in the Force since the beginning of 1920. The station at Kowloon Point, which the Kowloon Residents' Association have frequently spoken of, has had its land force doubled in the same period, and the land force of Europeans at that station has been increased from 4 to 12. The Senior Unofficial Member gave us some rather high figures with regard to the increase in crime, but he is out of date.

HON. MR. POLLOCK—Not "high figures"; official figures.

THE COLONIAL SECRETARY—Official figures, I admit; they are perfectly correct, but out of date. If you want to know the present state of affairs you must take the present situation: I have the figures up-to-date. They are:—

Year 1922, Murders	35
1923 (first nine months),	
" Murders	21

These are in many cases political murders and have nothing to do with the general state of crime in the Colony Armed robberies were as follows:—

Year 1922, Armed robberies: with	
violence	244
" 1923 (first nine months)	118
" 1922, Burglaries	109
" 1923 (first nine months)	48
" 1922, Larcenies	3,193
" 1923 (first nine months)	1,594

These figures are not very alarming. A point was made of the fact that the regular duties of the Police are interfered with by such measures as opium and arms searching and traffic control. The staff exclusively employed on traffic numbers 17 only—6 Europeans. The people you see with sticks at corners are employed in the double duty of traffic control and fixed post. It is found that in the daytime, when there are people about, a man is better able to look after his own property and it is more advantageous to have these fixed posts than patrols. A man knows where to find the Police and can run for help. It was very much impressed upon us by representatives of the Chinese community that people should be able to find the Police at definite points. As regards opium and arms, apart from the detective department, whose particular duty it is, the Water Police, and regular searchers on

wharves, this matter hardly encroaches at all on the duties of the regular police.

The Senior Unofficial Member drew some unconvincing comparisons between the proportion of the value of goods lost and the cost of the Police. One can only comment that the loss of one big diamond or a gramme of radium would play havoc with all his averages. I may remind the hon. member with regard to the cost of the Police, which he has quoted as 17½ lakhs, for next year, that that is by no means the whole bill. We have in addition, in these estimates, a very large sum for extensions at the Police Stations, married quarters, and buildings generally. There was a point about the Police mentioned in Mr. Bailey's letter, as to Chinese Police patrolling singly. The experiment has been made of sending them out in couples and it was found that the patrolling pairs were never to be found except in a tea house. That he did not find men in one walk through the town is hardly a fair point to bring up. These beats are square and the men have to go through all sorts of side streets, in particular where bad characters may be found, and in the main roads you may go some distance, sometimes, without finding a policeman. The only proper test is a series of patrols which, I understand, the Deputy Superintendent of Police is about to undertake.

REFUSE DISPOSAL: THE CLEANEST TOWN
IN THE WORLD

The next point was a recommendation that refuse carts should be provided with tight fitting lids. That matter has come up before. The objection to wooden lids is their weight. Very steep streets have to be negotiated and the handling of the carts as they are is already a sufficiently difficult proposition. Having a tarpaulin cover fixed tightly over the carts was tried, but it was found that the men took a long time to fit these. The beats of the carts are so arranged that they end at the point nearest to the discharging wharf and it is important to run them to the wharf as quickly as possible. As they move from house to house it is not possible to close them up. A further suggestion was that this refuse cleaning should not be done in the afternoons. I gather from that that hon. members do not get up early enough to be aware that the main sweeping and cleaning is done at 3.30 a.m. and all the refuse is on board before 9 o'clock.

HON. MR. HOLYOAK—Oh, no. Twelve o'clock mid-day in Des Vœux Road.

THE COLONIAL SECRETARY—I am speak of the first sweeping. It is the second sweeping which takes place later in the day. The reason is that the inhabitants—or some of them—have an unpleasant habit of throwing their refuse in the street if it is not removed. Even in the enlightened City of Westminster they only guarantee to remove refuse once in three days—although they may remove it oftener in practice. Here we do our best to remove it twice a day, and thereby we have earned the reputation of being one of, if not the, cleanest town in the world. I think it would be unwise to sacrifice that reputation on account of the temporary inconvenience, which I admit occurs, while the sweeping is going on.

It was asked that we should have an incinerator for the destruction of rubbish. That question has been gone into exhaustively on three occasions, first in 1901, and again in 1906, when reports were laid on the table in this Council, and again in 1921. On each occasion we asked particulars of Singapore, Penang, Kuala Lumpur, and other towns and the replies were most discouraging because of the enormous expense. The capital cost of building runs as high as six-and-half dollars per ton of rubbish consumed annually, against our cost of eighty cents for all our plant and material. The rubbish is largely of a light vegetable nature and it requires a third of its weight in fuel to consume and leaves a third in slag to be got rid of. The destructor requires complete renewal once every ten years. The question of the disposal of the slag is also a matter of great difficulty. At Home it is very much used for road repairs, but here we have a much better and entirely accessible material in granite. Therefore, this slag would have to be carted away. It could be used in reclamation, but it would have to be taken there. The nuisance of these collecting stations on the Prava would not necessarily be done away with. The town is very narrow and the destructor would have to be at one end or the other and all refuse would have to be taken along the streets as now. An incinerator must be more or less a nuisance to people in the neighbourhood, and I think it would cause

much more trouble than the finding of an occasional cabbage leaf on a bathing beach now does.

