

20th October, 1937.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT (MR. N. L. SMITH, C.M.G.).

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR GENERAL A. W. BARTHOLOMEW, C.B., C.M.G., C.B.E., D.S.O.).

THE COLONIAL SECRETARY (HON. MR. R. A. C. NORTH, *Acting*).

THE ATTORNEY GENERAL (HON. MR. C. G. ALABASTER, O.B.E., K.C.).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. E. H. WILLIAMS, *Acting*).

THE FINANCIAL SECRETARY AND COLONIAL TREASURER (HON. MR. S. CAINE).

HON. MR. R. M. HENDERSON, (Director of Public Works).

HON. MR. T. H. KING, (Inspector General of Police).

HON. COMMANDER J. B. NEWILL, D.S.O., R.N., (Retired) (Harbour Master, *Acting*).

HON. DR. D. J. VALENTINE, (Director of Medical Services, *Acting*).

HON. SIR HENRY POLLOCK, KT, K.C., LL.D.

HON. MR. J. J. PATERSON.

HON. MR. CHAU TSUN-NIN.

HON. MR. LO MAN-KAM.

HON. MR. LEO D'ALMADA E CASTRO, JNR.

HON. DR. LI SHU-FAN.

HON. MR. M. T. JOHNSON.

HON. MR. E. DAVIDSON.

MR. A. G. CLARKE, (Deputy Clerk of Councils).

MINUTES.

The minutes of the previous meeting were confirmed.

PAPERS.

THE COLONIAL SECRETARY, by commanding of H.E. The Officer Administering the Government, laid upon the table the following papers:—

Order made by the Governor in Council under section 122 of the Buildings Ordinance, 1935, Ordinance No. 18 of 1935, relating to blasting at Sai Wan Bay, dated 1st October, 1937.

Amendment made by the Governor in Council under section 6 of the Pharmacy and Poisons Ordinance, 1916, Ordinance No. 9 of 1916, to Regulation 1 under the heading "Licences to Wholesale Dealers", dated 6th October, 1937.

Order made under the Rating Ordinance, 1901, Ordinance No. 6 of 1901, relating to the valuation of the tenements in Hong Kong, Aplichau, Kowloon and New Kowloon for the year commencing 1st July, 1938, dated 9th October, 1937.

Regulations made by the Governor in Council under section 6A(1) of the New Territories Regulation Ordinance, 1910, Ordinance No. 34 of 1910, relating to the protection of the health of labourers employed in the New Territories, dated 14th October, 1937.

Proclamation No. 9.—Appointment of a Commission to enquire into the sinking of certain fishing junks.

Proclamation No. 10.—Hong Kong (Coinage) Order, 1936— Approval of new coins to be legal tender.

QUESTIONS.

HON. SIR HENRY POLLOCK asked:—

1. What is the Government's estimate of the total expenditure, in dollars, required for the payment of Sterling salaries for the year 1938?
2. What would such total expenditure amount to in dollars if calculated at the rate of two shillings to the dollar?

THE COLONIAL SECRETARY replied:—

The answer to question 1 is \$7,989,174. The answer to question 2 is \$4,993,230.

BUDGET DEBATE.

THE COLONIAL SECRETARY.—Sir,—In replying to the speeches which have been made on this motion it will be convenient if I take the points raised in order, beginning with the speech of the Honourable the Senior Unofficial Member. If I am found to omit certain matters of importance, it is because these will be dealt with by Your Excellency later in the afternoon.

I can assure the Council that we regret as much as anyone the absence from the list of certain works which have been entered under the heading "Essential" for many years past. The main reason for their omission is of course economy. In normal times we might well have ventured a little further, and might even have hoped to accomplish more without increasing taxation, but as things are I doubt whether anyone will really blame the Government for deciding not to take the risk. There are in certain cases also subsidiary reasons. It is, I feel sure, wise not to embark upon such projects as a new leper asylum, a new infectious diseases hospital, even a new mental hospital, during the interregnum between the departure of one Director of Medical Services and the arrival of his successor.

The alternative to raising additional revenue however secured, that is to say the financing of all and sundry works by means of a loan is, I am advised, a proposition that is not financially sound. There is an essential difference between a market or a water supply both of which bring in revenue and say a Volunteer Headquarters which is clearly a liability. It is true that the Hong Kong Prison was a loan work, but this was only approved for very special reasons. The Queen Mary Hospital was built from revenue and a request for permission to finance it from a loan was refused by the Secretary of State for the Colonies.

