

9TH JULY, 1925.

PRESENT:—

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

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR-GENERAL C. C. LUARD, C.B., C.M.G.).

THE COLONIAL SECRETARY (HON. SIR CLAUD SEVERN, K.B.E., C.M.G.).

THE ATTORNEY-GENERAL (HON. SIR HENRY POLLOCK, K.C.).

THE COLONIAL TREASURER (HON. MR. C. McI. MESSER, O.B.E.).

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

HON. MR. D. W. TRATMAN (Secretary for Chinese Affairs).

HON. DR. J. B. ADDISON, M.B.E. (Principal Civil Medical Officer).

HON. MR. P. H. HOLYOAK.

HON. MR. A. O. LANG.

HON. MR. CHOW SHOU-SON.

HON. MR. H. W. BIRD.

HON. MR. R. H. KOTEWALL.

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

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

Minutes

The minutes of the previous meeting were confirmed.

Financial Minutes

THE COLONIAL SECRETARY, by order of H.E. The Governor, laid upon the table Financial Minutes Nos. 35 to 44 and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

The June Settlement

THE ATTORNEY-GENERAL—Sir, I beg to move the first reading of a Bill intituled, An Ordinance relating to the postponement of the June Settlement. In connection with this Bill I have to ask hon. members to refer to the new draft of the Bill which they will find on the table before them. I may say, Sir, that the only important difference between the new draft Bill and the Bill as circulated to hon. members, is that it has been found convenient under all the circumstances of the case to make the postponement of Settlement Day extend over a period of four days, that is to say from July 14th to July 17th inclusive, so as to allow full time for the carrying out of the settlement and for any matters of adjustment and accommodation which may seem to be desirable in connection with it.

Turning now to this new draft Bill, which hon. members have before them, I may mention that the definition of "shares," with the addition of the words "any bonds or debentures" was taken from the definition of shares in our Stamp Ordinance of 1921. Turning to clause 3 of the Bill, hon. members will see that this Bill is intended to deal with two classes of contract for the June settlement. The first class is a contract for the purchase or sale of shares for the June settlement day and the second class of contract is a contract for the carrying over of shares until the June settlement day, and this clause provides that these two classes of contracts shall be performed during the substituted settlement period as defined in clause 2 and shall be construed in every court of law as if, prior to the June settlement day, a duly stamped agreement for valuable consideration had been made between all the parties *inter se* for the extension of the time for the performance of the said contracts until and including the substituted settlement period.

Clause 3 also deals with one other point, that is to say, that interest in regard to this postponement of the June settlement shall be paid at the rate of 8 per cent. per annum on

the sums of money due and payable under the said contracts on the June settlement day. I may mention that this sum of 8 per cent. has been considered to be a reasonable rate of interest. It is approximately the mortgage rate now ruling in this Colony, it is the rate which is charged in judgments of the Supreme Court upon monies due and payable, and I think under all the circumstances—and I hope hon. members will agree—that it is a fair and reasonable rate.

I now come to clause 4 of the Bill which provides that every contract referred to in section 3, shall be deemed at all times to have been and is hereby declared to be valid and enforceable by legal proceedings notwithstanding that the same was not performed on the June settlement day or on any other date prior to the 17th day of July, 1925. That clause is a clause to validate the contracts of the nature mentioned in clause 3, even although they were not performed upon the June settlement day.

Clause 5 is a clause which is inserted by way of protection to prevent somebody from issuing a writ of summons in Court before this Ordinance comes into law to claim that he has been discharged by the non-performance of his share contract on the June settlement day.

I think that is all I need say, Sir, in moving the first reading of the Bill. I may perhaps now mention that it is not the intention of the Government to push through the Bill as originally projected at this meeting of the Council, but it is proposed to put the Bill through its remaining stages at a meeting to be held on Saturday, the 11th, at noon. I beg to move the first reading.

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

The Strike

H.E. THE GOVERNOR—Before we adjourn I think it would not be out of place for me to say a few words as to the situation with regard to what, for lack of a better phrase, we must call the Strike.

As I said at the last meeting of this Council, the present movement cannot be called a "Strike" in any proper sense of the word since those who have ceased to work have not done so with a view to attaining any definite object.