SAIYINGPUN SCHOOL

As to Saiyingpun School, the Director of Public Works informs me that the foundations will be finished shortly. The plans are ready and contracts about to be let but he cannot hold out any hope of its completion before the middle of 1925.

THE RAILWAY

Figures have been asked for as to the liability of the Chinese Section of the Railway for damages. Damages in this connection are hardly to be assessed in terms of money. It is true that under the working agreement we have regular charges for late running, for demurrage of rolling stock, and so on, but these are hardly applicable to the very exceptional circumstances of the present time. The question of actual damage done to plant and rolling stock is being carefully watched. The bill is being kept and it will undoubtedly be presented in due course. As to security, we collect at this end of the line a considerable sum of money on behalf of the Chinese Section, by reason of the fact that we take fares in Kowloon for the Chinese two-thirds of the line, which is a longer stretch than the one-third of the line for which they take fares in Canton. Therefore, there is always a balance in our favour, but it has not been the practice to hold this money against claims. The Railway is suffering misfortunes through no fault of its own, and I suggest that it is at least useless to kick a man when he is down. Unless we help them by forbearance in every way they must inevitably separate themselves from us as, under the working agreement, it is provided they have every right to do. In time of war or rebellion either section has the right, subject to due notice to the other party, to cut itself off entirely. I think hon. members will agree it is useless to address arguments to people in the throes of civil war. With regard to the purchase of new rolling stock this is not to replace stock destroyed, but it is necessary because the Chinese Section have not got their quota. We have constantly to turn away goods traffic because

we cannot handle it for lack of rolling stock. We think also it is wise to keep up our stock as far as we can in anticipation of better times. It is suggested that we ought not to have added a number of very subordinate posts—about twenty-five—to the establishment. These are certain gate-keepers required partly because of the longer hours the trains are running and partly because of the increased use of the roads by the public; also boiler makers and mechanics necessary because we are running our stock to exhaustion. We have deferred overhauls and repairs unduly, as the stock is so constantly in use. We have also employed one or two more cleaners and I may mention that we have substituted women cleaners for men and they have proved considerably cheaper and much more efficient.

KOWLOON HOSPITAL

As to the Kowloon Hospital, the Director of Public Works informs me that the Servants' Quarters practically are completed and the Medical Officers' Quarters are well advanced. He hopes to have the building finished by the middle of 1925. I sincerely hope that will be the case—not entirely from a conviction as to its urgency, because the prospective patients are not overtaxing the resources of other institutions in the Colony, more especially the Peak Hospital.

A NEW TRAM PROJECT TO MAGAZINE GAP

Then we come to our hardy annual, the Wanchai Gap tramway, which I hoped had withered under the discouragement cast upon it by Unofficial Members. Unofficial Members, perhaps, have forgotten that they and their predecessors turned this project down twice, in 1920 and in 1921. In the first instance Mr. Pollock was away, and in the second he dissented I hope, as they have changed their minds once. I can persuade them to do so again. The Senior Unofficial Member has made a good point in the fact that the Peak Tramway did create the demand at the Peak, and if he can show that the Wanchai Tramway can create and satisfy a demand at Mount Cameron, I am with him all the way. With regard to the existence and extent of the demand I prefer to say nothing, but leave that to the discussion on the Housing Commission Report. Granting the demand, the point arises

whether this Tramway will satisfy it. The tramway has to feed the European reservation and I think that no European—and more particularly no European woman—wants to add himself or herself to the crowd which throngs Wanchai market. Moreover, they do not wish to incur the considerable additional expense of a long ride of a mile or more through congested Chinese streets to the European quarter. Nor, again, does a man, tired out after a long day's work willingly face the ride back. With regard to the point that I stated to one of the newspaper representatives that large resumptions would be required, I did not refer to sizes, but I did suggest resumptions. This line is designed to go down Stone Nullah Lane, 50 feet in width, including the nullah in the middle, and it comes out at the junction of the lane with Queen's Road at Wanchai market. If the Government provides that tram and puts no station for the people to alight at and no concourse area for waiting vehicles, I can imagine the outcry from the community as to the idiocy of the Government in not foreseeing this essential necessity, and the advice which will be again showered upon us that really you must get rid of your Colonial Secretary and put in a business man acting on business methods. Therefore, you must have expensive resumptions.

We are in communication with the Peak Tramway Company at the present moment with a view to running a line from the bottom of Garden Road in Murray Barracks to Magazine Gap, opening up new sites all the way, as against the Wanchai Gap scheme which will open up no new sites. For a short distance this tramway, just referred to, will be operated by the rack and pinion method, and for the rest of the way on smooth rails, with no overhead construction. It will make the journey in ten minutes and can have as many trams as are necessary: they will be able to go one after the other; the Peak Tramway means of hauling not being required. I think if that tramway goes through it is a much better solution of the problem than the Wanchai Gap Tramway. It does not go to Wanchai Gap, but can be easily extended there, and I think residents will prefer the journey from Wanchai Gap to Magazine Gap at the top, rather than the journey along Queen's Road at the bottom.

I suggest that the new scheme is a much better investment for our money than the tramway to Wanchai Gap.