Although one may feel that no punishment can be too severe for those sub-human creatures who grow rich by poisoning men and women with heroin, it is doubtful whether the imposition of the punishment of flogging would help much to lessen the traffic, and the proposal has obvious objections which have been pointed out by the Secretary of State. It is, generally speaking, the probability of being found out rather than the severity of the punishment, which deters evil-doers, and, with this end in view, the Budget contains provision for the extension of investigation through the employment of better qualified detective officers and of an assistant to the Monopoly Analyst.

To the searcher after economy the proposals for the provision of an additional court at the Central Magistracy sound more alarming than they really are.

Ever since I can remember, until a year or so ago, there have been three Magistrates at the Central Magistracy, the third being known as the First Clerk and Magistrate. It has always been the

intention that a young cadet officer (as soon as one can be spared) shall take on the work as before in place of the present First Clerk who is a member of the Senior Clerical and Accounting Staff; and for the convenience of everyone, including the Police and the Legal profession, he will be given a Court in which he will hear minor cases. The cost of fitting up the Court is not great; beyond that no expansion is involved only a certain redistribution of duties.

I am glad to learn that the recent street collection in aid of Typhoon sufferers met with a generous response. The question of a grant by Government is now under consideration and I have no doubt that proposals will very soon be put before this Council.

I come now to the vexed question of water. Without going into details I may say that I doubt whether anyone was to blame for not foreseeing the immense increase in consumption that immediately followed the completion of the Jubilee Reservoir. The highest weekly consumption for the whole Colony in 1937 was 23% higher than the record for previous years; in Kowloon alone the excess was 31%; figures like this would upset any estimate. Even so the supply in the early part of this year would have been adequate if the Jubilee Reservoir had filled in 1936; the shortage was in fact entirely due to lack of rain in autumn and early spring and had nothing to do with the capacity of the aqueduct or with the distribution system. In October last we were still hoping for an unseasonable downpour but it never occurred to me that anyone would base strong hopes on a reservoir that was nearly empty at the beginning of the dry season.

The great problem of the cost of water which has been so long a subject of argument and debate is now I hope in a fair way of being solved. The Financial Secretary has undertaken an investigation of the whole matter, and I feel that there is nothing that can usefully be said pending the receipt of his report.

A few months ago I was interested to read in one of the Canton papers—I think the *Canton Gazette*—an article on the hawker problem in that City. I was interested because I had heard it argued that Canton had solved the problem by simply disregarding it. That may have been so in the past but if so it would seem that the construction of wider streets and the introduction of modern ideas of sanitation and traffic control have rendered some form of regulation essential. The fact is that the hawker system to a great extent takes the place of various systems of poor relief, and in a country where there are unfortunately many hundreds of thousands living on the edge of starvation, systems of poor relief are apt to be overworked.

In present circumstances I feel sure that anything like unrestricted hawking would quickly bring about an intolerable state of affairs. A large increase in the number of institutions for the aged and destitute, of reformatories for street arabs and of homes for beggars and disabled persons might bring some relief but there is such a vast reservoir

of distress and poverty here and beyond our borders that I doubt whether, without very heavy expenditure, any appreciable effect would be seen.

This is a matter of considerable importance and I do not wish to appear to dismiss it off hand. On the other hand, it is a problem which primarily concerns the Urban Council by whom it has, I believe, been discussed at length on several occasions. I suggest therefore that those interested should, as a first step, communicate their views to their representatives on the Urban Council and should request them to take up the matter with that body.

In this connection I should like to say a word, if that is necessary, in defence of the Police. It has been suggested in more than one quarter that Police officers often arrest hawkers simply in order to improve their records and not for the sake of the enforcement of law and order. I wish that were really the case because then the remedy would be obvious. I have often seen and pitied some wretched creature caught with a bundle of dried sticks, and yet one knows that it would not need many months' relaxation of effort for the Island to be stripped as bare of vegetation as it is said to have been a hundred years ago. Similarly, multiply the shoe-shiners by fifty and who could walk on the pavement? I am far from satisfied that this effort is unnecessary.

I have to admit that there are such things as case books, but not that they are worthy of the importance they sometimes assume in Court proceedings. The official records of a police officer's service contain no mention of the number of convictions which he has obtained. The case book is a subsidiary record not without its uses when the value to the community of a police officer's services is under consideration. It contains details of important cases in red, and of unimportant cases in black ink. It hardly seems necessary to point out that black entries are regarded as being of little or no importance. Red entries are important and rightly so.

