

9TH NOVEMBER, 1911.

**PRESENT:—**

HIS EXCELLENCY THE GOVERNOR, SIR FREDERICK JOHN DEALTRY LUGARD, G.C.M.G., C.B., D.S.O.

HIS EXCELLENCY MAJOR-GENERAL C. A. ANDERSON, C.B. (GENERAL OFFICER COMMANDING TROOPS).

HON. MR. A. W. BREWIN, C.M.G. (Colonial Secretary).

HON. MR. C. G. ALABASTER (Attorney-General).

HON. MR. A. M. THOMSON (Colonial Treasurer).

HON. MR. W. CHATHAM, C.M.G. (Director of Public Works).

HON. MR. E. R. HALLIFAX (Registrar-General).

HON. CAPTAIN F. W. LYONS (Captain-Superintendent of Police).

HON. DR. HO KAI, M.B., C.M.G.

HON. MR. WEI YUK, C.M.G.

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

HON. MR. E. A. HEWETT.

HON. MR. C. H. ROSS.

HON. MR. E. OSBORNE.

MR. C. CLEMENTI (Clerk of Councils).

**Minutes**

The minutes of the previous meeting were read and approved.

**Financial Minutes**

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table Financial Minute No. 88, and moved that it be referred to the Finance Committee.

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

**The Standing Committees**

HIS EXCELLENCY—On the first meeting after the 1st October I announced the Standing Committees for the coming year, and said the Hon. Mr. Ede was appointed a member of the Public Works Committee. He has now left our Council, and we are glad to welcome back the hon. member at the end of the table on my right (Hon. Mr. Osborne), and I appoint him a member of the Public Works Committee in place of Mr. Ede.

**The Jubilee Fountains**

HON. MR. POLLOCK, pursuant to notice, asked the following question standing in his name:—Will the Director of Public Works state what steps are being taken for the repair or restoration of the Fountains which were presented and dedicated to the public in 1887 in commemoration of the Jubilee of Her late Majesty Queen Victoria?

THE DIRECTOR OF PUBLIC WORKS, in reply, said—Five fountains were erected in 1887, and there is a record of their being repaired and brought into use on the occasion of the second Jubilee in 1897. During the past 14 years they have fallen into disrepair largely owing to two causes, viz., in the first place, they had been erected as drinking fountains only, and it was found that the cups, chains and fittings were constantly stolen; and, in the second place, the conditions of water supply for the City have been so greatly improved since 1887 that they are no longer needed. The Government of the day did not give any undertaking to maintain the fountains, and no special fund was assigned for the purpose. In the circumstances it is not proposed to spend money in restoring them.

**Arms and Ammunition Amendment Ordinance**

THE ATTORNEY - GENERAL moved the third reading of the Bill entitled, "An Ordinance to amend the Arins and Ammunition Ordinance, 1900."

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

### The Estimates

THE COLONIAL SECRETARY moved the second reading of the Bill entitled, "An Ordinance to apply a sum not exceeding Five million eight hundred and ninety-nine thousand seven hundred and seventy-one Dollars to the Public Service of the year 1912."

THE COLONIAL TREASURER seconded.

HON. MR. HEWETT—Your Excellency, I have been asked by my unofficial colleagues to reply in the first place to the remarks made by your Excellency three weeks ago in introducing the budget for the following year. Your Excellency went so fully into the details of the accounts that there are few subjects upon which you have not touched; therefore, for the sake of convenience, I will take your Excellency's speech as a text and follow the questions as dealt with by you. You began by speaking with regard to the general finances of the Colony and also dealt with questions of revenue, and later on you referred to what was supposed to be a satisfactory balance to the credit of the Colony. That is a question which I would prefer to deal with later on, and also the question of public works expenditure. Now we come to the question of assisted passages, to which your Excellency made special reference. I may say that this meets with the approval of the unofficial members, who are very glad to think that the Government has taken into consideration the needs of the junior members of the service, men on small salaries, and that arrangements have now been made to enable them to return at more frequent intervals to their native country. This will help them materially and in the long run will benefit the Government service. The next point to which I wish to refer is with regard to the compensation received from the Imperial Government for loss of opium revenue. In the first year we received £9,000; this year I understand we received £12,000, and next year receive a similar sum, making in all a sum of £33,000. This cannot by any manner of means be considered by the unofficial members as satisfactory. We had a sort of half promise from the Imperial Government in carrying out

the policy forced upon us—and forced upon them by a more or less catch vote—that we should receive substantial compensation. We have had to face a very heavy loss, roughly, from \$200,000 to \$300,000 a year, which will go on increasing, and all they have given us is the miserable pittance of \$340,000 in full satisfaction of the loss forced upon the Colony. This is unreasonable, and we want to make the strongest protest against such parsimonious treatment on the part of the Home Government. Those people who rightly or wrongly considered the closing of divans was going to stop the opium habit were acting largely on sentiment and a very imperfect knowledge of the details of the case, and I think they should have the courage to recommend to the Home ratepayers at least that this Colony should receive adequate compensation for adopting a policy which was forced upon us. I can only repeat the statement made by Sir Frank Swettenham that the case so far as the Home Government is concerned is "our morals and other people's money." The increase in revenue on postage from six to seven lakhs is extremely satisfactory, and I trust that the steps taken by the Government to prevent further fraud will result in a higher collection. One point in connection with the stamp duties was brought to my notice recently, and is I think worth consideration by my hon. friend on the left (the Colonial Treasurer), that is, the considerable sum of money paid out by insurance companies on life insurance policies in this Colony. These policies are, I understand, cashed by the relatives of deceased Chinese, and no probate duty is paid. That is a matter, I think, which deserves looking into, and steps should be taken by the Government to see that they are not defrauded of any revenue in that direction. It is a small thing, still I am gratified to learn that your Excellency has decided to discontinue felling trees. I was one of those most strongly opposed to the policy inaugurated by Sir Matthew Nathan and Sir Henry May which resulted in vast tracts of land being denuded annually. The only excuse for it was that we made a trumpety revenue out of the transaction. It was pointed out by those who supported this policy that you could not plant new trees until you had cut down the

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but that did not seem a particularly sound form of argument. With regard to the public buildings, I made a note at the time of your Excellency's speech, and the remarks I made in connection with the Post Office were not fully reported in Hansard. Your Excellency spoke of the advisability of making a thoroughly good building while you were about it, or what you called building for the future. The consequence is that part of the Post Office is at present empty, and it is suggested to rent that part. The unofficial members entirely endorse the policy of building for the future, but they do not endorse the policy that the Government should compete with private owners by taking in tenants when there are vacant buildings elsewhere. Turning to the question of expenditure, there is a small increase in the cost of the local audit, and, from what we understand, it is desirable that the change be made, as it will have a good effect. The vote of \$2,000 to the Medical Congress is not a large sum, and we fully endorse the vote. We feel confident that medical meetings held here must result in the great improvement of the general health of the Far East. Coming now to the question of the University, your Excellency has asked us to agree to vote a sum of \$9,000 for a professor's chair. That meets with our entire approval, and we would suggest that at the earliest moment it is desirable that the Government should appoint a regius professorship at a cost which we estimate of £1,200, or a little more. Any time your Excellency asks us to vote this amount, I am quite sure the unofficial members will gladly support it. The Police is, of course, a matter which constantly attracts our attention, and is unfortunately at times very severely criticised. We, of course, entirely approve of the slight increase in the Force which your Excellency asked for. I do not propose to say more. I have run a big police force myself and know the difficulties in dealing with such affairs in Asiatic countries, but perhaps the hon. member opposite will not take it hardly if I ask that the police exercise proper control over chair coolies and ricksha coolies. Correspondence has passed between us on the subject during the last few days, and I trust that the steps now being taken may result in better regulation of that part of the traffic. I now come to the Lunatic Asylum, and I am glad to hear your Excellency has that matter under consideration. It was a question

