

13TH JUNE, 1907.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT, Hon. Mr. F. H. MAY, C.M.G.

MAJOR-GENERAL R. G. BROADWOOD, C.B., A.C.D.

Hon. Mr. A.M. THOMSON (Colonial Secretary).

Hon. Mr. H. H. J. GOMPERTZ (Attorney-general).

Hon. Mr. C. McI. MESSER (Colonial Treasurer).

Hon. Mr. W. CHATHAM (Director of Public Works).

Hon. Mr. A. W. BREWIN (Registrar-general).

Hon. Mr. F. J. BADELEY (Captain-superintendent of Police).

Hon. Dr. HO KAI, M.B., C.M., C.M.G.

Hon. Mr. H. E. POLLOCK, K.C.

Hon. Mr. E. A. HEWETT.

Hon. Mr. E. OSBORNE.

Hon. Mr. H. KESWICK.

Mr. A. G. M. FLETCHER (Clerk of Councils).

MINUTES.

The minutes of the previous meeting were read, and confirmed.

PAPERS.

The COLONIAL SECRETARY, by command of His Excellency the Acting Governor, laid on the table the Report of the Registrar-general for the year 1906.

QUESTIONS.

The HON. DR. HO KAI—I beg to put the questions standing in my name.

The questions were as under:—

(1) What steps does the Government propose to take, and when, in regard to carrying out the recommendations of the Public Health and Building Ordinance Commission?

(2) If the Government does not propose to carry out the recommendations of the Commission *in toto*, which of such recommendations does the Government propose not to carry out?

(3) Will the Government make a statement of what they propose to do with regard to the recommendations of the Commission?

The COLONIAL SECRETARY replied as follows:

(1) A precis is laid on the table showing how Government has dealt with certain of the recommendations, how it proposes to deal with others, and how many are still under consideration.

(2) An Ordinance amending the Public Health and Buildings Ordinance will be necessary and steps are being taken to prepare one. It is impossible at present to fix a definite date for its introduction.

(3) Recommendations that do not require an amendment of the Law and which are approved will be carried out as soon as possible having regard to the circumstances in each case.

THE PUBLIC HEALTH AND BUILDINGS ORDINANCE AMENDMENT.

The ATTORNEY -GENERAL moved the first reading of a Bill entitled "An Ordinance to amend the Public Health and Buildings Ordinance, 1903."

The COLONIAL SECRETARY seconded. In doing so he said—In connection with this the question of compensation may arise and I beg to lay on the table a copy of the petition presented to the Governor by landlords with regard to compensation under the Bill of 1902 which subsequently became law in 1903. From this it will be seen that the landowners were perfectly well satisfied with all the concessions except one which was subsequently granted.

HIS EXCELLENCY—Gentlemen Before I put the question to the Council concerning the passing of the first reading of this Bill I would beg leave to make a few remarks. I shall not be altogether in order in so doing but perhaps the Council will grant me the indulgence in the present circumstances. This is the first instalment of the legislation which will become necessary owing to the recommendations made by the Commissioners who have inquired into the administration of the Sanitary Department. I trust that this Bill and the *precis* of those recommendations containing the proposals of the Government thereon will be accepted as an earnest of the fact that the Government propose to deal thoroughly and honestly with the report of the Commissioners. It would appear, gentlemen, that recently what I may call the domestic-political atmosphere has been somewhat surcharged with electricity. It would seem as if the impression was abroad that the Government did not propose to deal in a sympathetic manner with the recommendations of the Commissioners. Now, gentlemen, I would beg to remind you that the report of the Commissioners criticises in a scathing manner a department for the administration of which the Government is more or less responsible. It fell to the lot of certain officers to reply to those criticisms and in their turn to criticise. It happened that the officers upon whom the duty fell represented the Rose, the Shamrock and the Thistle. Now, I need hardly remind you that if you roughly handle the rose or the thistle they are bound to prick you As for that innocent little plant, the shamrock, is it not the emblem of a race which is not accustomed to sit down silently under a grievance? The Government consider that in this matter they