MORE PIERS FOR HONGKONG

More landing piers on the Hongkong side are advocated. It is expected that the new Statue Pier Wharf will be open to traffic in about eight months, and the Government has under consideration the bringing together of all the ferry piers—except the Star Ferry pier—and to provide a concourse area, the piers to be arranged in such a way that they will radiate from it, like fingers from the palm of the hand, the intention being that people landing at one pier can go to another without a long ride through the streets. They suggest building bigger, permanent piers on both sides of the Harbour. The Hunghom Bay scheme is now before the Chamber of Commerce and it may interest members to know that within the last few days we have made an agreement for a commencement of a vertical sea wall at North Point which will be able to berth ships of 30 feet draught at any state of the tide and where it will be possible to sling the cargo across a 35 foot road straight into godowns. This will form one of the most important steps forward in the development of the Harbour that has been seen for many years.

HON. MR. POLLOCK — Is that a Government enterprise?

THE COLONIAL SECRETARY—No, it is being worked in conjunction with private enterprise. It is not a Government enterprise—the Government has no money in it.

QUARRY BAY SCHOOL

With regard to the Quarry Bay School, the plans are ready and the Director of Education is discussing the question of a site with the Director of Public Works. In the meantime arrangements are being made with Mr. Edkins for the loan of a room or rooms at Taikoo Club, and later on I hope to ask members of the Finance Committee to vote furniture for it.

THE INVESTMENT OF GOVERNMENT FUNDS

The Government concurs in the proposal that it should publish periodically particulars of the investment of Government funds in the hands of the Crown Agents. I am taking this opportunity to refer to the reference to the

funds advanced to the P. and O. Banking Corporation. The explanation given by the Crown Agents is that they get from one-half to one per cent. better terms than from the other banks in London.

PRICES OF FOOD AND OTHER NECESSARIES

The Senior Unofficial member asked whether the Government would look into the matter of fixing the price of food and other necessities. I am afraid I can hold out no hope in that connection. We had an unfortunate experience during the war. The thing was useless to us but rather beneficial to the compradores because once the list came out they immediately put up anything below to the price the list notified, and anything above the list price they ignored. It is purely a question I think, of supply and demand. Our supply is seriously curtailed owing to the disturbances in the neighbouring province and our demand is immensely increased by the influx of wealthy refugees and by the good wages now being drawn by the working classes. You cannot control prices unless you can control the supply at its source. You might make the Dairy Farm put back milk from 15 to 12 cents a bottle, if you are prepared to face the subsequent law suit, but you cannot make a Canton farmer sell you a 60 cent chicken for half a dollar. The only alternative is for the Government to buy in a dear and sell in a cheap market, and after our experience in the rice crisis, when we found it essential to do so, we cannot contemplate undertaking anything of the kind again.

OMNIBUSES v. TRAMS

With regard to the hon. member's preferences for omnibuses to trams, I must say I am inclined to agree largely with what he said, but there are various opinions on the point, both for and against, and after very full consideration the matter has been put out for tender. The tenders are due shortly and then we shall see how the land lies. It is quite possible that the discouragement given to trams in other parts of the world, according to newspapers sent to us, may lead to no satisfactory tenders being given and then we shall have to resort to omnibuses. In any case the Government undertakes to consult the Council before it takes any decisive step in the matter.

WIRELESS STATION

The next speaker was the member representing the Chambers of Commerce. His main point was in connection with the high power wireless station. He gives us the history of the subject, but in its present phase it dates from a resolution which he proposed in this Council in March 1919. The matter was then referred urgently to the Colonial Office, who had appointed a committee to study the whole question, and in 1920 that committee reported recommending an Imperial wireless chain of State-owned stations, one of which was to be in Hongkong. A commission of experts was then appointed to advise as to technical details. They sent us a questionnaire and we gave them particulars as to sites and so on, and they even got so far as to inform us as to areas of two stations—one for transmitting and one for receiving. Meanwhile developments in India, South Africa, and Australia led to a modification of Imperial policy and the question of a Hongkong station was postponed. In March last, in answer to a question asked in the House of Commons, the Prime Minister said that recent development in the science of wireless telegraphy, and changes in the conditions in the Dominions and Colonies, had led to a modification of the views of His Majesty's Government in connection with this State-owned wireless chain, and they no longer saw any reason why private enterprise should be debarred from participating in wireless telegraphy within the Empire. The Government proposes to take steps to ascertain upon what terms private enterprise would work and operate a station here. I may say that in 1921 the Marconi Company approached us as to whether we would grant them permission to undertake this work, and we referred them to the Colonial Office.

THE LIQUOR AND TOBACCO DUTIES

The second point was in connection with the reduction of liquor and tobacco duties, with which the Hon. Mr. Lowe associated himself. I really think that the hon. members do not know when they are well off. They pay practically no taxes here at all—no income tax, and even when they pay on their liquors and on their tobacco they are happy in the assurance that they are paying considerably less than they do in London. I am astonished at

the argument that an indirect tax is a bad one. I thought it was generally accepted that one of the points of a good tax is that unless you wish to emphasise a tax to the people an indirect tax is best, especially one easy and cheap of collection, and that desideratum is exactly fulfilled by this tax on liquor and tobacco. It may interest hon. members to learn that, in quite another connection, the directors of the Nanyang Tobacco Company—they have no objection to the publication of the figures—inform me that in the first nine months of this year they have paid nearly seven lakhs of dollars in duty to the Government. No doubt your argument would be that is all the more reason why the tax should be reduced. Take the duty on the more expensive cigarettes, \$1.50, and the cheapest 30 cents; they work out at something over three hundred to the pound, and that gives less than a $\frac{1}{2}$ d. on the better quality and less than one-tenth of a cent on the inferior quality. With the good wages paid, the poorer classes apparently find the tax no deterrent as regards cigarette smoking.