which I intended to bring up at this meeting. We cannot but consider that considerable improvement might be made in that direction. As a temporary housing for lunatics the building is apparently all that could be desired. Some of the unofficial members before making criticisms on the asylum thought it would be advisable to again visit the place, and we did so, the P.C.M.O. being good enough to show us over it. As far as the Chinese are concerned, they are kept here for a short time, and their accommodation and housing is the best possible. The only suggestion we have to make in that direction is that they should be sent at more frequent intervals to Canton so as to reduce their stay in Hongkong. With regard to the European section, in our opinion it is entirely inadequate for the purpose. It is so constructed that there is practically no means for any of the unfortunate women inhabitants to have any exercise at all except in a sitting room. The men have a small yard which is shut in by high walls and they see practically nothing. The women have a view of the harbour from the verandah, but none of the inmates have any work to do and there is no means of getting work. We consider that this is a matter that should be changed, as if Europeans be put into that building it is indeed a case of "all hope abandon ye who enter here." There is no possibility of anyone with a weak mind recovering after entering a place like that. We are glad to know that your Excellency has the matter under consideration, and trust to be informed of what steps you propose to take. There are two solutions to the question. One is that the site, which is a valuable one, be disposed of and a building erected higher up the hill or on the mainland with more ample grounds where the inmates, if they pleased to do so, might engage in agricultural pursuits. The alternative would be to treat the Europeans as the Chinese are, that is to say, return them to their native land at the expense of the Hongkong Government, and have arrangements made with asylums in Europe, America and elsewhere, where they could be treated in larger establishments with others of their own nationality. Your Excellency spoke at considerable length on the question of education, and as far as

that goes we have nothing but praise to offer. All the steps taken by Government for improving the educational facilities of the Colony are extremely satisfactory, especially the improvement made by preventing overcrowding in the lower classes, these classes being increased with a view to earning increased capitation grants. The formation of a board of control to overlook all Chinese primary schools and bring them to a uniform standard cannot but be considered of very great good. We have heard a good deal lately of compulsory education. Personally, I think it is impossible to bring about such a scheme in Hongkong, and I do not think it is necessary, because all Chinese, even of the lower classes, have an idea that they must give their children the best education falling within their reach. That an Educational Board may in time be required is quite possible, and we will welcome any suggestion from your Excellency on that point, as we feel sure it will be of great assistance to the Head of the Education Department. As it is, we spend not more than about  $2\frac{1}{2}$  per cent. of our total revenue on education. Therefore, we are perfectly prepared to support your Excellency in respect of any reasonable increase in this direction which you may think it desirable to recommend. I will not refer further to the question of Education, as I understand other unofficial members propose to speak on the subject. I now come to the question of Public Works. The first point referred to by your Excellency was the typhoon refuge. I am informed, and from inquiries made, have reason to believe that my information is correct, that the work of dumping stone into the trench, although it has not altogether come to a standstill, is certainly not carried on as rapidly as it should be. The original estimate for the work was \$1,900,000 and the present estimate of cost is \$2,300,000. I think I am right in saying we were informed that the work would be completed in five years. At the end of this year three years will have passed, and less than a million will have been spent. From what I have learned outside, and I think my information can be verified, the contractor, who had every possible facility given him by the Government for obtaining soil from the shore, is not carrying on the work as rapidly as possible. As a matter of fact, I have reason to believe there is a large quantity of rock now available which he could buy to-morrow if he

wished at a very reasonable price, but he refrains from doing so, because he believes that by waiting he will get it very much cheaper. This is clearly a case where pressure ought to be put on the man to see that he carries on the work properly. I am glad to see that at last, after so many years' delay, the Post Office and the Law Courts will disappear from the Council. I have spoken so often on the subject that I do not propose to say much more, except to express regret that after an expenditure of \$2,000,000 on what ought to be the finest buildings in the Colony, we have such a miserable return for our money. Looking at the Post Office at close quarters, the building is very attractive, but viewed from the distance it is disappointing. If anybody is disposed to dispute my statement I would ask him to take a launch, go out into the middle of the harbour, and compare its appearance with Queen's Buildings. As for the Law Courts, I really do not know what to say about them, and who is responsible for the design I do not know. It was credited to a leading architect at Home, but I cannot conceive that he could have invented such a thing as that. All the buildings round about are tall buildings, built on high basements, but this unfortunate building of solid granite is sunk right down, apparently by its own weight, until it stands knee deep in mud, and is finished off at the top with a dome, a miserable common dome probably supposed to look like St. Peter's of Rome; flanked on each side by contemptible little roofs which look as though they were undecided as to whether they were upcountry bungalows or Japanese temples, surmounted at each end by silly looking little chimnies. The whole effect is most deplorable, and I can only express the hope that the "finest site in the Colony" will be built over, so that, at least from the harbour, the view of the Law Courts will be concealed. Now we come to the question of the Magistracy. On page 85 of this year's report there is an entry of \$38,000 to be spent on this building during the year. On the same page of last year's budget there was a vote of \$20,000, none of which was spent, but I would call attention to the fact that in neither of these budgets is there any estimate as to the total cost of the building, and although we are  
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\$38,000 this year we are still quite in the dark as to what this building is going to cost. The question of extending now roads and light railways in the New Territory meets with the approval of unofficial members, and we are glad your Excellency has devoted so much attention and spent the considerable sums of money you have in this direction. We are sure it will be a great boon to people living in the New Territory. There is one item to which I would draw attention, namely, the excellent carriage road as far as Taipo, and suggest that it be continued to the frontier. With regard to the appearance of Royal Square, to which I have just alluded, I am glad to know that the question of putting a satisfactory rail round the square has been decided upon, and I would like to suggest, as I have done in the past, that a low railing should be put in front of the four royal statues. These are used as playgrounds by sampan children. The pedestals of the statues are made of unpolished granite, and we all know how rapidly the stone will soil. That was suggested at the time the pillars were put up, and I would still urge that a railing be put in front to prevent people soiling the statues. As we have heard, there is great necessity for a new pier at Statue Square. This, however, if constructed, as it must be before very long, in view of the enormous increase of launch traffic in the Colony, will be a very expensive business, probably costing something like a couple of lakhs. In any case whatever is put up, I trust it will not be such a horrible and unsightly structure as Blake Pier. At the present moment we are committed to about  $4\frac{1}{2}$  millions for the Tytam Reservoir, for the Typhoon Refuge and the Magistracy, and in the present state of the revenue it is not advisable to incur any other big expense at the moment, but a pier is badly required at Kowloon. For many years the police pier has been in use, but at present it is in a state of disrepair, and people going to Kowloon have been quite unable to make use of it with private launches. I understand that the question of the site of a passenger station for the railway, and consequently the position of the passenger pier, is still under consideration, and I trust that the question will be settled at the earliest possible date. If it is decided that the station and passenger pier are to be placed on the east side of the peninsula, then I would suggest that a small pier, not of great cost, should be erected at the south end of Nathan

Road. That is a matter of some urgency, as at the present moment Kowloon residents are put to very great inconvenience. The Tytam Tuk work is estimated to cost next year \$100,000. In referring to this I would merely repeat what I said before, that I consider it very advisable that the construction of this big public work should be pressed on, and I do not consider \$100,000 sufficient to be expended in one year. I will refer more particularly to the general working of the Public Works Department later on. There is one point to which I would ask your Excellency to give your attention, although it does not really fall within the four corners of the Budget, that is, the question of linking up the railway between Canton and Hankow. At present our railway is of little use, but if we get through to Hankow it will bring us in direct communication with Europe, and this must of necessity increase the earnings of our railway. I trust that as soon as possible after matters have quietened down in China your Excellency will be good enough to give it consideration. I think I have now dealt with practically all the main points to which your Excellency referred in your speech, but there are one or two others I would like to mention. As we know, one of the leading clubs here is laying out golf links at Fanling, and I should like to put on record my views on the subject. Now is the time when Government should peg out a claim of land round the golf links of considerable area to be converted into a park, and should not allow building sites within that area to be let. I speak with some knowledge, because a good many years ago I had to consider the advisability of providing a park for the future in one of the communities in which I was then resident. I had the satisfaction when last I visited the place of seeing a fine park with tennis grounds, golf links and all possible conveniences. I think in the same way the Government here should make such provision at Fanling. Another point which has been referred to in the Press is the dredging of the harbour. This matter I discussed on several occasions with Sir Cyprian Bridge when he was Commander-in-Chief out here, but so far as I can see there is not the slightest necessity for the Government incurring expense in this direction at present.