have somewhat of a grievance, for the report of the Commissioners charges them in fact with adopting an unsympathetic attitude on what I may call their plague policy towards the Chinese population. Well, gentlemen, having received a broadside from the Commissioners and having returned that broadside we are now only too anxious to consider in the most sympathetic manner the recommendations and suggestions which the Commissioners have made. (Applause). I indicated as much in the few remarks I made at the opening of this session, but somehow or other these remarks seem to have been forgotten, or in the heat of controversy they have been discounted. Amongst the several recommendations and suggestions by the Commissioners there is one to which I would like to refer at some little length. That is the question of cubicles. Now, gentlemen, that is a most important subject, for it touches the living accommodation of the poorer classes of the Chinese community. I have during the last few months, since my return from leave, devoted a great deal of time and a great deal of thought to this question. I have studied it not in my office in an arm-chair but by going out into the town and revisiting blocks of houses with which I have been well acquainted during the last fourteen years owing to the opportunities offered to me while I was in the police, while I worked in two plague epidemics, and while I was a member of the Sanitary Board. The result of my inspection, I would like to say here, is that I find that the town as a whole is in a far more sanitary condition just now than ever I have known it before. I think that a great deal of credit for this fact is due to the Sanitary Board, to the officers who had the direct control of the sanitary staff, and to the sanitary staff itself, and last but not least to the Chinese community who have learned to appreciate the value of keeping thoroughly clean their own domestic dwellings. But my inspection proved to me one thing, and that is that the existing law relating to cubicles has failed. (Hear, bear, and applause.) We hoped, gentlemen, those who sat around this table for many weeks considering that Ordinance, No 1 of 1903 and No. 23 of 1903, that by prohibiting cubicles in new houses we should force landowners to put up a more sanitary type of dwelling. I may tell you that our hopes are woefully disappointed. The sort of thing that happens is this. Houses have to be rebuilt: architects send in plans to us showing the old deep funneled shaped type of house lighted fore and aft but not at the side with which we are familiar. I received one of these plans not long ago myself and we wrote to the architect on behalf of the owner. We said we beg to remind you that when these houses are built cubicles will not be allowed on the floors. The architect wrote back in polite terms "you mind your own business The cubicles are regulated by the law and we know the law as well as you." What will be the fate of those houses? The owner will let them to another man who will sub-let them by the floor. The lessees of the floors, if the floors are

inhabited as tenement dwellings, will sublet them to a number of different families. As soon as the families come in they will put up cubicles. In comes the sanitary inspector, down go the cubicles. Out goes the sanitary inspector up go the cubicles again. And so this kind of Sisyphean jugglery goes on. You never really get rid of these cubicles. After a time along comes an epidemic and some Europeans are attacked by the disease. There is an immediate outcry "what is the negligent Government doing? Why don't they clear out these hotbeds of disease?" The hotbeds are then cleared out. An interval of some years elapses during which plague is checked but trade gets very bad and things are depressed. Then the same people come forward and say "these Government officials are well named blighters, for they blight the whole land by their unreasonable regulations. Whoever heard of asking the Chinese families to live without cubicles?" So the sordid story goes on to the end of the chapter. Now, gentlemen, I am perfectly convinced that you will have this cubicle question with you as long as you live, unless you take steps to force the owners of property to put up sanitary houses in which cubicle like rooms can be built in which Chinese families can decently live. I believe such can be done without loss. We have made proposals under which a larger number of people will be allowed to inhabit decently sanitary houses than were allowed under the old type. I am in great hopes that the community as a whole will take this subject into their most serious consideration and try to arrive this time at some method of dealing with this question which will really settle it once for all. It is a very serious matter and affects the prosperity of the Colony. Plague means loss of money, but there are other epidemics of disease besides plague to be thought of, and as long as an insanitary type of house is allowed to be built *ad infinitum*, one insanitary type of house to replace another that has gone before it, there will never be any permanent improvement. Gentlemen, I have made these few remarks because I consider that of all the points that have been brought forward in the report of the Commission there is no point which has a greater bearing on the prosperity of the Colony than this question of the housing of the Chinese population.

The HON. Mr. HEWETT—Your Excellency, with your permission I would like to make a few remarks in reply to what you have just said, and also in regard to the p a p e r l a i d o n t h e

table this afternoon. If I am not in order you will no doubt inform me of the fact and I will then give notice of what I propose to say later on.