It has become increasingly clear during the last fortnight that the movement is nothing else than an attack, organised by agencies outside the Colony, on existing standards of civilization as represented by Hongkong. The pretence that

it was a strike to show sympathy with the Chinese who suffered as a result of certain incidents in Shanghai and other parts of China has now apparently been dropped. This is all for the best as it clears the air. It must be obvious even to the most confused mind that this Government is not concerned in any way with happenings elsewhere. Nothing that we could do or refrain from doing would have the slightest effect on any negotiations which may take place between the authorities of Shanghai and the Government at Peking or between any other parties whatsoever as a result of those happenings, nor could any such negotiations have any influence upon our affairs.

In this matter Hongkong stands by itself. An attack has been made upon us, as representing the existing standards of civilization by the agents of disorder and anarchy. No doubt we have been selected for attack because we are supposed to be a small and powerless community, and also because of our propinquity to a district which owing to a long period of war and mis-government has become a fertile soil for the cultivation of all the worst growths of bolshevism, anarchism and communism.

The attack is directed not against this Government as a British Government, nor against foreigners as such. It has not even the excuse of being a nationalist movement. It is aimed against all law and order as may be seen from the fact that the respectable Chinese here are as much the object of attack as the European community, even more so it would seem for it is difficult to see in what way any anti-government or anti-European sentiment can be involved in a strike of Chinese barbers, tea-house attendants or pork-butchers.

We have to realize that we are faced with a deliberate attempt to destroy, in the interests of anarchy, the prosperity and the very existence of a community which I take the liberty of asserting to be as well-governed as any in the world.

It is for us to show that we are not so helpless as our enemies have assumed, and I can heartily congratulate the community on the evidence which has already been given. To use a trite phrase—

situation is well in hand." The European community has acted as everybody, except perhaps the originators of this trouble, knew that they would act and those sections of the Chinese community that have the capacity for thinking for themselves have shown that they realize the issues that are involved and that the cause of good government is as much theirs as ours. It may seem invidious to mention individual names but I should like here to express my gratitude to Mr. G. M. Young for his work in organising labour and to the Chinese members of this Council and to Dr. Tso for the great efforts which they have made to bring the Chinese community to a full understanding of the situation.

As regards the present aspect of affairs, it is difficult to say anything definite. There are, I think, signs that the strikers are coming to their senses. Many are still going out but many are returning to work and I am not without hope that common-sense will shortly prevail over ignorance and fear.

Meanwhile, we have got to carry on and to see this thing through. The prospects are not such as to cause any alarm. Food supplies, so far as the European community is concerned, are ample and can easily be replenished. The same is probably true with regard to the Chinese community, and here we have the additional advantage that should there be any prospect of supplies running short we can at any moment diminish consumption by deporting unproductive consumers. We are, of course, experiencing a loss of trade, and considerable inconvenience and minor hardships, but I am confident both of the power and of the will of the community to continue to endure these inconveniences as long as necessary.

The inconvenience is not entirely on one side and I trust that the strikers will shortly find that the game is not worth the candle.

We have had to take somewhat drastic measures to deal with the situation. If necessary those measures will become more drastic.

I am, as you know, a man of peace. I admit that I am as fond as most men of getting my own way but I have always preferred to do so by convincing others that my own is the right way by process of argument. But it takes two

sides to make an argument and if the other side has no reasons to advance to support its point of view the possibility of argument ceases to exist and it is necessary to take other measures.

We find now that people will not work. They have no reason to advance therefore we cannot discuss the matter. All that we can say is "Very well, if you don't want to work, don't, but we cannot cumber this small area with idle mouths. If you will not work, you must leave us."

The Government has taken power to remove such idle mouths from the Colony. We have started on a small scale and invited some of those whose presence can most easily be dispensed with to seek other spheres of inactivity, to the number of about 100.

If necessary this process will be continued and intensified. If it were necessary I should have no hesitation in deporting from this Colony every adult who did not shew by working that he was a useful member of the community.

Revolutions, as the proverb says, are not made with rose-water. Neither are they suppressed by it, and this movement amounts to a revolution against law and order.