With regard to the cost of the Police Force it should I think be made clear that the estimate for 1935 was just under three million dollars (at $\frac{1}{4}$). Two and a half million dollars was the expenditure in that year when exchange rose as high as $\frac{2}{6}$; when the 1936 estimates were in preparation the rate was taken as $\frac{1}{8}$. So that any increase in the cost of the Department is entirely due to the higher cost of sterling.

The Director of Medical Services informs me that the diet in the third Class Ward of the Tsan Yuk Hospital is the same as that in other Government Hospitals, but that Chinese patients in Maternity Hospitals often prefer salted eggs and cabbage which are given them on request. There are five air rings and eighteen bed rests on the Hospital Inventory. More could be supplied if thought necessary but serious operations are now seldom performed at this Hospital which has since July of this year been used for maternity cases only.

With regard to the Cholera Epidemic I think it is only fair to the Medical Department to say that the sense of dissatisfaction, which is I am afraid always expressed more readily than its opposite, was not shared by the representatives of the League of Nations Health Bureau whom I had the privilege of meeting when they were in the Colony.

I do not see how the Medical Department can be blamed for ignorance of the existence in the Colony of a quantity of serum that no one but the importer knew anything about until August 16th.

Two cases of Cholera were actually detected among passengers arriving by train. If they had not been discovered they might easily have infected a number of others.

While on this subject I should like to refer briefly to one or two points raised by the Honourable Dr. Li Shu-fan.

I am informed by the Director of Medical Services that the treatment of Cholera patients is according to modern methods. The high death rate he attributes to the poor physical condition and under-nourishment of most of the sufferers, and perhaps also to the fact that Cholera is not endemic in Hong Kong and the people are therefore more susceptible to the disease than they would be if they had had the chance of acquiring partial immunity.

As matters stand there is little to be gained by storing up vast quantities of vaccine, which will only last two years, so long as supplies can be obtained without difficulty from elsewhere.

The question of street lighting to meet local conditions has been under discussion for some time between the Public Works Department and the local supply Companies. Certain information has only just been received from England and the conclusions are now being considered. Extra money is being spent next year on the maintenance of Kowloon roads.

I find it a little difficult to comment on the case of certain revenue officers partly because it is still in a sense *sub judice*, partly because I prefer to believe that I have misunderstood the meaning of the words used by the speaker in this instance.

Following the recent Court proceedings (which, I believe, established that the transaction was not one of bribery) executive action is being taken against all the officers concerned.

It is quite usual in such cases to await the result of Court proceedings before taking other action.

There has been a protest against the decision to establish a cemetery at Chai Wan. I am assured by the Chairman of the Urban

Council that he considered every other possible site and that a proposal to put this cemetery on the mainland was strongly opposed. I hope that the Botanical Department will be able to mitigate the effect by planting trees and that our local George Washingtons will keep their hands off them.

I am, I admit, not so pessimistic about the position of the New Territory farmer as is the Honourable Dr. Li nor so optimistic as he appears to be regarding the productivity of New Territory soil. But these and kindred matters might now I think await the arrival of the new Superintendent of the Botanical and Forestry Department.

The increase in the cost of the Wireless Sub-department has nothing to do with the transfer to the Post Office. It is, apart from additions at Kai Tak due to three causes:—The reintroduction of a post of Wireless Engineer to carry on that side of the work of Mr. L. H. King; the promotion of two officers to the post of Assistant Wireless Engineer; and some increase due to normal expansion.

With regard to Personal Emoluments, Medical Department, on a rough calculation I make the addition in respect of extra staff for the Queen Mary Hospital about \$20,000, plus about another \$7,000 in respect of posts added in 1937 for which full provision was not made during that year. The balance say \$40,000 is accounted for by acting pay, increments and promotions.

The difficulty felt by one Honourable Member regarding the Senior Clerical Officers in the Sanitary Department is due to certain complications of the present system whereby the salaries of transferable officers must be provided in the Estimates of the Department to which they belong when those Estimates are prepared. This means that most Departments have to provide for a certain number of "hangers on"—officers on leave and so on. The Government is considering the advisability of providing in 1939 for such unattached officers under a separate Sub-head,—perhaps of the Colonial Secretary's Office—in order to avoid obscurities of this sort.