There being no reply,

The HON. MR. HEWETT continued—Your Excellency has spoken generally on the wording of the Report. I can only say as a member of this Council and of the late Commission I am only too glad to receive the assurances that the recommendations which presumably were made in the interests of the community at large will receive the fullest possible sympathy of the Government. There are a few points to which I would like to refer. The first is the paper No. 24, a copy of which has been laid on the table and which includes a copy of the letter dated 3rd December, 1902, addressed to His Excellency Sir Henry Blake by Mr. Shelton Hooper. That letter, as your Excellency will remember, was specially referred to in your memorandum on the Report of the Commission. Considerable attention was directed in that memorandum to the statements then made by Mr. Shelton Hooper. Having been a member of the Commission, of which he was also a member, I very naturally asked him how it came about that he had signed, along with other members of the Commission, these commendations which were contained in the body of the Report in view of that letter. Mr. Hooper explained to me that the letter was written under a misapprehension, consequently what I am about to say takes the form of a personal explanation on behalf of him as one of my colleagues on the late Commission. I trust I shall be allowed therefore on behalf of Mr. Hooper to make an explanation showing that he has been perfectly consistent throughout in what he has written. As Your Excellency will remember when the draft Bill No. 1 of 1903 was put before the public the principal landowners in Hongkong, including about twelve firms, asked a certain number of architects to make a report, paragraph by paragraph, on this Bill. This was done. These landowners subsequently forwarded a petition to the Governor dated 28th September, 1902, enclosing a copy of the report of these architects. In the draft Bill, paragraph 170, which is now paragraph 175, one of the most contentious in the existing Ordinance, contained reference to open spaces (reads). The criticism by the committee was that if these words "by the owner" were interpolated then compensation must be insisted upon. Section 175, now section 180 of the existing Ordinance, also spoke of compensation with regard to back lanes and so forth. As originally drafted no provision was made for compensation but on the representations of certain property owners words were incorporated in subsection 3 section 175 (now 180) providing that the amount of compensation to be paid to the owner should be determined by arbitration. At the time Mr. Hooper wrote the letter, December 3rd, 1902, it was only about

six weeks after the petition had been forwarded to the Governor—that was before the final draft had been passed by the Council—in any case about a month before that bill became law. Mr. Hooper in writing to Sir Henry Blake referred to the same question of compensation and it was perfectly true that he made use of the words quoted by your Excellency in your memorandum. (Reads) Mr. Hooper tells me that when he wrote that letter through a misconception which he regrets, he was not thoroughly conversant with the new Bill before it was finally passed. When he wrote that letter he was under the impression that the Government had honestly and loyally adopted the recommendations put forward in the report which had been drawn up at the instance of the landowners. That is Mr. Hooper's explanation. I think it is only right that your Excellency should have given me, as you have done, the opportunity of making a personal explanation in this chamber in view of the great publicity and considerable weight attached to the letter of Mr. Shelton Hooper, which he tells me was written under a misapprehension. He would not have written what he did had he realised that the compensation which owners had so strongly insisted on upon and was only their just due had been eliminated or rather had not been adopted. This is the explanation and I beg to thank Your Excellency for allowing me to make it. I do not think that it was quite right that the Government should take advantage and make capital out of a letter written in a moment of misconception by a gentleman who had some five years later been a member of the Commission. With regard to Your Excellency's remarks generally I can only say that no doubt there will be full opportunity given to honourable members before long to discuss the report and the papers bearing upon it. That being so it is quite unnecessary to reply this afternoon in detail to what Your Excellency has said. There is one point however to which I must refer. We gratefully accept the assurance by Your Excellency that the Government are prepared to receive the report in a sympathetic manner. I trust that that will be proved by facts, but I can only say that judging by the official papers which have been laid before this Council I fail to see any real sympathy on the part of the Government towards this report. The gentlemen who collaborated with me in this report and myself spent a great deal of time—far longer than we had any idea of when we were called upon to act, amounting to nearly a year—in seriously considering one of the most important questions that has arisen in this Colony for a great number of years and which practically affects not only the Government but every single resident. Clearly therefore when such an important question was brought up there should

be no question of parochial, or party politics, or whatever you like to call it. It should be the sincere wish of all those engaged in considering the Report to treat it in the most sympathetic manner and try to arrive at a conclusion which will bring about the end to which I am sure all the official and non-official members are working, that is the very best interests of the Colony in which we are situated. That being so I must say with all due respect that I regret Your Excellency should have made use of the word abuse.