It would appear from what has happened during the last fortnight that the main reason for the spread of the strike has been the cowardice and folly of the working classes, who allow themselves to be intimidated by the merest shadows of threats. It is difficult to deal with this situation owing to the gross cowardice of the labourers, who, in spite of the offer of handsome rewards, will not hand over to the Police those who threaten them with violence for doing what every man has a right to do—continue his lawful avocation. I have almost completed arrangements—the details of which I must withhold lest their efficiency should suffer—which will enable us to be fairly certain of catching such intimidators, and under a regulation which has been issued to-day they will in future be dealt with in a manner which will be likely to appeal to their deepest feelings—that is by "the cat."

We have already succeeded, thanks to the activity of the police and to members of the general public both European and Chinese, to whom I tender my thanks, in catching some dozen of these scoundrels. I regret that owing to a delay in issuing the regulation to which I have just alluded these will escape their deserts, but it is not intended that they should purge their offence by a period of confinement in gaol, where the accommodation and food are much superior to what is provided for those strikers who seek the hospitality of Canton. They will be given an opportunity of proving their value to humanity by undertaking useful, though somewhat unattractive, duties in connection with the sanitation of the City. It is possible that they may regret that their activities have caused a cessation of work on the part of certain sections of the community.

I do not wish to detain you, Gentlemen, by talking of what has been done or what will be done. I would ask you to realize that it is not always necessary to believe that the Government is doing nothing because it does not talk about what it is doing. There are many occasions on which it is wiser to say nothing because measures that are being taken are more likely to be successful if they are not talked about.

I would, in conclusion, appeal to the community to help the Government in two days.

The first is this: Do not listen to, or spread, rumours. The city is full of rumours. For instance last week, a man was found dead near the Central Market. It was at once spread abroad that he had been killed by the "Dare to die" band, of which we hear so much and see so little, because he persisted in working and terror was spread among the lower classes. The fact is that the man died of apoplexy. A day or two after another body was found in the same neighbourhood. There followed the same rumours and alarms. In this case the man had died of beri-beri and his relatives in order to avoid funeral expenses had dumped his body in the street—a thing that happens daily. I believe the police pick up an average of eight bodies so abandoned every day.

Therefore, I ask the community not to believe and not to pass on stories about

murdered men and so forth. If you hear a story of this sort, do not believe it until you have asked me or the police or the Colonial Secretary's office whether it is true and do not pass it on, whether you believe it or not.

The other way is this. Will you do your best to explain to your servants and to anyone over whom you have influence that the proper way to deal with an intimidator is to intimidate him? If you send your servant to market and, as often happens, somebody threatens him, make it clear to him that his proper course is to argue the matter out on the spot and that the best argument is a good stout bludgeon. Remind him that he has the law on his side. If the intimidator injures him the cat will redress the balance. If he injures the intimidator, it is the intimidator's fault and he himself will not only be held the blameless but, if he hands the man over to the police, will receive a handsome reward.

If these measures are adopted I am confident that intimidation will quickly cease and we shall all be able to go about our business in peace. (Applause.)

The Council then adjourned until noon on Saturday.

FINANCE COMMITTEE

A meeting of the Finance Committee followed, the COLONIAL SECRETARY presiding.

Royal Observatory

The Governor recommended the Council to vote a sum of \$2,000 on account of Royal Observatory, Other Charges, Meteorological Telegrams.

THE CHAIRMAN—These meteorological telegrams were paid out of the Colonial Secretariat vote for some time, but the number of stations with which we are in communication has increased and the cost has increased a great deal. It is proposed to take a separate vote to cover the cost instead of supplementing our office vote here.

HON. MR. HOLYOAK—In connection with the vote do I understand that communication has been established with Prata Shoals already?

THE CHAIRMAN—We have had messages from Pratas Shoal, but unfortunately Cape D'Aguilar was only working 600 metres and Pratas Shoal 750, so that we are arranging now for certain times when we shall be ready to receive their messages at the 750 length.

HON. MR. HOLYOAK—Is it in actual operation?

THE CHAIRMAN—The buildings are not erected yet, but I should not be surprised if it is sufficiently advanced to receive communications before the end of the typhoon season.

Approved.

Port Works

The Governor recommended the Council to vote a sum of \$64,000, in aid of the vote Port Works, Extraordinary, Praya East Reclamation, (a) Contribution by Government towards Fund for Reclamation.