Another important matter which has been before the Chamber of Commerce which I have the honour to represent is the question of wireless telegraphy. That, as your Excellency is aware, has formed a topic of correspondence between us for many months past. The Committee of the Chamber of Commerce consider that the very lowest station we should have here is one of 1,500 miles' radius during daytime, that is to say, to enable us to communicate with practically the whole of the Far East, Singapore and Kobe. It is very difficult to get any reliable figures, but we had one estimate which has already been submitted by the Chamber to your Excellency. It seems a low one, but at the same time I gathered that a 16 kilowatt station available for 1,500 miles could be erected for something like £8,000 to £10,000 while a 20 kilowatt station would cost about half as much again and give us a longer range. We understand, of course, that this is a very important question, and cannot be settled by the local government, as questions of Imperial defence are involved, and may be the Home Government will decide that 1,500 miles range is not sufficient for their needs. That we do want a station of at least that power is, I think, the unanimous opinion of all those interested in the Colony. Another point to which I would like to refer is the training of nullahs. A sum of only \$30,000 has been set aside for this very important work, and as the Sanitary Board have plans before them for the training of many miles at the earliest possible moment, I think this grant ought to be increased. Another small matter is the question of putting gratings over the entrance to storm drains. They exist in the town, but not on the Peak, and we know of one case where a leading resident lost his life by falling into one two or three years ago, and the only wonder is that other accidents have not occurred. Another point to which I would refer is the military contribution.

HIS EXCELLENCY—The hon. member will excuse me. A discussion on the Military Contribution is not in order, as it is excluded from the vote. We have in the orders of the day a Bill dealing with the subject, and the discussion had better be deferred until that opportunity.

HON. MR. HEWETT—Very good, Sir Your Excellency wound up by referring to the

revenue of the Colony, which is now some  $7\frac{3}{4}$  million dollars. This, of course, shows an enormous increase in the prosperity of the business of the Colony as compared with 20 years ago, when the revenue was a little under two millions. But satisfactory as these figures may appear, we know perfectly well that for many months past the trade of the Colony has not been satisfactory. Your Excellency made some remarks in a speech some months ago of a distinctly optimistic nature, which I am afraid would hardly be endorsed to the full by many of the business men of the Colony, because at that time they found trade far from satisfactory. I do not see that prospects have improved, although it is true that, owing to trouble in China, large numbers of people are coming into the Colony. The tram cars and the owners of property may benefit, but that does not make for good trade. As matters have now developed in China, affairs cannot but be considered very serious, and it is quite impossible to say when trade will resume its normal volume, probably not for many months, and although on the face of it we are well off, it is absolutely necessary that the strictest economy should be exercised. I now come to the most important portion of the Budget, the Public Works Department. For several years past I have had the honour of being asked by my colleagues to reply to the Governor's Budget speech, and on every occasion I have drawn attention to the waste of time and money caused through the dilatory manner in which the various works under discussion were being constructed. We regret to find that in this respect there is no sign of improvement. Last year I asked for some assurance that an improvement might be made in this direction, and that we should not on that, the one occasion of the year when we could fully criticise the policy of the Government in the interests of the ratepayers, be put off with unsatisfactory replies, but I can not say that the reply was satisfactory. We entirely agree with your Excellency that it is useless to swell the estimated expenditure by "scheduling an ambitious list of works, a considerable portion of which are never commenced in the year for which provision has to be made," but we do consider that the construction of public works should be pressed

on far more rapidly. As matters now stand it appears the contractors are allowed to go their own gait entirely. They do not appear to be pressed to complete the work within a reasonable time, and either are not fined at all, or inadequately so, when their work falls behind the contract date. The Law Courts were nearly 13 years in the building, the Post Office nearly 10 years. I have on previous occasions pointed out the great loss, from a business point of view, thus entailed on the community. I have already referred to the manner in which that urgently required work, the Typhoon Refuge, is being carried on, and which in its turn, unless far greater energy be displayed by the contractor, may repeat the unhappy story of the Law Courts and Post Office. The quarters at Taipo, the Bowen Road filter-beds, the Tsim Tsa Tsui Market, are all examples of the unbusiness-like methods adopted in executing important work. On even small matters, such as the paving of a short section of Ice House Road the new time-ball tower, and the pedestal for the statue of H.R.H. The Duke of Connaught, months are spent where a few weeks at the most should have been sufficient. Our criticisms in the past seem to have been of no avail, and the contractors appear to have everything their own way. In the interests of the ratepayers of Hongkong we consider the time has now arrived when we should no longer content ourselves with criticism; we must act. We desire on this occasion to make an earnest protest against the undue delay experienced in executing work in the Colony. The Public Works Department is estimated next year to require some \$2,000,000, or nearly 25 per cent. of our total revenue. Many reasons and excuses have been put forward for the long-drawn-out manner in which works are constructed. One is that funds are not always available. If this is the case, we consider it would be to the great advantage of the ratepayers where in special cases, such as the Law Courts, Typhoon Refuge, or Tytam Reservoir, works all requiring a large expenditure, the Government should be authorised by the Secretary of State to raise short loans repayable, say, in five years. This would enable the work to be pushed on far more rapidly than is often at present the case. We understand a special committee has been appointed to enquire into the building of the Tsim Tsa Tsui Market. We would go further and now ask that a copy of the report of this

debate be forwarded to the Secretary of State for the Colonies, and that the right honourable gentleman be requested to sanction the appointment of Commissioners (under Ordinance No. 13 of 1886) to fully enquire into the administration and working of the Public Works Department. Also to enquire into the causes of past delays in public works and to suggest means for preventing a repetition of such delays in future. We believe that the result would be highly beneficial to all, and that in the future the execution not only of Government, but also private, works would be greatly facilitated and improved. There is only one other point, your Excellency, to which I shall refer. I have spoken on more than one occasion with regard to the manner in which the accounts are presented to the ratepayers. I think on one occasion the reply given was that the form in which the accounts were rendered was in accordance with a certain dispatch from a certain Secretary of State. However, be that as it may, it does not seem reasonable that the accounts of an important colony like this should be put before us in such a form that it is necessary for the ordinary business man with some knowledge of accounts to spend hours, possibly days, wading through books before he can find what the proper financial position of the Colony is. Now take this paper, the financial statement in connection with the estimates for 1910. The heading is "Statement of assets and liabilities on the 31st December, 1910." That is, I take it, of the assets of the Colony, and that is in effect the balance sheet laid before the ratepayers of the Colony. If it is, I do not understand it in the least. Amongst the assets there is the sum of \$6,144,111.41 for railway construction. This appears to be the amount spent out of the £550,000 repaid by the Viceroy of Wuchang, but it is not at all clear. The total amount spent on the railway down to last year was \$11,884,427. Of this, £550,000 was money refunded by the Viceroy of Wuchang;  $\frac{1}{2}$  million dollars came from current revenue, and the balance was borrowed from the Crown Agents. These entries are on page 2. They show on £550,000 at a rate of  $\frac{1}{9}$  an equivalent of \$5,740,316. Well, I make £550,000 at  $\frac{1}{9}$  \$6,285,714, a difference of about half a million. The next entry is put

in sterling at two different rates of exchange, so I have not attempted to check those. Figure star 3 represents a sum of £660,000 which remains to be refunded by the Viceroy. There again the exchange is wrong, and the amount in dollars should be \$7,542,852, a difference of about six lakhs. Figure star 4 is again worked out at 1/9, and that also is incorrect. There are two entries which on the face of them I do not altogether understand. The first entry is under the head of liabilities, deposits not available, \$234,356.01. I should be pleased if the hon. member on my left informed me what that amount is. I should also like to be informed whether the sinking fund on page 2 is invested, and if so how and where. The sinking fund appears as written off against the loan of the Crown Agents. Sinking fund investment is shown as £97,759 6s. 10d., but I cannot see in the so called balance sheet any entry, nor can I find any place where this money is invested. That, I think, ought to be explained. Your Excellency spoke with satisfaction of the point that the credit balance of the Colony stood at \$1,452,379, which gave us funds in hand towards our public works. That, of course, is based on this statement, and your Excellency presumably when you made that remark was under the impression that that was actually the credit balance of the Colony, but as far as I can make out it is nothing of the sort. I make out instead of a credit of  $1\frac{1}{2}$  millions a debit balance of  $2\frac{1}{2}$  millions, a difference of 4 millions. I may be wrong, but I have taken a great deal of trouble over the matter, and only this morning completed the estimate of what I thought the balance account should be. I find on the liability side no entry made at all for the loan to the Viceroy of Wuchang. We still owe that £1,100,000. That clearly ought to stand on the liability side of the account, together with the Crown Agents' advances. On the other side, instead of crediting the Colony with 6 million odd, little more than half the actual cost of railway construction, the whole of the amount paid for railway construction at the end of 1910, \$11,884,227 should be entered as an asset, and not this six million odd. Then, again, another entry as an asset ought to be the amount still due by the Viceroy. £660,000, which does not appear. Again, the sinking fund ought to appear. If those figures were altered we would find a deficit of \$2,429,599.18 as against a credit of \$1,452,379. If this is not meant to be

a balance sheet of the Colony I do not know what it is meant to be. We are entitled to have a balance sheet before us once a year, and this document must be the balance sheet, but no shareholder in any public company in Hongkong would accept such a thing as this. Not a single auditor in the Colony would dare put his name to such a document and say, "This is the balance sheet of the Company I represent." If there were such an auditor all I can say is that he would be very shortly starving. I have done my best to find out the true position of the Colony, and I am satisfied in my own mind that we have not this big credit balance you think we have, but a deficit. That being so, the accounts ought to be made plain. I do not say that my accounts are correct, but they are as correct as I can make them from the figures supplied by the Government.