HON. MR. HOLYOAK — My argument was that you were charging a 50 to 55 per cent. tax on liquor, which is not reasonable at all.

THE COLONIAL SECRETARY — I am coming to that point. It is considered advisable in view of the great uncertainty as to the Opium revenue to lay down a foundation of steady taxation bringing in a large sum of money so that if the opium profits suddenly fall away we should be in a position to view the situation with equanimity without any sudden dislocation of our finances.

THE HAIR-PIN BENDS AND TRAFFIC

CONTROL

The hon. member made some remarks in reference to Garden Road with which I am in entire concurrence. I am an owner driver and I know how dangerous that road is. It was largely due to my instrumentality that the trees have gone, and I am in touch with the Director of Public Works on the question of widening the road now. As to the hair-pin bend, that has been most carefully considered. The bend by Government House, opposite Kennedy Road, is a place where all the water

mains and electric wires seem to congregate and it was decided that if more of the corner were cut away it would make the descent too steep. A car went over there only a fortnight ago. The same applies to the other corner. If you cut it away it becomes steeper, and a reckless driver goes straight over into Ice House Street. Personally I do not agree with the hon. member as to the necessity for employing European police on traffic duty except at centres where there is likely to be a rush of chairs and ricksha coolies. Our motor traffic to us in this small island may seem immense, but if you go to any other city in the world you will find that it is merely nothing at all. The real danger is the slow-moving trucks, rickshas, and so on, but it is hoped that before long the fast-moving traffic will tend to drive them off the street. If any driver of a car proceeds with an ordinary degree of caution and sounds his horn, I do not think there is any danger of any sort whatever. That is purely a personal expression of opinion.

RENT ALLOWANCE FOR NON-EUROPEAN
STAFF

The senior unofficial member representing the Chinese referred first of all to the question of rent allowances for the non-European staff and asked that a beginning might be made for all officers of over ten years' standing. I do not think the Government can contemplate going quite as far as that at present. The subject is under consideration, and the Treasurer is working out certain figures in that connection. I do not think we can do more than extend the system which already applies to the senior European staff, namely of granting rent allowance to a man who has his family in the Colony. A man living alone with his family in the country, can get along quite cheaply and is not hit so much. The question will be sympathetically considered.

REMOVAL OF THE UNIVERSITY

The question of the removal of the University will receive careful attention. At the present time the Government has no knowledge as to what the University authorities think on the subject. The suggestion to turn the hostels into Government quarters has, for me, a great attraction, and the main building could no doubt be used for

Queen's College, but what strikes me as an obvious objection is the fact that the University is so closely allied as regards its medical department with the Government Civil Hospital. The students, of course, have their lectures in the University and their practical work in the hospital close by. So close is the connection that it is deemed necessary to build a hostel right up against the Government Civil Hospital.

THE CONFUCIAN SCHOOLS

With regard to the Confucian schools this is a matter which has always had the Government's warm support and I find there has been some little misunderstanding on what has transpired. The Government in putting forward the Bill for the employment of children expressed the hope that the representatives of the Chinese would come forward with proposals for the education of the very poor which, if satisfactory, it would support. The Confucian schools in certain parts exactly met that want, but it is the practice of the Government to equip a school and if the school is conducted in a proper manner to give half the cost of running it, subject to a report from the Inspector of Chinese schools. There was a misunderstanding with regard to this when the last vote of \$10,000 was made, and this money was applied both for the opening of new schools and to defray the entire cost of running them, with the result that when it was spent the schools had to be closed. That is not the intention. The Government is prepared to grant money to equip new schools and, subject to their satisfactory management, to give up to half the expenditure upon the cost of education. But you cannot expect the Confucian Society simply to open the schools with this money and then leave the Government to pay the whole cost. If the Senior Unofficial Member representing the Chinese will put himself into touch with the Director of Education I think it will be possible to bring definite proposals before the Council.

KING'S PARK

Then comes the question of recreation for Chinese in King's Park. This request

will receive consideration, but it must be remembered that the pioneer clubs in Kowloon have manifestly a right to first choice. They are the Kowloon Cricket Club, the United Services Recreation Club, both of which are being dispossessed owing to military land exchanges, the Club de Recreio, which has been turned out of its premises on Nathan Road, and the Kowloon Football Club, which has only the temporary use of a piece of railway land. These old-established clubs are the pioneers of sport in Kowloon. They have spent a great deal of money on their grounds and we have undertaken to put them back to King's Park as at present. The Chinese are newcomers in the field, and we welcome them in every possible manner, and we are providing new playing grounds for them in Kowloon.