THE CHAIRMAN—Hon. members are aware that the rates for the contractor employed in making the Praya East reclamation and moving Morrison Hill had to be increased owing to the large amount of rock found. The amount was estimated at \$97,000. The supplementary vote of \$64,000 is the Government contribution to Praya East for this year submitted by the Port Engineer. Savings will be effected on other contracts.

HON. MR. LANG—What is the position of the marine lot holders?

THE CHAIRMAN—The whole question as regards marine lot holders is under consideration at present. We have not yet arrived at any figure, and it would not be right to give a figure until it has been definitely decided. They will be approached shortly on the subject. I do not think I can go further than that at present because the whole matter is now under consideration.

Miscellaneous Services

The Governor recommended the Council to vote a sum of \$14,560 on account of the following votes:—

Miscellaneous Services:—

Quarters for the Clerical Staff, partitions and electric fittings..	\$7,000
Rent for six months	7,560
Total	\$14,560

THE CHAIRMAN—These amounts are required for fitting up quarters the Government has leased from Mr. Lee Hy-san in Percival Street. I cannot remember how many clerks will be accommodated there, but it is a considerable number, and this is for partitions, electric fittings and rent.

Approved.

Government Civil Hospital

The Governor recommended the Council to vote a sum of \$5,000 in aid of the vote Public Works, Extraordinary, Hongkong, Buildings, 21, Government Civil Hospital, Extension to Sisters' quarters.

THE CHAIRMAN—This is for furniture for an extension to the Sisters' quarters at the Government Civil Hospital.

Approved.

Public Works Extraordinary

The Governor recommended the Council to vote a sum of \$6,100 on account of the following votes:—

Public Works, Extraordinary:—

Kowloon, Miscellaneous:—

Installation of Wireless Telephones at the Water Police Station and Cheung Chau Island	\$3,600
Wireless Receiving Station, Royal Observatory	2,500
Total	\$6,100

THE CHAIRMAN—This financial minute is not now required by the Electrical Engineer. These sums were provided last December and under financial minute number 20 of this year the police were provided for.

Kowloon Roads

The Governor recommended the Council to vote a sum of \$60,000 on account of Public Works, Extraordinary, Kowloon, Communications, Improvements to the junction of Nathan and Gascoigne Roads, cutting away the Hill.

THE CHAIRMAN—The sum of \$120,000 was approved by the Council for this work on 18th September, 1924. It was only possible to spend the sum of \$52,800 last year and a revote of \$9,813 is required. The round sum of \$60,000 is asked for.

Approved.

Compensation and Resumptions

The Governor recommended the Council to vote a sum of \$50,000 in aid of the vote Public Works, Extraordinary, Kowloon, Miscellaneous, 93, Compensation and Resumptions.

The Governor recommended the Council to vote a sum of \$100,000 in aid of the vote Public Works, Extraordinary New Territories, Miscellaneous, 124, Compensation and Resumptions.

THE CHAIRMAN—These sums are to supplement Public Works, Extraordinary items 93 and 124, compensatitons and resumptions in Kowloon and the New Territories. It is impossible to foresee the amount required. The number of resumptions to be settled are uncertain. If numerous acceptances for cash compensation are received later on it will be necessary to have further supplementary votes this year. These large areas in Kowloon and the New Territories which are now being settled by exchanges in some cases and cash compensation in others, are, of course, connected with the lay-out of the new roads. When the estimates were drawn up although the sums entered were not nominal, the Government could not tell whether it would be possible to give exchanges of land to a great extent so as to avoid cash compensation.

New Territories

The Governor recommended the Council to vote a sum of \$6,500 on account of the vote Public Works, Extraordinary, New Territories, Drainage, Training Nullahs: — Untrained portion of the Nullah on Crown Land which divides the "Rampart," Taipo, and the P.W.D. Bungalow.

THE CHAIRMAN—This sum of \$6,500 is required to complete the draining of a portion of the nullah behind the houses on the hill at Taipo including the Public Works Department bungalow. Mosquitoes have been breeding in very large numbers. It is most desirable to complete this work.

Approved.

Staff Quarters

The Governor recommended the Council to vote a sum of \$11,800 on account of Public Works, Extraordinary, New Territories, Buildings, Quarters for Inspector of Vernacular Education in the New Territories, Taipo.

THE CHAIRMAN—The total cost of this house was \$29,794. The expenditure in 1924 was \$18,000, leaving a balance of \$11,794.38.

Approved.