HON. DR. HO KAI—Sir, I wish to express my general concurrence with the hon. member representing the Chamber of Commerce in his criticism of the Budget speech, but I cannot quite agree with him on some small particulars, especially in his strictures on the architects of the Post Office and the Law Courts. Nor can I quite agree with him with regard to his remarks on the policy of the Imperial Government in suppressing the opium trade. Although I quite agree with him and the other unofficial members in thinking that the compensation granted to us by the Imperial Government is far from adequate to the loss we have sustained through that policy, yet I never was one to oppose the most enlightened and liberal policy of the Imperial Government in their endeavours to assist China in putting down the evil habit of opium smoking in her vast empire. As regards the lunatic asylum, I think some satisfactory arrangement should be made with regard to the Europeans, and also for sending the Chinese lunatics to some well arranged and well-conducted place in Canton. For their accommodation there we should certainly make a grant, and I hope the Government will entertain the proposal that if these lunatics are transferred to Canton they will be received in a well-conducted establishment there under



foreign medical supervision. I agree with the hon. member most emphatically as regards the Tytam Tuk reservoir. I think the work should be pushed on as quickly as possible, inasmuch as the need of an increased water supply is being felt from year to year very keenly by the Chinese community of this Colony. \$100,000 for next year is certainly a very small sum to be spent, and if the staff of the Public Works Department is not sufficient to spend more or conduct the work more rapidly I think arrangements should be made to get out extra hands to supervise the rapid construction of the work. Furthermore, if money is required I think a short temporary loan might be raised. At all events a good part of the surplus revenue should be appropriated for the work. As regards the Government's educational policy, I desire to go a little more fully into the question than the hon. member who has just sat down, because I take, as your Excellency already knows, the greatest interest in promoting education in this Colony. Your Excellency will therefore, no doubt, grant indulgence if I go fully into the question. On the whole I must congratulate the Government on the great progress made in this direction during the past three years under the able and special guidance of your Excellency. It is therefore with some diffidence that I venture to make certain criticisms on the system as it exists. First, your Excellency's policy in decreasing the number of scholars in a particular school or college by the introduction of the dual desks, by raising the school fees by limiting the number of students under a single master to 40, and by higher grants to pupils in the upper and middle divisions of a school, in order to secure more thorough and efficient teaching and supervision has produced good results, but the success would have been much greater had more adequate provision been made at the same time for the accommodation of those children who have been excluded from the classes, and for the ever-increasing number of children who are demanding educational facilities. I do not advocate compulsory education in this Colony at the present moment, but as the number of children demanding educational facilities is so very great, not withstanding the large number of private schools which have sprung up lately, it will soon become a serious question for the Government whether they ought to allow more than half of the children in Hongkong to grow

up without even an elementary education for want of such facilities. I think an Education Board is urgently needed to deal with this question, and that speedily. I regret to find that there is no provision made for the higher and advanced education of British and European children. Your Excellency has brought the University to a successful issue, and when it opens next year it will attract a proportionate number of British and European youths. How and when then can these youths obtain the high standard of education qualifying them for entrance examination of the University? There are, I believe, only two schools for European children, the British School at Kowloon and the Victoria School at Causeway Bay. Neither of them is giving a very high secondary education to its scholars. I regret also to find that no additional provision is made for the education of girls whose training and schooling are particularly liable to be neglected in this Colony. The Belilios public girls' school provides for a comparative few, and compared to the boys they are indeed very poorly provided for. The appointment of the Chinese Board of Primary Vernacular Education is a step in the right direction, but it is to be regretted that the Board's scope and objects have not been more definitely stated. There has been already some misunderstanding and nothing short of a definite pronouncement by the Government would remove doubts in some respects. Your Excellency made these remarks at the last meeting of this Council on this point, which I by your leave will quote: On page 194 of *Hansard* your Excellency said: "Apart, however, from these mission conducted schools which receive a grant from government, there are an immense number of private vernacular primary schools run as a speculation by Chinese teachers of which the Government has little or no knowledge whatever. Many others are supported by Chinese Societies such as the Ellis Kadoorie Schools Committee, the Confucian Society, and others. I have long thought that this was a sphere in which the leading Chinese in this Colony would undoubtedly interest themselves, if they were invited to do so by the Government and assured of Government co-operation." And on page 195 your further remarks are reported as follows: "I have great h o p e s o f

this scheme if it is allowed to develop on natural lines of evolution in its own way. I hope that in the future every primary school in the Colony in which instruction is imparted in the Chinese language will be under the cognizance of this Board, other than those conducted by Government itself, or by missions under a Government grant. I trust that a great improvement in methods of education by the employment of trained teachers and better supervision will be the result." To me it was quite clear that your Excellency intended that the Board should take into account the so-called adventurous schools throughout this Colony and that the majority, if not all of them, should be brought as speedily as possible under the supervision and direction of the Board. But it appears that I was somewhat mistaken and I shall be glad to have the correction from your Excellency. It would seem to be a pity to confine our attention, even at the commencement, to such primary vernacular schools as managed by the Man Mo temple and the Confucian and other societies, but the Board should endeavour to so devise its plans as to bring in all or as many primary vernacular schools as possible within its operations at the outset. This brings me to the subject of the amount out of revenue which is annually set apart for educational purposes. On this head your Excellency said the other day that in the last completed year 1910 we spent 2.34 per cent, of our revenue on education, that this small percentage contrasts unfavourably with other colonies, and that in the Strait Settlements the proportion appears to be approximately double, and your Excellency might have added that in India the percentage is over 6. I believe I have the support of my unofficial colleagues when I say that the Government should have assigned annually a much more liberal sum to this most useful and necessary purpose. Take the Primary Vernacular Board as an example. The sum assigned to it for next year is only about \$4,000, and that in my opinion is totally inadequate to its probable requirements. The generosity of the Chinese in matters of education is well-known, but we must not altogether depend on them to provide much of the funds required in the future. The Chinese in this Colony have already many claims on their purse, and at the present moment they are contributing largely to the support of numerous charitable institutions and

educational establishments in this Colony. I need scarcely mention the Tung Wa and the Kwang Wa Hospitals the Alice Memorial and its allied hospitals, the public dispensaries, the Po Leung Kuk, the Ellis Kadoorie and other schools, some free and some charging only small fees, and last, but not least, the University which requires still a great deal more money to make its endowment fund adequate for its needs and development. The Technical Institute is a most useful institution for a certain class of Chinese, and I am pleased that the Government is taking great care of it and providing amply for its wants. But I would remind the Government that the benefits of the Institute are enjoyed and availed of by comparatively few persons, especially among the Chinese. This is due to the instruction being imparted through the English language only, and the necessity of a fair knowledge of English and English subjects before admittance. This excludes nearly the whole of the poorer classes of Chinese, the artizans, the mechanics, the skilled workmen and young apprentices. In Europe and America the corresponding classes of the population derive the greatest benefits from such institutions and they do largely avail themselves of the training and instructions afforded by these establishments and imparted in the native tongue. I hope the Government will supply the needs of these classes at no distant date, or, at all events, assist in the promotion of a Technical Institute where instruction can be imparted through the Chinese language. The technical education of these classes will repay a thousandfold the money and labour involved, and if Hongkong and the New Territories were ever to become great industrial and manufacturing centres, the technical training of its mechanics, artisans and skilled labourers cannot any longer be postponed or neglected. Lastly, I desire to say a few words regarding the annual grant to the University. The Estimates before us set down \$9,000 as the sum. This, my unofficial colleagues and myself consider to be inadequate, and we are of opinion that £1,200, or \$13,000 or \$14,000, would be more appropriate, I am sure your Excellency will take this into consideration, and I hope you will consent to insert the larger amount in the Estimates.