PROPOSALS AS TO CEMETERIES

As to cemeteries the proposals of the Government are at present in a very tentative state. They are practically that all burials should take place on Lamma Island with free ferries running from Yaumati and from Kennedy Town at stated intervals as required. There will, of course, have to be some small cemeteries on the Island and mainland for use in typhoon weather. These proposals are simply outlined and they will be put before the representatives of the Chinese community.

THE WATERWORKS PROJECT

There is one other point in connection with Shing Mun which comes again into the general question of loans which I will not touch on it at present except to say that work will be carried on piecemeal and no large sum will be required. We have money enough to make a beginning and to carry on for the present.

REPLY TO HON. MR. LOWE

Now I come to the remarks made by the Hon. Mr. Lowe. I think it is hardly fair to throw a number of figures at my head without any warning and I confess I am quite unable to deal with them offhand. I have taken certain notes. He referred to the reduction in duties and I have attempted to show that we are not overtaxed and that there is good reason to build up reserves and to ensure a steady revenue. In order to make his figures more intelligible he gave a simile of a married man in Hongkong who makes some money. I must confess—it may be perhaps because I have not

a mathematical education—that the simile leaves me more confused than before. His point is that a married man has a rising salary or some unexpected good fortune and he goes back to his wife, and his wife naturally expects to get some of that money in the shape of clothes, or a holiday, or something of that kind. That man being a prudent man would partly spend his money on that, and would partly invest it against his old age. If the Hon. Member advises the Government to copy the married man's example; that is what it does do. Having got a surplus, part of which is unexpected, owing to profit in exchange, the Government proceeds to embellish the Colony and puts by the balance against a rainy day. But the Hon. Member has been suggesting that we should avoid getting a surplus and he backs his argument by this simile. Does he therefore suggest that his married man's proper course is to refuse an increase in salary, or should take steps to avoid an unexpected profit, as for example, by refusing to deal any longer in piece goods because he is making too much money out of them?

The Hon. Member then said we had no balance sheet. I can only say that this seems to me absurd. Our accounts are not kept in the form of a Bank's accounts, naturally, because we put all our cards on the table. I am sure that there is no public company, bank or anything else that does the same. They do not tell you the salary of the chief manager or the cashier, as we do. We put these details in the fullest form and as clearly as we possibly can before the members. If we hid all our working expenses and salaries we then could easily present to you a balance sheet which is exactly a copy of any company's balance sheet, but I am sure it would not be satisfactory to members.

Then he came to the question, touched on by three members, of loans. It is suggested by the Hon. Mr. Lowe that we should pay off our 6 per cent. loan. That question is under consideration but he is wrong, I think, in saying I misrepresented the position in my recent answer to his question. Our Sinking Fund is well above the 6 per cent margin and most of the money is invested at 6 per cent. or over. I was referring, in my answer to that question, simply to the state of the Sinking Fund.

With regard to the inscribed stock I can see no reason whatever — again I am not a mathematical man—why we should pay off a cheap $3\frac{1}{2}$ per cent. loan in order to borrow at 5 or 6 per cent. for our public works. Why not record that as money borrowed at $3\frac{1}{2}$ per cent. and continue the public works out of the balance in our hands? We have these large funds and it seems to me quite senseless to pay off a very big amount of money at a low rate of interest and, on the other hand, borrow a big amount at a high rate interest. There are large costs of loan flotations and our purchase of any loan would force up the market so that we should have to pay much more than the present market rate for it.

The Hon. Member referred in passing to Constitutional Reform. I do not propose to be drawn into argument on the subject. He suggested that the Official members frowned upon the association. I, for one certainly do not. I was not aware that there still existed an Association to be frowned upon.

His last remark was as to the Widows' and Orphans' Fund. Mrs. Hutchison has an ordinary pension.—I cannot say what it is. With regard to Mr. Brayn, I may point out he was formerly in Hongkong, but left the service for six or seven years and came back in 1918 or 1919, and therefore his pension is naturally affected thereby. He was, I believe, in Nigeria, and he may have some other pension from there. I am not sure on that point, but at any rate his service for pension here was short. I think, Sir, I have now dealt with all the points that have been raised in the discussion.

HON. MR. POLLOCK — May I ask one question arising from what has been said, with regard to the Railway—whether any of our coaches have been withheld on the Chinese section?

THE COLONIAL SECRETARY—Yes, Sir, they are being continually detained. As lately as yesterday urgent messages had to be sent because we could not get them back and we wanted them on account of the Chinese Festival. They managed at last to send four coaches.

HON. MR. POLLOCK—How many are being

detained now?

THE COLONIAL SECRETARY—I cannot say offhand.

H.E. THE GOVERNOR—I think it is about a dozen. The Railway authorities assure us they are not being used for military purposes.