The future of St. John's Place and Battery Path depends upon the decision to be reached regarding the City Development Scheme which has been held in abeyance pending the arrival of Sir Geoffrey Northcote. The views of Sir Andrew Caldecott are on record and have been communicated to members of the Executive Council.

In conclusion may I add one observation though it is not, strictly speaking, within my province to-day. The Honourable Mr. Lo spoke of the air of unreality which these proceedings must wear if no reference is made to outside events. Samuel Butler somewhere describes a race of beings who knew the future better than the past. These creatures, you may remember, did not survive very long, since most of them died of unhappiness before they grew up. We are, perhaps

fortunately, made a little differently; and I feel that there is something to be said for the man who goes about his business as though he did not notice the roof cracking over his head. With so much hysteria in the world it is as well sometimes to err on the side of stolidity. (Applause).

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— Gentlemen,—I am very grateful for the sympathetic reception which the Unofficial Members of this Council have accorded to the Government's Budget proposals for 1938, and I am glad that the very helpful criticisms made a week ago will not in any particular respect be pressed to a division.

My honourable colleague the Colonial Secretary, whom I venture to congratulate on his very able presentation of his second successive Budget, has to-day covered so much of the ground that there only remain a few points on which I would desire to address the Council in closing the debate.

I should in the first place like to assure the Council that the proposed revision of the method of presenting the annual Budget, to which the Hon. Mr. M. K. Lo has made a passing reference, has not been forgotten. The details have been worked out and the only reasons why a year's postponement was decided upon have been first the transfer of Sir Andrew Caldecott, who was the sponsor of the proposals, and the desirability of being sure that his successor would agree with those proposals; and secondly the reorganization of the machinery of Government which is embodied in the person of the Hon. Financial Secretary. Mr. Caine only arrived in July and, apart from all else, it would hardly have been possible to arrange a completely new system with the Budget already in active preparation. I should like to take this opportunity of recording the Colony's obligation not only to Mr. Caine for his highly skilled assistance but also to the Colonial Office for sparing us one of its ablest financial experts.

The Hon. Mr. M. K. Lo has also mentioned the question of Mui-tsai legislation. The Petition to which he refers, supporting in the main the recommendations of the Minority Report of the 1936 Commission, was sent to the Secretary of State for the Colonies the moment it was received by the Government a few weeks ago. Honourable members are also aware of the provision made in the Bill now before the Council for strengthening the Chinese Secretariat. Beyond this it would, I fear, be premature to make any public announcement on the subject of the Commission, except to say that both the Majority and the Minority Reports have some months ago received the most careful and detailed consideration not only of my Executive Council but also of the District Watch committee, the body which is rightly held to be representative of the most enlightened Chinese opinion in the Colony. The fruits of those investigations have been transmitted to the Secretary of State but it would not be proper for me to say more to-day on a matter which may well be the subject of debate at Westminster in the near future.

As regards the Hon. Mr. M. K. Lo's proposal that new legislation should be introduced to restrict rents I think it will be agreed that any such artificial interference with normal economic processes is a thing to be avoided as far as may be possible. Most of us remember the 1922 precedent when there was, for various reasons, a serious shortage of housing accommodation for which might be considered the normal population of the Colony. Six months ago it would have been generally agreed that the Colony was if anything overbuilt so far as it is possible to say that any population figure can properly be described as "normal". To-day we have many thousand more mouths to fill and many thousand more bodies to accommodate, and it is hardly to be thought that either food prices or rents will remain where they were. From the point of view of the permanent resident it is to be hoped that the existing state of affairs is a merely temporary one, although I think that no one will wish for a return of the days of empty tenements which we all deplored as the fruit of the trade depression of the last few years. If this is true it would almost seem more equitable to fix, as a standard for fair rent, some "pre-depression" date rather than 31st July, 1937; but speculations of this kind immediately show the inherent difficulties of such legislation. I cannot personally think that circumstances as yet call for any such drastic action as rent control, and I certainly hope that the twelve-month period which Mr. Lo envisages for such control is far too long for the existing emergency to last.

The Senior Unofficial Member spoke of the ill effect of the amenities offered in our new Prison upon our criminal or potentially criminal classes. I hesitate to say more on this subject than that the very disquieting increase in the number of prisoners housed at Stanley has lately been under very active scrutiny. My hesitation is based on the fact that it may well be that some of the aspects of that enquiry, such for example as prison dietary, police methods, and the penal system of South China (to mention only a few) may prove to be of a kind that should not be published abroad in the form of a Sessional Paper. I trust that the Council will be content with the assurance that the matter is being thoroughly investigated and that they will be kept fully informed of any practical recommendations which may ensue from that investigation.