THE COLONIAL TREASURER — Your Excellency, I rise to reply to the hon. member

who represents the Chamber of Commerce. His chief complaint seems to be that the statement of accounts did not seem to be a proper balance sheet of the Colony from a business point of view. In answer to that I may say that it is not intended to be such. It is simply intended to be a statement of the situation of various accounts taken by themselves. The general statement of the assets and liabilities of the Colony is, by the Secretary of State's instructions, confined to a cash balance, and is in accordance with the form in use in the Colony for many years, and I am rather surprised at hearing criticism upon it so late in the day. In the matter of details of exchanges quoted by him, I have to express a certain amount of regret at a statement being slightly deceiving. Footnotes 2 and 4 are the correct footnotes. Footnotes 1 and 3 to me are obviously in error, arising from the fact that the last £110,000 is taken at 1/9.

THE DIRECTOR OF PUBLIC WORKS — Sir, I will endeavour to reply to some of the points raised by my hon. friend opposite (Hon. Mr. Hewett) with regard to public works. In the first place, he referred to the typhoon refuge and complained of the slow rate of progress. I cannot conceive from what quarter he obtained his information, because it is impossible for any one to ascertain what the rate of progress on that work is. It is under water at the present moment and there is no portion visible. Therefore if he obtained his information from outside sources it must be mere talk without any knowledge of the state of work whatever. I submitted to this Council only a few months ago a diagram on which the progress made was shown, and that diagram showed satisfactory progress at that date. He referred to three years having elapsed since the work began, but the contract was only let barely one year ago. Now, the period allowed for the completion of the work under the contract is five years. In the matter of the Post Office and the Law Courts he confined his remarks to a criticism of the designs. In the case of the Post Office the expedient of obtaining competitive designs was resorted to on the recommendation of some of his unofficial colleagues in bygone years. The recommendations were made so long ago as 1894, and when the site of the building was finally decided upon, the recommendation was adopted and competitive designs were invited.

Those designs were submitted to the Public Works Committee and that Committee selected the one executed as the best. Therefore, Sir, no blame attaches to the Government or anyone on this side of the House. With regard to the design of the new Law Courts, he criticised that very severely, and asked who was responsible for it. That building was designed by one of the most eminent architects in England, who among other works executed the magnificent memorial which has been erected for Queen Victoria in front of Buckingham Palace. I consider him somewhat bold in venturing upon criticism of such an eminent architect, and question his qualifications for undertaking such a task. I am glad to hear he approved of the adding of an additional storey to the Post Office. That also was recommended by his unofficial colleagues on the Public Works Committee when the designs were under consideration. As for the question of letting it, that is a matter of policy I will not deal with in my reply. The Tytam Tuk work, Sir, was the next item, and he animadverted on the small sum put down in next year's estimate for it. In a work of that nature very extensive preliminary works have to be undertaken before anything can be done towards the execution of the work. When work is begun it is confined to the carrying out of excavations, which is one of the cheapest items of labour involved in it. That, Sir, is the reason why the amount put down is so small. When the work reaches the stage at which it admits of cement concrete being deposited then a much larger amount will be required. The next item to which my hon. friend referred was the question of establishing a park around the golf links at Fanling. That, no doubt, Sir, will receive very careful consideration. It will probably mean displacing a certain quantity of agricultural ground in order to devote it to this purpose, and that matter should receive careful consideration. The dredging of the harbour, I understood the hon. member to say, he considered unnecessary. As time goes on and the draught of steamers increases, I presume it will be a common necessity, but at the present time, I agree with him, there is no pressing necessity for it. It is, however, a work which in my opinion will have to be undertaken some day. With regard to the protection of the inlets of drains on the higher levels, that,

Sir, is a matter which will be very easily remedied, and I will see that it receives attention. Then, Sir, we come to the charges against the administration of the Public Works Department generally, in which complaints have been made of waste of time and money and many other matters. I think my hon. friend might have confined himself to facts when he was dealing with such matters. He said, if I heard him correctly, that the Law Courts occupied 13 years and the Post Office 10 years.

HON. MR. HEWETT—About.

THE DIRECTOR OF PUBLIC WORKS —  
As a matter of fact, provision for the Law Courts was first made in the estimates of 1900. I have not beside me at the moment the date on which the contract for the foundations was entered into, but it could not have been before that date. We are in 1911, so the period occupied is somewhere about 11 years, instead of 13 years. In the case of the Post Office the contract for the foundations was let in November, 1903, and the building has been occupied for the past four or five months, so the time occupied in its construction was about  $7\frac{1}{2}$  years, instead of 10. That is a difference of 25 per cent. In the case of the foundations of the Post Office the ship conveying timber for piles was lost on her way here. Her loss did not become known for some considerable time after it occurred, and some delay was caused in that way which was absolutely unavoidable. The hon. member rather galloped through the list of works of which he complained with regard to delay, and I could not follow him, but another matter to which he alluded was the filter-beds. That work, Sir, was carried out without the interruption of the supply of water to the city for a single hour, and anyone who knows anything of such a matter knows that it requires a great deal of trouble and care to accomplish. The work is not of a nature that could possibly be pushed. He alluded also to the paving of Ice House Street. Unfortunately, we had to depend upon some of his commercial brethren for the supply of the necessary paving blocks. They promised faithfully to supply them by a certain date, but did not fulfil their promise. I think, Sir, these are all the comments I have to make on the statement of the hon. member.

The CAPTAIN SUPERINTENDENT OF

POLICE—Your Excellency, the hon. member representing the Chamber of Commerce referred to traffic. I would like to point out that the whole matter of the regulation of traffic is under the consideration of a committee. I pointed out to the hon. member the great difficulties the police have to contend against. Some 1,100 ricscha coolies out of 3,000 come up to the Central Police Station for licences every Friday, and there are 1,578 chair coolies for 634 chairs. We deal with them as well as we can, but we hope for an improvement when the recommendations of the committee come out.

His EXCELLENCY—Gentlemen,—Before I deal with the subject under consideration, it will no doubt be of interest to the Council if I inform them of the latest news which has reached me of the absorbing events which are occurring on the other side of our frontier. His Majesty's Consul-General has just telegraphed to me that at 1 a.m. last night the city of Canton declared itself an adherent of the new party, a declaration in which H.E. The Governor-General concurred in the hope of preventing terrible bloodshed. His Excellency, however, decided to leave Canton and seek a temporary asylum in Hongkong. It is a British tradition that hospitality is never refused to those who seek it in distress, and I have every confidence that the Chinese Community of this Colony, whatever their political sympathies may be, will be glad to afford hospitality to a guest who was lately a high official, who has done his utmost to prevent bloodshed, and has, so far as we can judge, been wonderfully successful in his efforts to this end.

So very many subjects have been raised in the debate on the annual budget this year, that I shall find it exceedingly difficult to deal with them at all adequately, even in a long speech. But I welcome the interest shown in every portion of the Estimates this year, and the many useful suggestions which have been made. I will do my best, in as short a space as possible, to reply to the principal criticisms, and incidentally I may thank the several hon. members for having informed me prior to the debate of some of the subjects on which they intended to touch, though I had of course no knowledge of the line they were going to take. If my explanations should

f r o m l i m i t a t i o n o f t i m e

be inadequate, I can only say that I am most anxious at any time, either in public or private, to give any additional information which any hon. member may desire.

I regretted to have to call the hon. member who represents the Chamber of Commerce to order on the subject of the military contribution, but that vote has been excluded specifically from the Bill now before the Council. We have, however, in the sixth item of the Orders of the Day a Bill dealing with the military contribution, and I thought it would be more convenient for members to confine their remarks on that subject to the discussion on that Bill.