HIS EXCELLENCY—I did not use the word abuse.

The HON. MR. HEWETT—I beg your pardon, Your Excellency. I withdraw my remark. In any case you spoke of the Report having given the Government a broadside. That was not intended. There was no question of an exchange of broadsides between the non-official members and the Government in this matter. In the Report the members of the Commission honestly, sincerely and fearlessly stated exactly, after nearly a year's careful consideration, what they found to be the existing state of affairs. That it was a most ungracious and difficult task we realised from the first. When His Excellency Sir Matthew Nathan first asked me to become a member of the committee and later chairman of the Commission which resulted, I knew perfectly well from my knowledge gained during nearly thirty years in the Far East, of which fifteen years had been spent in Hongkong and from my knowledge gained during three or four years' work on the Sanitary Board that we would be compelled to pass very strong criticism upon certain sections of the administration of this great department, and as a natural consequence I should have unfortunately as a member of the Commission to sign my name to comments on the official action of gentlemen who have been personal friends, some very good personal friends, for a great number of years. In accepting that my colleagues and myself felt that any comment we might have to make was justified by the fact that His Excellency felt constrained to appoint a Commission with all the powers of a Royal Commission so as to sift the whole matter to the bottom. We did our duty as well as we could. We are all human and fallible and liable to error. We realise that it would be absurd to expect the Government to adopt our Report *in toto*, but we thought and expected that that Report would be received in a more impartial manner and in a less hostile spirit than has been displayed by the words you used in criticism of this Report. The last words Sir Matthew Nathan said in reference to this Report before leaving the Colony were that he trusted it would be discussed in a spirit of impartiality, or words to that effect. That is the spirit in which the members of the Commission and, I am sure, my unofficial colleagues on the Council would wish to approach the subject. I sincerely trust that in the interests of the Colony, for which I am sure we are all working, that that will be the spirit in which we will be met by

official members of this Council when the moment arrives for its discussion. I will not detain this Council any longer, Your Excellency. The questions of cubicles, etc., are burning questions. We specially stated in the Report that the subject of cubicles was one which required further consideration. What I do ask and hope is that we will recognise in discussing this Report the necessity for meeting each other fairly and frankly, and honestly and sincerely endeavouring to discuss this question, here or elsewhere, in a spirit of perfect good friendship and unanimity working in the best interests of the Colony. I regret having felt compelled upon to make these remarks, which I would not have done as a member of the late Commission had I not felt that a certain amount of personal feeling and animus had crept into the discussion. I do not say that it is altogether on one side. I regret that we have not had public feeling expressed more than in the few articles which appeared in the local papers, but I feel convinced that the feeling in the Colony is in favour of a thorough reform of the Department. There is only one point which I would specially refer in regard to these recommendations which have just been laid before us. I gather from page 7 that it is proposed to retain the Administrative Head of the department. Your Excellency, I can say, looking at it entirely from the point of view which you understand I must hold I consider, that as stated in our Report the Sanitary Department should not be run as an entirely Government Department under the control of a Government Official, and I feel sure that further consideration and discussion will show this to be the consensus of opinion in the Colony. That the Chairman of the Sanitary Board should be a Government Official may be admitted to be feasible, and I am quite prepared to be convinced that the transfer of the Chairmanship may be advisable. Since about the year 1888 the control of the department has been with the Board and this was confirmed by the Ordinance No. 1 of 1903. It was only by this passing of No. 23 of that year that the Administration was transferred to a Government Official who had sole control of the Department. The control of this Department must revert to the Board. It must not remain as it is. The Ordinance No. 23 of 1903 must be cancelled.

HIS EXCELLENCY—There is just one word I would like to say. It is in respect to the question that the honourable member has last referred to: in regard to that and all other principal questions I am only continuing the policy which received the final endorsement of Sir Matthew Nathan before he left this Colony. It is an **irreversible**

law of official etiquette that the Acting Governor should merely continue the policy of the departed Governor until such time as his successor arrives. However, gentlemen I shall of course weigh anything that the hon. member or any other hon. member has to say on this point, or on any other point, but I wish you to bear in mind that I am not initiating any new policy of my own. That would be an act of disloyalty to the Governor who has left the Colony. I am simply carrying on the policy which I know he himself would have adopted if he had been here.