H.E. THE GOVERNOR—Gentlemen, I have to thank you for the kind manner in which you have received the Colonial Budget and for your criticisms, which—with possibly one or two exceptions—were certainly made in a very helpful spirit. Although I cannot entirely agree with them, I appreciate the goodwill which hon. members have shown in the matter to the full. The Colonial Secretary has dealt with most of the points raised, but I should like—if I may—to add one or two remarks on certain particular points. As to the Police Force, I think the Colonial Secretary has shown that the situation has improved materially and, of course, it is only within the last few months that we have got our full strength from Weihaiwei, and we may hope for further improvement. At the same time I am bound to say that it is almost impossible to expect the Police Force to deal satisfactorily with crime when the general public looks upon crime as a harmless amusement of their neighbour which is no concern of theirs. If the general public would support the Police it might be possible to do more than we do now. At present you constantly find, when a robbery occurs, the Chinese adopt the attitude of the priest and the Levite and leave the matter strictly alone. Then when you do get a criminal almost in the act you have the utmost difficulty in getting anyone to come forward to give evidence against him, and the number of people who interfere either to persuade or threaten is larger than, I think, hon. members realise. I was somewhat startled by the figures with regard to the proportion of recovered and stolen property, but it has to be remembered that it is unfortunately so extremely easy to get away with property here. Articles stolen in Hongkong to-day will be the next day in Macao or Canton. Unless the theft of property is reported immediately the chances of finding it are negligible. I think therefore that, considering the disadvantages under which they are working, the police do extremely well.

The Hon. Mr. Pollock went on to refer to the question of fixing the prices of food. Well, I think it is generally admitted that any Government which has endeavoured to fix the prices of food within recent years has burned its fingers rather badly, and I should be very sorry to expose the fingers of this Government to a similar fate. The Colonial Secretary perfectly rightly says that the maximum in this matter tends to become the minimum. Worse than that, when you are fixing the maximum price—unless you are controlling the supply—you have got to fix it at a price which will enable a man to get his stuff to the market at a price which will pay him and this means that you cannot fix it at the price which pays the man who is most favourably situated. Therefore the maximum will have to be higher than the minimum price at which sale has hitherto been possible, I had some slight experience during the war in trying to keep sales down to the figure decided on by a paternal government, and I am bound to say it was one of the most distinct failures of the war, and the Hon. Director of Public Works will probably support me in that statement.

The senior Chinese member raised the point about the removal of the University. As the Colonial Secretary says, there are very considerable practical difficulties in the way because it is almost essential—in fact I might say entirely essential—that the medical school should be close to the hospital, because the students get most of their practical training in the wards of the hospital. Moreover we are bound by our undertaking given to the Rockefeller Trust to provide them with a number of beds in the hospital. The only way that I can see of getting over it is to leave the Medical Faculty where it is and move the others, a measure which would probably give satisfaction to nobody. The matter is one to be considered by the University. There was another point to which I attach much importance and that is this: I believe that China presents a remarkable field for educated women in the near future, and I consider that the Hongkong University is the source from which the supply of educated women should be very largely obtained in the first instance. If that is so it is necessary to enlarge the University by allowing students to live with their own relatives—a course for which I have

always argued. I entirely agree with the arrangement made in the first instance that it should be a residential University, and I should be very sorry to see it cease to be one, but I think it has now risen to a status in which it is not necessary that it should be wholly residential, and I think we are losing a certain number of students because of the cost of hostel accommodation. There is no reason why we should not allow young people to live with parents and guardians subject to satisfactory assurances—especially lady students, but the idea of having lady students living with their relations, with the University on the south of the Island, does not seem practicable. On the other hand the alternative of women's hostels is less practicable. I myself should be sorry to see the University moved from its present position. The main objection, I understand, is the distractions of the locality. As to that, it is not beyond the bounds of possibility that the distractions may be removed before the students. For other reasons there is something to be said from that point of view.

I should like to add something to what the Colonial Secretary said as to the taxation of drink and tobacco. I was astonished, equally with the Colonial Secretary, to hear the suggestion of the Hon. Mr. Holyoak that indirect taxation was bad.

HON. MR. HOLYOAK — It is an interference with the free trade of the port.

H.E. THE GOVERNOR—But not a very serious inconvenience. We must, in any case, have a staff to cope with the activities of those who try to smuggle in deleterious articles, and that staff can equally well deal with the collection of duties on drink and tobacco. So far from being a bad method of taxation it seems the fairest possible. If you do not want to pay the tax your remedy is obvious, and if you think you are taxed too much, again your remedy is obvious—reduce your consumption. The hon. member said the taxes were abnormally high. Now, having a suspicion in my mind that the hon. member was going to raise the question I put down a few figures. Here you pay for your cigars a tax of \$2.50, if you are a wealthy person, and \$1.50 if you are not. In

England you pay 15s. 7d. without regard to the quality. On cigarettes you pay here according to your taste \$1 down to 30 cents: in England you pay 12s. 7d. On tobacco 11s. 10½d. for Cavendish, 10s. 4½d., for other kinds and for snuff 11s. 10½d. Here you pay anything between 30 cents and \$1.50. I have not tried to work out the figures for wine because the systems are so different. I have not yet found anybody who could compare them accurately. The hon. member reminded us that Sir Claud Severn promised to consider a reduction in taxation on light wines. We considered it and we came to the conclusion based on sufficient information that they were not too high and the taxation appears to be having no deleterious effect. The most interesting comparison is that in the case of spirits which I suppose is of larger importance in this country. We pay on spirits \$6 a gallon, and on liqueurs \$10 a gallon. They charge on spirits in England is £3 15s. 4d. and on liqueurs £5 10s. 5d. I think in view of these figures it is a little difficult to argue that our duties are abnormally high and I question whether, if they were reduced, the prices would go down. I did not say it was desirable they should. The rates seem exceedingly reasonable for any person who contents himself with a moderate amount of alcoholic refreshment, but the important point, to my mind, is this—I apologise for referring once more to the opium revenue and my remarks are not intended to come under the category which an hon. member described as "hypo-critical gush," but I still believe that the revenue from opium will cease within a measurable period. I confess that I now think that the period may be longer than some of us hoped it would, a year or two ago but at least it will not be a permanent source of revenue. I suggest to the hon. member that it must end within ten years at the most.