The first speaker, who, I understand, speaks generally in the name of the whole of the unofficial members, alluded at some length to the question of wireless telegraphy. There is no vote on the estimates for that, and I presume it is the omission of a vote that has justified reference to it in the debate to-day. I think it would have been premature to have included a vote in the coming year's estimates for wireless telegraphy, but, as I have already informed the Council, the subject is having my most earnest consideration, and I am pressing it forward, especially the matter of a high-power station, I hope with a good prospect of success. Delay has, however, occurred in consequence of the absence of the Commander-in-Chief, Sir A. Winsloe. It is of course absolutely necessary that we should work in close co-operation with the Navy, and until his return I am afraid the matter will be somewhat hung up. The estimate which the hon. member gave for the establishment of a station, and its annual upkeep, was very much less than what I have so far heard myself.

At the present moment, however, I will only allude to one point, viz., that in discussing this question it is very advisable that we should be clear as to our terms. I am told by naval experts that the terms we have been using, "high-power" and "low-power," are entirely incorrect. The terms as used by the Admiralty have the following meaning: a "low-power" station has a normal range of 300 to 400 miles, a "medium-power" station has a normal range of 500 to 600 miles by day and 1,000 to 1,500 by night, while a "high-power" station is one which has a range of 2,500 miles by night. I have also been told that no high-power station in the world receives messages from any but a high-power station. Consequently it is a matter

for consideration whether we require a high-power station only or a low-power station as well. All these matters are very intricate and will affect the policy of the Empire over a large portion of the globe. They cannot therefore be rushed through in any great haste.

I come now to the various criticisms in connection with education. The hon. member representing the Chamber of Commerce (Hon. Mr. Hewett) said it was the view of his colleagues that sufficient money was not spent on education in this Colony. With that view I heartily agree. I shall not therefore hesitate to ask this Council to pass a supplementary vote during the course of the next year if occasion arises to devote more money to education. Since I have been here, as I said in my last speech, the percentage of our revenue spent on education has increased by over one third. The senior unofficial member (Hon. Dr. Ho Kai) states that our percentage was very much less than that of other countries. Singapore is a Crown Colony, and it is therefore easy to arrive at a fair estimate of what its expenditure is. The speaker confirmed my statement that it is double what we spend. As to his statement that 6 per cent., of the revenue is spent on education in India, I should be glad to know where he gets his figures. I have looked up several documents in the endeavour to ascertain the percentage, but the only fact I came across was that only 20 per cent. of the boys in India get any primary education.

The question arises, if we are to spend more, how should the extra amount be spent? What are the most urgent claims in the Colony? The senior unofficial member suggested, first, that we should more largely subsidise the newly-created board of vernacular education. I have already said that I concur that it should be more largely subsidised, but before we can arrive at any definite sum which I could ask this Council to vote for the purpose, we must have from the Board itself something more definite as to what its aims are and what it wishes to do. So far as I have heard, informally at present, I understand they propose to appoint an inspector who shall acquire information as to the districts in the city which most urgently require an increase in education, and they also intend to support schools conducted by various societies, such as the Man Mo temple, the Confucian

Society and others. Later on, they will endeavour to include those private schools which my hon. friend called "adventurer's" schools. I should desire to know in what way they intend to support these different schools. I think their programme should, in the first instance, be devoted to the "society schools," and the Government should be informed as to what they propose to do later with regard to private schools. I am sure we shall all agree that any money which is devoted to education cannot be better spent than by extending free or nearly free education to the children of the poorer classes.

The hon. member also said that adequate provision was not made for the pupils who were excluded from the various Government schools by the operation of the reforms recommended in September of last year. The effect of those reforms was to exclude a considerable number of pupils who had previously overcrowded the lower classes of many of our Secondary Schools. These pupils were, as I thought I had previously explained, in receipt of Elementary education, and the Government, in order to make room for them, founded three primary schools, one at Mongkok, one at Taipingshan, and one on the Praya East. Two of these, I regret to say, had to close because the average attendance only amounted to 17. The third, at Praya East, has been a success, and we are providing another master for it next year.

Another claim for any money which may be available to spend on education has been put forward on behalf of the children in the New Territory. This has not been mentioned in debate this afternoon, but in discussing how this money should be spent, the Council will perhaps excuse me if I allude to it, as I think it may be of interest. You will, I am sure, agree that if education in the New Territory is neglected, and if it can be shown that the Government has not adequately attended to it, a very strong claim would exist for increased expenditure. The District Officer of the New Territory informs me as follows: "Nearly every village has a school of sorts. I think I can say that no boy has to go without schooling for any reason except incapacity, or, more commonly, unwillingness to pay fees a mounting to from \$  $2\frac{1}{2}$  to \$  $4\frac{1}{2}$  per annum." There is in the New Territory about one school to every 400 of the population. Then, as to the question of the amount of help which the

Government gives to schools in the New Territory. In 1910 we spent something over \$2,000, which is rather less than one per cent. of the revenue derived from the New Territory, but it must be remembered that the sum is spent on primary education only, and that all the schools in Hongkong are equally open to boys from the New Territory as they are to boys of Hongkong. The cost of each pupil at a Government school is only \$6 per annum, and wherever a demand is made for a school it is complied with at once. The people, however, prefer to run their schools in their own way. Therefore, the most practical way to look at the subject seems to me to be to consider what the results are. By the last census I understand the number of males who could read and write in the New Territory is given as  $57\frac{1}{2}$  per cent.; the number by the last census in India who could read and write is 1.3 per cent. These figures are extraordinarily striking. The demand for female education in rural districts is exceedingly small both in India and amongst the Chinese.

The hon. senior unofficial member also referred to the education given to British children in what have been called British schools. I say "have been called," because they are not solely British schools, since 15 per cent. of the pupils of the two schools are of nationalities other than British, and any child of European or American parentage is accepted. Here, again, I am sure the Council will agree with me that the education afforded to European and American children in a British Colony should be thoroughly adequate. It was with that object that my predecessor opened these two schools about nine years ago, and they have been fairly successful. As you know, there is a school for boys near Causeway Bay and one for girls at Kowloon. The criticism which has been directed to this subject is, I suppose, in the sense that there should be also a girls school on this side and a boys' school on the other side. I have not heard of any demand for a girls' school on this side. There is the Diocesan Girls' School, attended by many girls of European and mixed race, and several girls go across daily to school at Kowloon.

There remains the other question whether a boys' school is required at Kowloon.

In the first place, I would point out to the Council that these two schools were never intended to be charity schools, and many of the parents of the children are in a fairly well-to-do position. Nevertheless in the years 1908 and 1909, while the cost of education of each child at these two schools was \$188.75, the Government bore \$153.87 and the parents bore \$34.88 only of that sum. The taxpayer therefore bore four-fifths of the cost of each child at those two schools, while the highest cost borne by the Government in any other school in the Colony is \$55.77, viz., at Queen's College. Although the cost of the teaching staff at Kowloon school was reduced last year by the substitution of a head-mistress for a head-master, still the Government paid somewhere about three-fourths of the cost of each pupil at the Kowloon school.

The question remains whether, in spite of the cost, a boys' school is required at Kowloon. I learn by the census which has just been taken that there are 82 European and American boys between the ages of 5 and 16, including children of soldiers. Of these 82, 25 are already at the Government school, 40 go to the garrison school, and there are 17 remaining. Those 17 can either come across the water to the school at Causeway Bay, or if they wish it they can go to the garrison school, which, as I said, accepts civilian children. No doubt if we included children of mixed parentage there would be a larger number, but so far I have not heard of any demand for such a school. The conclusion therefore seems inevitable that to establish a boys' school at Kowloon would be premature at present. First, because the Government would have to bear 80 or 90 per cent. of the cost of each child; secondly, because there are so few boys, and, thirdly, because there are other places at which they can obtain education. The education at both these schools is reported upon by the Director of Education as being "very advanced considering the average ages of the children." The average attendance is 48, while the staff is competent for an attendance of 150.

The hon. senior unofficial member also asked another question which is akin to this subject, namely, what facilities would be granted for the preparation of European boys for the University. I should imagine, and others whom I have asked agree with me, that

there are not more than six to a dozen such boys in the Colony between the ages of 15 and 18. There are various opportunities for them to obtain preparation for the matriculation examination. The headmaster of the British boy's school. Mr. Cox, is fully competent to give such instruction. They could also qualify at Queen's College, St. Joseph's College, the Diocesan School, and they can attend the Technical Institute in the evening. Their number being so very small, it is impossible to make separate arrangements for them.