The Hon. Sir Henry Pollock has also raised once again the question of sterling salaries and of the rentals paid by Government servants. As regards salaries, the figures which have been given at an earlier stage of this meeting may at first sight seem to fortify the argument which Sir Henry adduced a week ago, but that argument is not difficult to answer. In the first place the so-called "Gollan scale" included, in addition to the actual salaries, a very considerable high cost of living allowance on the assumption of a dollar exchange of about 2/-. That allowance was, as will be recollected, never in fact drawn by officers in view of the serious fall in the dollar rate before the scales recommended could be implemented. To be strictly logical the gulf between the 2/- figure and the 1/3 figure which you have just heard should

have been reduced by including the amount of that allowance in the former if a comparison was desired between "Gollan scale" and present day salaries. Secondly it is not quite fair to think entirely in terms of local currency in this matter. Certain local expenses may have remained almost unaffected, but imported goods and, still more, the definite home commitments of most sterling-paid officers must always be thought of in terms of sterling. And thirdly the gradual adoption of the so-called "African scales", both for new appointments and in cases of promotion, examples of which are for the first time to be found in many pages of the Budget now under discussion, is a sufficient indication of the Government's determination, now that the sterling value of the dollar can be foretold with greater accuracy than in past years, that its sterling salaries shall accord with what is considered to be a fair and proper emolument in the Colonial Empire as a whole.

As regards rents paid by Government servants for their quarters I feel sure that our new Governor will readily agree to the appointment of a small committee to investigate this matter, as Sir Henry has proposed, if a substantive motion to that effect is in due course put before this Council. But it is justifiable to point out that the new salary scales to which I have just referred call for the payment of a so-called "economic rent" to be assessed for each set of quarters with a maximum contribution of 15% of salary. It should also be remarked that the provision of quarters, whether free or at a conventional rental, is and will continue to be here as elsewhere an integral part of the salary scales offered. I should doubt if there is any important Colony which offers an "all-in" salary and expects its public servants to fend for themselves in the way of quarters.

It would, gentlemen, as has been remarked, savour of unreality if to-day's debate were to take no notice of anything except the Revenue and Expenditure for 1938. From the very outset of the deplorable troubles of the past few months there was one thing that seemed obvious to me, namely that the problems which at such a time as this beset this Colony in its unique position at the gateway of South China could not possibly be treated as purely Colonial problems. Responsibilities have had to be undertaken and advice has had to be tendered, but if I have seemed to take the Colony and in particular this Council too little into my confidence I must only plead this vital necessity, as it seemed to me, of subserving the declared will of the people of Great Britain as transmitted by the Secretary of State for the Colonies even in such apparently local matters as the interference with fishing boats and the like.

I have said that few of our recent problems could be treated as purely Colonial affairs; but with the sound of gun fire almost within earshot, so to speak, it is perhaps too much to expect the Colony to remain dispassionate. I am reminded of a sentence in one of Mazzini's essays on historical method: "The historian" says he "must always be impartial; but he should never be indifferent". The rights and

wrongs of the present unhappy conflict can be safely left, I would suggest, to the appropriate international tribunals or even to the judgment of posterity; but, as with the ideal historian, it would be wrong for us here to be indifferent to the sufferings of our near neighbours. As a token of this attitude the Colony will I think be glad to hear that our new Governor has accepted the Vice-Presidency of the Committee which will administer relief from the funds contributed in London for this purpose. I might add that I have recently accepted the acting Vice-Presidency until Sir Geoffry's arrival.

Secondly the present conflict is very much a Colonial affair in so far as the peace and good order of the Colony are concerned.

I heartily echo the tributes already paid to the fine work of the Hon. Inspector General of Police and his staff, but it is no reflection on those services if I say that no police force in the world could of itself ensure the existing happy internal state of the Colony. I think that many of us who saw the wonderful manifestations of loyalty at the Silver Jubilee and the Coronation celebrations half wondered if that loyalty would stand the test in a real crisis. We now have the answer; and I take this opportunity of thanking the Chinese representatives on the two Councils for all that they have done. I thank also the heads and the staffs of all Government departments, I thank the Urban Council, the District Watch Committee and the two Chambers of Commerce. But above all I thank the solid and generally inarticulate mass of Chinese working men and women for their sound good sense and for their steadiness during this most distressful summer. I venture to think that if certain spectators in Europe and in the Far East could see this Colony with our Japanese friends going about their business quietly and unmolested they might agree that, in this respect at least, Hong Kong "shines like a good deed in a naughty world". (Applause).