A source of revenue which is certain to dry up soon is not a proper one on which to rely for your ordinary expenditure. The proper thing to do it is to take advantage while it is there and put as much as possible into capital value in Public Works Extraordinary, and the general improvement of the Colony, meanwhile piling up as rapidly and carefully as possible permanent sources of revenue such as we are endeavouring to obtain from the

duties on spirits and tobacco. I submit this is not only sound finance but sound sense. The Hon. Mr. Lowe, in a very worthy desire to stimulate the amusement of what he regards as his weekly half-holiday, gave his views on finance which he misled the Colonial Secretary into taking seriously. Of course, most of them were meant for jokes. The one point he really meant seriously was the question of investment of funds locally or at home. I quite agree that we should endeavour to increase the amount of our bank balance—the money we hold here on deposit account in the bank. I should not be at all reluctant to see a certain amount expended on loans on mortgage—as a matter of fact we have considerable sums of money outstanding on mortgage in Humphreys' flats and various other buildings. I must confess that, highly though I estimate the ability of the Colonial Treasurer, especially when approved by hon. members. I doubt whether it is wise for us to dictate to the Crown Agents in this matter as to how they should invest the money. We send it to them to invest and they are in close touch with the market, whereas we are ten thousand miles away. Hon. members possibly do not realise that the Crown Agents have been concerned in raising enormous loans for the Empire generally for many years. Much as I value the financial opinion of the Colonial Treasurer and myself, on the whole I think we are safer in the hands of the Crown Agents in the matter.

As to the repayment of loans, that, I think, was the hon. member's little joke. You cannot seriously suggest that we should pay off a cheap loan with a certainty of having to contract a dear one in two or three years. That brings up again the question of the Shing Mun Valley scheme, in connection with which a loan was mentioned. Of course, if we have to pay down \$17,000,000 we should have to have recourse to a loan. It would be absurd to put on additional taxation to cover such a large waterworks scheme, but I think the comparatively small amount required this year, next year and the year after, can be provided from balances without difficulty, and while we have balances on which we are drawing four per cent. per annum it would, I think you will agree, be unwise to raise a loan which we could hardly get at less than six per cent. I thank you for your kindly criticisms and for listening to me so patiently.

The motion that the Bill be read a second time was then agreed to.

Supply Bill in Committee

The Council went into Committee to consider the Bill.

In reference to the vote for "Police,"

HON. MR. POLLOCK said—I am still not satisfied as to the Police Force although I have carefully listened to the arguments this afternoon. I do feel, as I said, that the preservation of peace and good order is one of our principal assets *vis-a-vis* China. There is a great deal of crime, which is indicated by the figures for 1922, and I cannot help thinking that a great deal might be done in the detection of crime if we have a bigger police force and if the Detective force were strengthened. With reference to the question of Kowloon, my Chinese colleagues will bear me out that the Chinese, owing to inadequate police protection there, are reluctant to go out to the northern part of the Peninsula. I have had quoted to me frequently that there is amongst the Chinese a feeling of insecurity in Yaumati and that neighbourhood.

H.E. THE GOVERNOR — Unquestionably there has been a great deal of crime there recently, but it seems to be decreasing.

THE COLONIAL SECRETARY was understood to say conditions had greatly improved.

H.E. THE GOVERNOR—The position is very largely due to the absolute refusal of the Chinese community to co-operate with the police. Nobody will ever give a criminal away.

HON. MR. POLLOCK — Criminals won't give themselves away. The ordinary person, if he is faced with a loaded revolver, cannot be expected to display any very great courage.

H.E. THE GOVERNOR—The difficulty is to suggest any practicable methods. You cannot patrol every street continuously. The beats already are not large. The criminal in China, as in London, waits till the policeman has just passed and then commits his burglary.

HON. MR. POLLOCK—I think there is some objection to policemen going on patrol singly. That question has been raised in many police forces. I think the Colonial Treasurer will bear

me out that you are more likely to get good work from patrols of two.

H.E. THE GOVERNOR—I think that one policeman will patrol his beat from sheer boredom whereas two will probably gamble—I am not referring to our Police Force specially.

HON. MR. POLLOCK—I believe as a fact that on the Hongkong side the police in

THE COLONIAL TREASURER—They are learners, being taught by the man on the beat. That is the only occasion when they go by couples.

HON. MR. POLLOCK—Two men together have a chance of fighting: one is more likely to be "done in" than two.

THE COLONIAL TREASURER — Two together both may be knocked on the head at the same time. You would have to keep them some yards apart, one twenty yards ahead of the other.

HON. MR. POLLOCK—Why not do that? It seems a very sensible thing to do.