The next point is the question of the Technical Institute for artisans. I have heard that the Chinese Y.M.C.A. have a project of that nature in view, which is largely due, I believe, to the efforts of the senior unofficial member. Until we know what is the scope and nature of that institution it is premature for the Government to make any promise on the subject, but the Government will view with sympathy any scheme well calculated for the training of its citizens. My own opinion is that a careful and well considered scheme of apprenticeship is likely to be more valuable than a classroom education for men tired out with a hard day's work. That, however, is a matter of private opinion. Then as to the question of provision for the education of girls in this Colony. We have a Government girls' school, of which I have been speaking, at Kowloon, and schools to which the Government makes an annual grant such as the Diocesan Girls' School, and the Italian and French Convents, the first of which takes girls of European and mixed parentage, &c., while the others include Chinese girls. With regard to the education of Chinese girls, I am fairly satisfied with the progress made during the last four years. The Belilios Government School is doing very well. It has overflowed its quarters, and, as you are aware, \$5,000 has been placed on the estimates for next year for an addition to the school buildings. The amounts spent by the Government on that school are perhaps worth quoting. In 1907 the nett amount was \$7,719; in 1908 \$8,465; in 1909 \$9,307; in 1910, \$10,548; and this year, \$12,221, and next year the estimate is \$13,776. Therefore, since 1907 we have almost doubled our expenditure. The amount the Government spent on grant schools for girls was, in 1907 \$18,945, and last year it was \$22,304. This shows some progress, though not as much as I should

wish to see, and the grant schools do not compare favourably with the Government schools.

#### **An Educational Board.**

We come now to the question of an educational board, "with or without statutory powers, as the hon. member said. If it is to have statutory powers," before criticising in any way the idea of the institution, I should like to know what statutory powers it is proposed to confer on it. The hon. member was kind enough to say that during the last two or three years educational matters had received a good deal of attention from me. There have been some considerable changes, and, as I have said, the expenditure has nearly doubled. I am myself therefore of the opinion that, if the Colony thinks educational questions are being earnestly and carefully considered, it is better to let the recent changes have a little more time to mature before a new authority is created. I fear, indeed, that the creation of an Educational Board would practically abolish the Chinese board which has been so recently created, as I hardly see how the two boards can exist together. The hon. member, however, obviously does not contemplate this result, since he asks for a larger subsidy on behalf of the Chinese board. If, however, the consensus of opinion is against me and it is considered desirable to create a second board, I shall be glad to consider the details of it when we know what its scope and constitution and what its statutory powers are likely to be.

#### **Grant to University.**

With regard to the proposed increased vote to the University from \$9,000 to \$14,000, I am fully in sympathy with the proposal, because I think the Colony will gain very substantial benefit from the University and should bear a fair share towards its cost. Personally, my view is, that in order to allow the University to remain a free institution under its own control, a better plan would be for the Council to grant a capital sum which might be spread over a series of years. It would be credited to the endowment fund and the interest accruing from it would support the "Regius" professorship. A sum of nearly two and a half lakhs would be required to produce \$14,000 per annum at 6 per cent., and this sum might

be spread over five years. If the unofficial members desire that I should represent that view to the Secretary of State I shall be glad to do so. In the meantime I will propose to this Council a supplementary vote for the difference between the present sum of \$9,000 and the proposed \$14,000. It so happens that since the estimates were laid on the table a clerical error has been discovered in the amount of the receipts it was expected to derive from the new Deputy Official Receiver and Trustee's office. The sum entered is \$2,000, whereas it should have been \$9,000. We have therefore an unexpected credit of \$7,000, which will more than cover the proposed appropriation. The institution, I may remark, of a Deputy Official Receiver's office has been entirely a success, both for the more rapid transaction of bankruptcy work and as an important means of raising revenue.

#### **Public Works.**

The hon. member representing the Chamber of Commerce alluded to the principal details under the head of public works. In the first place, he touched on the question of nullah training and complained that the vote in the estimates for next year was not sufficient. It is a considerable increase on what has been voted in preceding years, and it is the sum which I understand the Sanitary Board asked for. In 1910 the vote was \$15,000, and we spent nearly double, while in 1911 it was \$25,000, all of which will be spent. Next year it has been increased to \$30,000. That is as large a sum as we can fairly vote from the revenue at our disposal. Most of the important nullahs have been trained at a total cost of about two and a half lakhs.

With regard to the typhoon refuge, my hon. friend the Director of Public Works has already replied. I would remind the hon. member that we have put down a very large sum indeed, three and a half lakhs, to be spent during the coming year. I will not discuss the question of the architecture of the Post Office and the Law Courts, as I am not competent to do so, but I echo the wish of the hon. member that "the finest site in the Colony" may soon be built upon. Complaint was also made that the estimate for the Magistracy was not made

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explained in my speech when introducing the budget that the reason was that the accommodation required in the building had not yet been finally decided, and I promised that when the plans and estimates are ready they would be discussed by the Public Works Committee. The extension of the Taipo Road to the frontier has naturally been opposed by the railway authorities, because they do not wish to construct a road alongside the railway which would be in direct competition with it. The roads which demand our attention, in the first instance, are those which will act as feeders to our railway and not as competitors. The hon. member also drew attention to the question of a pier. I think there is little doubt that, wherever the station for the railway may be, we shall require a pier at the end of Nathan Road. If a fairly large pier 80 by 35 feet is constructed, which would give accommodation for a launch at each side and one at the end, its cost would be \$10,000 if built of wood, with a life estimated at 25 years, and I hope that it may be taken in hand during the coming year. The hon. member representing the Chamber of Commerce also asked my particular consideration of the question of the linking up of our railway with the Hankow line. I can assure him that important matter has not been overlooked in our negotiations with regard to the working agreement of this railway, and there is every prospect of the Canton section being linked up with Hankow.

#### **Police.**

With regard to the police, the Captain Superintendent has already informed you that a committee was recently appointed to go into the question of vehicular transport, and they have submitted a report. Their recommendations will be carried out without delay. There are special difficulties in controlling street traffic owing to the constant ebb and flow in Victoria, mostly of coolies unused to civilised methods of road transport. The Indian and Chinese police are not good at controlling traffic, and the European police are exceedingly expensive. We have to cut our coat according to our cloth, and the Europeans we can afford we must use with discretion. They are I believe considerably in excess, having regard to population, of the European police in the Straits Settlements or Ceylon.

#### **Lunatic Asylum.**

The hon. member expressed satisfaction with the lunatic asylum so far as the Chinese inmates are concerned. I have been going into the question lately, and I hope that we shall, as the senior unofficial member desired, be able to expedite the transfer of Chinese lunatics to the excellent institution at Canton under Dr. Selden, who is an expert in mental diseases.

I propose that the Principal Medical Officer should visit that asylum and report upon it, and if it is in every way satisfactory I will ask this Council to give a small grant to the Institution in recognition of the benefit they confer upon us by receiving these lunatics from our hands. There does not therefore appear to be any necessity to discuss any further the question of the lunatic asylum in so far as the Chinese are concerned. As regards the Europeans, the opinion expressed by the Medical Officer in charge of the Government Civil Hospital is that he does not think that the surroundings do in fact much affect the class of patient we have there, because they are all imbeciles. He, however, informed me that the presence of a noisy maniac is likely to upset European patients, and he suggested a small extension of the asylum. The hon. member representing the Chamber of Commerce, however, suggests two solutions to the question. One is that we shall return the lunatics to their own country. That we endeavour of course to do as soon as possible. The other is that we should have a new site and a new asylum. It hardly seems possible to have a new asylum for the mere handful of Europeans we have as permanent inmates. It would involve not only great cost, but probably also the engagement of an extra medical officer in sole charge. However, as I have said, the matter is receiving my attention, and I will bear in mind what has been said by the hon. member in his speech to-day.