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

THE COLONIAL SECRETARY.—There are a few unimportant amendments which I should like to move. Particulars are contained in a memorandum which has been circulated to members of the Council. They are as follows:—

Under Head 11, Royal Observatory—The anemograph on the Peak was wrecked during the typhoon of September 2. This type of instrument is always liable to be damaged in high winds, and it is proposed to replace it by the same type of instrument as at the Royal Observatory. I will move that Sub-head 13 on page 37 instead of "Renovation of Anemograph, (£100) \$1,627" should read "Renewal and Renovation of Anemographs (£250) \$4,068."

The next item is under Police Force. There is a small error in the scale of salary for the Cantonese Sub-Inspectors. The correct scale is \$900 to \$2,750 by various increments and the total figure should be reduced from \$28,369 to \$28,145.

Under Head 21, Prisons Department, Sub-head 21, Transport, there is an increase from \$10,000 to \$12,700 which is due to an arrangement made with the China Motor Bus Company for the transport of Warders' children to school, and also because certain employees at the Gaol cannot get accommodation there and have to be brought in and out every day.

There are further proposals regarding Victoria Gaol—an increased provision for Guards on Page 56, the increase being from \$25,504 to \$30,784, the number of Guards having been increased from 78 to 98. This is not a real increase but a request for permission to recruit a certain number of men ahead of time. It was the intention of the authorities to remove all prisoners from Victoria Gaol to Hong Kong Prison, Stanley, early this year, but owing to a large increase in the number of prisoners it was not possible to do so and the two prisons had to be kept open. The leave of a large number of Warders had to be postponed, which put a great strain on the staff, and, so that this Department may not permanently be behind in its leave, it is proposed to get 20 more ahead of time and absorb them gradually as vacancies occur. It is not really adding any staff, but simply recruitment ahead of the normal period.

Under Head 25, Education, on page 76, there is a minor clerical error. The residential allowance of a new master engaged under the so-called "African Scale" should have been included. £50 per annum is drawn in Hong Kong and not while he is on leave.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.—These will be moved in Committee. These are only slight alterations, and unless any Member wishes to oppose such a course I propose to rule them as being immaterial.

Clause 2.

THE COLONIAL SECRETARY.—I move the following amendments to this clause:—

- (a) That the words "Twenty-six million three hundred and twenty-seven thousand three hundred and forty-three Dollars" in the first, second and third lines be amended to read "Twenty-six million three hundred and thirty-eight thousand three hundred and forty Dollars."
- (b) That the Appropriations be amended as follows:—

Royal Observatory, from \$91,562 to \$94,003.

Police Force, from \$3,307,619 to \$3,307,395.

Prisons Department, from \$975,642 to \$983,622.

Education Department, from \$2,275,936 to \$2,276,736.

Total, from \$26,327,343 to \$26,338,340.

This was agreed to.

Preamble.

THE COLONIAL SECRETARY.—I move that the words "Twenty-six million three hundred and twenty-seven thousand three hundred and forty-three Dollars" in the last two lines be amended to "Twenty-six million three hundred and thirty-eight thousand three hundred and forty Dollars."

This was agreed to.

Enacting Clause and Title.

THE COLONIAL SECRETARY.—I move that the words "Twenty-six million three hundred and twenty-seven thousand three hundred and forty-three Dollars" in the first three lines of the Title be amended to "Twenty-six million three hundred and thirty-eight thousand three hundred and forty Dollars."

This was agreed to.

Upon Council resuming,

THE COLONIAL SECRETARY reported that the Bill had passed through Committee with immaterial amendments, and moved the third reading.

THE FINANCIAL SECRETARY seconded, and the Bill was read a third time and passed.

APPRECIATION.

HON. SIR HENRY POLLOCK.—Sir,—As this will be the last time that you will be presiding over this Council for the time being, I desire, on behalf of all the Unofficial Members, to congratulate you upon the able manner in which you have conducted the duties of Officer Administering the Government.