THE HON. MR. HEWETT—I trust your Excellency does not think I was personal in my remarks. I was discussing it in an impersonal manner.

HIS EXCELLENCY—I have never had any personal feeling in the matter of this Report at all. It is the privilege of a Colonial Secretary to criticise. I criticised and Sir Matthew Nathan apparently thought that those criticisms were conceived in a spirit which did not militate against proper consideration when he directed that they should be printed and laid on the table at the same time as the Report of the Commission. He evidently thought that they were, taken on the whole, useful comments on the Report. I am very pleased to have heard the remarks of the hon. member, and I have not the slightest doubt that we will amongst us be able to arrive at conclusions on this Report which will be satisfactory to everybody and of considerable use to the Colony.

The motion was agreed to.

HONGKONG AND SHANGHAI BANK.

The Hon. Mr. KESWICK moved the second reading of the Bill entitled "An Ordinance to authorise the Hongkong and Shanghai Banking Corporation from time to time to increase the Capital of the said Corporation from the sum of Ten Millions of Dollars to a sum not exceeding the sum of Twenty Millions of Dollars, and to continue incorporated for a further term of 21 years; and to continue in force for a further period of 21 years the provisions of Section 3 of the Hongkong and Shanghai Banking Corporation Ordinance, 1899, with regard to the Excess Issue of Bills and Notes payable to bearer on demand." In doing so he said:—The Bill, the second reading of which I am about to move, may be subdivided under three heads:—First the increase from time to time of the capital of the H. & S. B. C. from ten millions to a sum not exceeding twenty millions; second the incorporation of the Bank for a further period of 21 years; and third, the continuation for a period of 21 years of the provisions of section III. of the H. & S. B. C. Ordinance of 1899 with regard to its excess note issue. Besides its very large interest in this Colony, the Bank is by far the most important financial institution in China, and the scope of its work is so well known to all hon. members that they cannot but approve the desire of the shareholders to obtain the sanction of the Government for an increase of capital.

That the shareholders also wish the incorporation of the Bank for a further period of 21 years hardly calls for any comment. I think you will agree with me that it is most desirable to have this leading Bank closely identified with the Colony. As regards the note issue, which is a matter of public interest, I would remind the hon. members that under the existing deed of settlement the Bank is authorized to issue notes to the amount of its present capital of \$10,000,000 against the deposit of approved securities for one-third of the amount with the Crown Agents of the Colony in London. Though permission is asked to increase the capital to \$20,000,000, you are no doubt aware that the Bank does not propose to increase its capital beyond \$15,000,000 at present. The Bill before us continues the conditions attaching to the Bank's present note issue, but for the increase of \$5,000,000, it calls upon the Bank to deposit coin and or securities to the full value thereof with the British Government either in London or in Hongkong. In the general interests of the Colony the Bank was allowed in 1898 to issue notes, in excess of its authorized issue, against the deposit of coin or bullion with the Hongkong Government—dollar for dollar—and a continuation of this permission is provided for by the last clause of the Bill. I think hon. members will agree with me that the interests of the public as noteholders are adequately protected by the conditions of the Bill. I now move the second reading of the Bill.

The COLONIAL SECRETARY seconded, and the resolution was agreed to.

The Council resolved itself into committee to consider the Bill clause by clause.

On resuming,

The Hon. Mr. KESWICK moved the third reading of the Bill.

The COLONIAL SECRETARY seconded, and the resolution was agreed to.

NEDERLANDSCH INDISCHE HANDELSBANK.

The ATTORNEY GENERAL moved the first reading of the a Bill entitled "An Ordinance for giving to a Foreign Company called the Nederlandsch-indische Handelsbank certain facilities for carrying on its business in the Colony."

The COLONIAL SECRETARY seconded, and this was agreed to.

BILLS OF EXCHANGE ORDINANCE.

The ATTORNEY GENERAL moved the third reading of the Bill entitled "An Ordinance to amend the Bills of Exchange Ordinance 1885."

The COLONIAL SECRETARY seconded, and this was agreed to.

HIS EXCELLENCY—The Council stands adjourned till this day week.