H.E. THE GOVERNOR—Having arranged for one patrol to be followed shortly by another man, you will have to have a third man to see they are both there.

After a pause H.E. THE GOVERNOR said—The substance of the complaint may be probably a lack of inspection, and that is a matter on which the C.S.P. might be asked to advise more clearly. With regard to the detection of crime that is a special art, proficiency in which is born and not made, and I am not sure that we have any of the born ones among us.

HON. MR. POLLOCK — And a certain amount of training.

H.E. THE GOVERNOR — The detective department has distinctly improved in the last year.

HON. MR. POLLOCK — I know it is a difficult subject, but I still feel we are not sufficiently policed, and that the Police Department and the Detective branch should be strengthened.

H.E. THE GOVERNOR—Well, that does not involve a reduction of the vote. If there is any desire to increase it, it can be gone into separately, I think.

HON. MR. POLLOCK — My unofficial colleague Mr. Parr, suggested in his Budget speech last year that the European force should be increased.

H.E. THE GOVERNOR—He did not suggest that taxation should be increased, but an increase of the European force is an extremely costly matter. We are paying a constable practicably as much as a Captain in the Regular Army.

HON. MR. POLLOCK—It is important from the point of view of protection.

The Police vote was then passed.

PUBLIC WORKS DEPARTMENT STAFF

On the Public Works Department Vote the HON. MR. POLLOCK raised again the question of the need for increasing the staff of the Buildings Ordinance Office.

THE DIRECTOR OF PUBLIC WORKS said the question had been fully considered. It was inadvisable to increase the staff by more than the two new architects, who had already been provided for. Two men were all they could train at one time. It took some considerable time before an architect arriving in the Colony for the first time was of much use.

HON. MR. POLLOCK said it had been suggested in the Housing Committee report that possibly some temporary assistance might be obtained from the engineer and survey staff of the naval and military forces.

THE DIRECTOR OF PUBLIC WORKS—We have considered that.

HON. MR. POLLOCK—It would be an easy way of getting over a temporary difficulty.

The DIRECTOR OF PUBLIC WORKS—There are two non-commissioned officers temporarily coming to us.

H.E. THE GOVERNOR—For surveying, of course.

THE DIRECTOR OF PUBLIC WORKS—Yes.

HON. MR. POLLOCK—I mean an additional man for the Building Ordinance Officer.

H.E. THE GOVERNOR said the Public Works Department might be able to get men for survey work, but this, he thought, could quite well be done by Chinese.

H.E. THE GOVERNOR made a remark to the effect that the more men they got the more accommodation they would require.

Replying to the Hon. Mr. POLLOCK, the DIRECTOR OF PUBLIC WORKS said that additional accommodation was being provided for the staff.

HON. MR. POLLOCK—I don't think we ought to limit the staff by the accommodation. It seems to me we want more staff and accommodation.

H.E. THE GOVERNOR—If you have more staff you want more accommodation and in order to build that accommodation you have to have more staff. That is the way it was presented to me by MPr.erkins recently I think it is hardly desirable to flood the office with too many new men at once.
moment.

H.E. THE GOVERNOR asked the Director of Public Works whether he was satisfied with his staff at the present

THE DIRECTOR OF PUBLIC WORKS—For the present, until these new men have got into their work. Then I may ask for more.

The vote was then approved.

THE RAILWAY

On the Railway vote,

HON. MR. POLLOCK made an inquiry as to the security in connection with the Kowloon-Canton Railway.

H.E. THE GOVERNOR replied that whilst a considerable sum of money was collected on behalf of the Chinese section they had not claimed any of it. It was

very easy to destroy a railway but it was not very easy to build it up again. Though they were losing money for a time it would pay them better to keep the Canton section alive as long as possible. It might be that that the line would shut down of its own accord.

The vote was then approved.

The Bill having passed through Committee, the Council on resuming passed the third reading of the Bill.

Adjournment

H.E. THE GOVERNOR—The Council will adjourn *sine die*.

The Military Lands

Rising again after consultation with the Colonial Secretary, His EXCELLENCY said—Before we adjourn I should like to say that Sir John Oakley hopes to complete his report shortly and has asked permission of the War Office to publish it here before he leaves. In the event of that permission being given I may have to ask you to attend a meeting before the end of the month in order that we may have at least a preliminary discussion. The Council will adjourn *sine die*.

FINANCE COMMITTEE

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

School Furniture

The Governor recommended the Council to vote a sum of \$10,000 on account of Public Works, Extraordinary, Hongkong, Miscellaneous, Additional School Furniture.

THE CHAIRMAN—This is in respect of temporary accommodation at Quarry Bay, and at Victoria School, which is being moved, and various other small items, as well as for the Kowloon British School.

Approved.

Fuel for the Prison

The Governor recommended the Council to vote a sum of \$3,200 in aid of the vote Prison Department, Other Charges, Fuel.

THE CHAIRMAN—The vote is one of \$6,500. This is in respect of firewood. I have asked the Superintendent of the Botanical and Forestry Department to report as to the advisability of supplying firewood.

Approved.

I. and E. Department Vote

The Governor recommended the Council to vote a sum of \$150 in aid of the Imports and Exports Department, Other Charges, Office cleaning materials.

THE CHAIRMAN—The vote is \$250.

Approved.