When you took over from Sir Andrew Caldecott in April last, nobody could possibly have foreseen the many difficult problems which you have had to face during the past two months, in consequence of the unfortunate state of hostilities which has arisen in the Far East and which, inevitably, has seriously affected Hong Kong.

In dealing with those problems, and in handling numerous novel and unexpected situations, you have at all times displayed calmness, combined with energy, and for the steadfast and conscientious way in which you have fulfilled your duties as Officer Administering the Government during these critical times the Colony is deeply indebted to you. (Applause).

HON. MR. T. N. CHAU.—Sir,—As the Senior Chinese Member, I heartily endorse the remarks of the Hon. Senior Unofficial Member. The Colony is indeed under a deep debt of gratitude to Your Excellency for the able and statesmanlike manner in which you have handled every difficult and intricate problem that has arisen in recent months.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.—I am most grateful to you.

ADJOURNMENT.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.—Council stands adjourned *sine die*.

FINANCE COMMITTEE.

Following the Council, a meeting of the Finance Committee was held, the Colonial Secretary presiding.

Votes totalling \$96,155 under Estimates 1937, contained in Message No. 8 from H.E. The Officer Administering the Government were considered.

67.—21, Prisons Department:—20, Subsistence of prisoners, \$62,000.

HON. MR. PATERSON.—I have gone over these figures and they really are rather remarkable. Ignoring foreign prisoners, of which there cannot be a great number, it seems to be a big provision for an extra \$62,000 on top of the \$270,000. That is \$138 per prisoner per year, or \$11.50 per prisoner per month. It strikes me as most unreasonably high. The subject of Gaol food rather smells in this Colony, and we are inclined to look at it with awe, but I made inquiries outside among a very large Chinese firm which feeds its own fokis. They have a much more elaborate scale of food—fish and vegetables—but in the ordinary way that costs them a little more than \$6 per head per month. At the present moment it is costing them a little more than \$8 per head per month, not so much because of the rise in the cost of rice, but fish—which is difficult to get—and vegetables. If you test the Gaol on this scale it would seem to bring the price down to \$50 per year, a little more than \$4 per month, and the entire cost for Chinese prisoners during the year would be about \$120,000; yet here we are asked to add to \$270,000 an amount of \$62,000.

I know from what His Excellency has just told us that there is to be an inquiry, but I think there is rather a remarkable difference as compared with other scales, and it should be gone into very carefully.

THE CHAIRMAN.—That is being done, I am sure. I do not think I can add anything at the moment to what His Excellency has said.

HON. SIR HENRY POLLOCK.—Is this particular question being gone into?

THE CHAIRMAN.—Yes.

HON. SIR HENRY POLLOCK.—I quite agree with Mr. Paterson. It seems to be a very large sum to spend on the prison, and I hope this matter will be very carefully investigated. I am not sure whether we should pass this item at all.

HON. MR. PATERSON.—I feel we should not. Not because I doubt that Government will go carefully into it or that I want to rub it in, but I do not think we should pass it at this stage.

HON. MR. LO.—I do not think it would affect Government administration if it were brought up again in three months. By that time the report should be coming out.

THE FINANCIAL SECRETARY.—The costs have to be met. They are under a contract.

HON. MR. LO.—That will be at the end of December.

HON. SIR HENRY POLLOCK.—I agree. I do not see why we should rush it through. We have got two months before the end of the year, and Government will then be in a position to give us more information.

HON. MR. PATERSON.—They might find out where the money has gone!

HON. MR. D'ALMADA.—A pious hope!

HON. MR. LO.—I put my position this way. I do not see the object of opposing this sum since it is based on a past scale, but the only question is whether we should pass it before the report.

THE CHAIRMAN.—This is on a scale which you will find in the Blue Book. It was fixed some years ago when there was some trouble in the gaol. The cost of it is presumably based on a contract which runs over a certain period and is estimated per man per day.

HON. SIR HENRY POLLOCK.—The question is whether the contract was reasonable.

THE FINANCIAL SECRETARY.—The contract is there and we will have to pay on it.

HON. SIR HENRY POLLOCK.—Who enters into the contract?

HON. MR. LO.—I think it is based on the report of the Committee formed at the time to consider the question.

HON. SIR HENRY POLLOCK.—Is it done by tender?

THE CHAIRMAN.—I think we might agree to hold this over to the next meeting.

THE FINANCIAL SECRETARY.—I think it must be voted this year unless changes can be introduced soon enough. The Finance Committee wants some assurance that changes are being made before they pass it?

HON. MR. PATERSON.—Yes.

HON. SIR HENRY POLLOCK.—I take it that if it is passed by the beginning of December that will be quite sufficient.

THE FINANCIAL SECRETARY.—Yes.

THE CHAIRMAN.—We may have to spend the money in advance. ... You want to make sure that the matter is investigated as soon as possible.

HON. SIR HENRY POLLOCK.—We want to see whether we are getting good value for our money.

HON. MR. PATERSON.—We are not getting value for our money.

HON. DR. LI.—I suggest that the Nutrition Committee make an investigation of the matter.

THE CHAIRMAN.—I think that is what is holding up the matter, because the Committee is going into it so deeply. I am not able to say more.

HON. SIR HENRY POLLOCK.—I hope that they will be able to find something quite as nourishing but cheaper.

HON. MR. DAVIDSON.—The question is whether we are getting as much as we are paying for.

HON. MR. PATERSON.—I think it is obvious that we are paying far too much. That is what the ordinary man in this town says when he has finished laughing.

HON. DR. LI.—The reason I have spoken is that the Chinese diet is so unbalanced that in order to get a balanced diet it is important to see to the quality as well as the quantity. I mention that so that members might not think we are overspending. A report by the Nutrition Committee is necessary. An investigation was made into the diet of my own hospital and it was found there was an unbalanced diet.

HON. SIR HENRY POLLOCK.—Does he suggest that people in prisons should be better fed than people outside?

HON. MR. PATERSON.—No, Sir Henry, but they must have a balanced diet. What does Dr. Li say that it costs to feed a patient in a third class ward of his hospital?

HON. DR. LI.—I cannot give you the figures now. Sir Henry knows that a Nutrition Commission went into the question in England and found that there was a great deal of unbalanced feeding.

THE CHAIRMAN.—Can it stand over to the next meeting of the Finance Committee?

This course was agreed to.

Item 68.—Public Works Extraordinary: Kowloon Buildings, Kowloon Hospital—Temporary Isolation Block, \$9,500.

THE CHAIRMAN.—I should explain that the Committee has already agreed to this item, but in a slightly different form. The original estimate was \$2,000 less, but when that was approved it was pointed out that it did not include provision for a kitchen and a place to keep the linen. The additional \$2,000 is to cover the cost of these two rooms.

HON. SIR HENRY POLLOCK.—What is meant by a temporary block?

THE DIRECTOR OF PUBLIC WORKS.—It is temporary in so far as it is not a permanent building. Whether it will last for ten or fifteen years depends on the strength of it.

HON. SIR HENRY POLLOCK.—Suppose instead of a temporary block you erected a non-temporary block?

THE DIRECTOR OF PUBLIC WORKS.—It would not be economical to put up a permanent block at the present moment. At the present time there are no great requirements for this. There are only six rooms in it. At some future date we may need something bigger.

THE FINANCIAL SECRETARY.—There are plans for some big extensions to the Kowloon Hospital.

HON. SIR HENRY POLLOCK.—How many people can be housed in them?

THE CHAIRMAN.—One in each room.

HON. MR. LO.—The question was considered some time ago. It was felt that for \$10,000 we could put up a temporary building but if we attempted a permanent building we should immediately come up against the question of finance.

HON. MR. PATERSON.—I remember being convinced that the building was necessary. I am still of that opinion.

The vote was approved.

73.—22, Medical Department:—Other Charges. E. Mortuaries. Victoria and Kowloon —44, Fuel and Light, \$70.

HON. SIR HENRY POLLOCK.—With regard to Kowloon Mortuary, a certain complaint was made by the Kowloon Residents Association. I referred to it in my Budget speech. Has it been considered?

THE CHAIRMAN.—That was certainly considered. It was one of the many things we had to leave over. But I think it a question which might be brought up again.

HON. SIR HENRY POLLOCK.—Is Government looking into it.

THE CHAIRMAN.—Yes. It does not involve any large expense.

HON. SIR HENRY POLLOCK.—I would like Government to look into it.

THE CHAIRMAN.—I will make a note of it.

76.—22, Medical Department:—18, Notification Fees, infectious diseases, \$100.

HON. MR. LO.—In what way is this expense incurred? Do you pay a man for notifying diseases?

HON. DR. LI.—The doctors get it. It is \$1 per case.

Votes totalling \$34,155 were approved.