#### **Commission of Enquiry**

I now come to the criticisms which have been passed on the Public Works Department, but this, gentlemen, is, I think, too large a question and too serious a one to be treated as a mere side issue in a debate on the estimates. The hon. member, speaking on behalf of the other unofficial members,

demands that a commission of inquiry should be appointed. I think that a commission of inquiry is a very useful and often an indispensable form of instituting reforms. It is also undeniably convenient, if misused, for shifting the responsibility from the shoulders of those who ought to undertake it to the shoulders of unofficial members who have little time to sift evidence and closely examine the details of the work of a complicated department. I think that a commission is very often regarded by the general public as a sort of "bogy man" to be invoked in order to expose the secrets of administrative action. If bribery, peculation, secret commissions, favouritism or anything of that sort is alleged a commission is an excellent moral searchlight and most useful. I am glad, however, that in British colonies it is seldom that charges of that sort are brought against any department. If they are, then a commission of enquiry is a terror to officialdom. If they are not, then a commission is heartily welcomed, because it gives officials an opportunity of publicly proving how strenuously they have endeavoured to serve the public and how often they have been misjudged by criticism which has been based on insufficient information. The only thing they regret is that the examination of witnesses and the preparation of documents involves generally so much time that it throws them into arrears in their work, and, they are always engaged in the Sisyphean task of trying to overtake arrears. That is the departmental view.

It is my business, however, to view this question from a different standpoint. How far am I justified in asking the unofficials to do work for which I am largely responsible? How far also are their researches likely to compensate for the very valuable time given to the work? There are several matters in connection with the Public Works Department with which I have long been dissatisfied. I am speaking now of a system which has been consecrated in this and other colonies for a long period. I am not speaking of the able, conscientious, hard working and efficient Director of Public Works, in whom I have the utmost confidence, as I know from his own lips that my predecessor had. The points on which I have felt dissatisfaction with the system I will briefly enumerate. In the first place, as to the conduct of large public works such as the railway. I have already spoken on

this subject in this Council, so I will not speak at any length now, the more so that it is not a matter in which this Colony has a direct and unfettered control.

### **Contracts and Organization of Department**

The second point is the system under which contracts are let in works of secondary magnitude, such as the typhoon refuge, the Kowloon reservoir, the Law Courts, and works of that kind. Very large tenders are let to a Chinese contractor, who, I understand, frequently sub-lets them, and again they are sub-let. In many cases even during my experience here the contractor has failed, and his security has not been enough to cover his liabilities. Any additions or alterations made in the work after the tender has been accepted vitiate the whole contract, and generally litigation or arbitration, frequently adverse to the Government, follows. I discussed this matter only a few days before his death with the late Colonial Secretary. He expressed the same views to me, and I had decided to go fully into the question, and only deferred doing so until we got the pressure of work in connection with the estimates out of the way. In any case I intend to go into it before the contract for Tytam Tuk is let. Another matter is the accumulation of Public Works stores, which are subject to deterioration, and which cost a great deal in stocktaking and occupy valuable godown space. This has already been dealt with and a limit has been fixed. The fourth point, which I recognised some time ago, is that there should be some measure of decentralisation in the Department itself. The Head of the Department is overweighted, but what form that decentralisation should take is a matter demanding very close examination and inquiry. There again I had deferred detailed investigation until the estimates should be passed.

Each of these subjects is a very large one, and if the system is at fault I think we can put it down to the fact that the Colony's progress has been at such a rate that it has outgrown its systems. As I said before, I propose without any delay to investigate this subject, collect facts, and formulate my own views upon it. When I have done that I shall probably ask several unofficial members

of this Council to assist on a commission if that should be necessary. In any case I will give the Legislative Council a full opportunity of discussing clear issues. You will remember that a commission sat some ten years ago. It took five and a half months to report, and I am told that its report did not greatly satisfy anyone. I have read it, and it appears to me that its main conclusion was that the staff of the department was insufficient. To increase the staff, of course, means additional cost. It seems to me that to have a useful report we ought to have the views of an expert from India or from another colony who has himself had experience in a similar department and can point out where ours is less well managed and can suggest improvement. That, however, again would be costly.

### Opium

The hon. member who spoke first raised the question of the contribution given by the Imperial Government on behalf of the loss to this Colony on opium. A copy of this debate with the views expressed by the hon. member, as also those expressed by the senior unofficial member, will of course, be sent to the Secretary of State in due course. Personally, I am bound to say frankly that I do not fully share the views which the hon. member representing the Chamber of Commerce has expressed, because I think it is the duty of a British colony to support British policy, and I do not think it is dignified for a colony of the size and importance of Hongkong to be suing *in forma pauperis* for additional grants. Let us look at the facts. First, as regards the general trade in opium. The country of export and the country of import together agree to restrict a certain line of goods. The middleman naturally suffers. He has had ten years' notice. Surely the exporter and importer are perfectly free agents, and if pressure is brought to bear on the exporter it is for him to protest, and not the middleman. As to the restrictions on the import of uncertified opium, they were imposed at the request of the merchants themselves and there cannot therefore be any hardship. Secondly, as to the closing of the divans. The average amount we received for the licence of opium divans was \$1,755 per annum, and the somewhat reduced tender we received from the Opium Farm this year was ascribed to the closing of the divans, though I

think there may probably have been other causes as well. The Imperial Government has for three years given us almost exactly half of our loss. This year the amount we lose only amounts to \$133,400. I do not consider that ungenerous. If, later on, further restrictions are imposed on this Colony which seriously effect its revenue and the Imperial Government does not give any further assistance, it will be time enough then for us to raise a protest or apply for a grant. I can recollect hearing in a previous debate more than one member say that this Colony supported the policy of the Imperial Government.

### Proposal for Increasing Revenue

I think the last point I have to deal with is the suggestion by the hon. member representing the Chamber of Commerce that insurance companies should pay probate duty on life insurance policies cashed in the Colony as being part of the estate. That suggestion will receive the most careful consideration. I see no *à priori* reason against it, and I can assure the hon. member I am most grateful for any suggestion that will tend to increase the revenue without hardship. I am tempted to wish that the unofficial members would spend a little more time on the front pages of the estimates which deal with Revenue, and less on the subsequent pages which deal with expenditure. The hon. member suggested expenditure on wireless telegraphy, on education, on police, on nullahs, on lunatics, on Public Works and on various other subjects. I echo his desires in all of them, and can assure the Council on behalf of the Government that it is "our poverty and not our will" which consents to the estimates as they stand. The hon. member, however, also emphasised strongly the fact that times are hard and that there is no money to be spent on public works unless it is demonstrated that they are urgently needed. He has proposed a modest contribution on the Revenue side, and large additional items of expenditure. Of course, if the Colony demands increased expenditure, especially on matters of such importance as wireless telegraphy, an increased staff for the Public Works Department, and education, it will be necessary to raise more taxes. That perhaps can be done without great hardship by adding a little to the rates. I have often been tempted to do so in the past

three years, but the property market has been so bad that I have refrained. We can therefore congratulate ourselves that we still have this resource.

I congratulated the Colony on the fact that the revenue had doubled in the last twelve years. It may be interesting, before I sit down, as a last observation, if I note the fact that that increase has been obtained in spite of a loss on opium of \$133,400; on subsidiary coinage (taking the average for the ten years prior to 1906) of \$129,000 a year—which during the last three years has been converted into a deficit of \$70,000; on land sales—(taking the average for the 16 years prior to 1907) of \$213,561, viz., \$100,000 instead of \$313,561. That is to say, that on those three items alone we have had to face an annual loss during the last three years of  $4\frac{3}{4}$  lakhs. On the other hand, during the last two years we have had to pay for some very heavy resumptons. Apart from  $7\frac{1}{2}$  lakhs paid by the railway, we have paid out of the revenue sums amounting in all to \$734,758. I am not in a position to discuss with the hon. member the prospect of trade, but so far as the Colonial budget is concerned it appears to me that the prospects are not bad. If they improve, as I hope they may, we may be in a position to undertake some of the more important of the items which have been foreshadowed this afternoon as urgent and necessary public works. (Applause.)

The motion was agreed to.

THE COLONIAL SECRETARY then moved that the Bill be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and the Council adjourned while the Finance Committee considered the Bill.

#### Further Proceedings in Council

On Council resuming,

THE COLONIAL SECRETARY reported that the Appropriation Bill had been considered by the Finance Committee and adopted with one clerical amendment. He moved that the Bill be read a third time.

THE COLONIAL TREASURER seconded, and the Bill was read a third time and passed.

His EXCELLENCY—Council will adjourn until this day week.

#### FINANCE COMMITTEE.

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

The following votes was passed:

#### Charitable Services

The Governor recommended the Council to vote a sum of one thousand dollars (\$1,000) in aid of the vote Charitable Services, Other Charitable Allowances.

#### Police Vote

The Governor recommended the Council to vote a sum of Two thousand four hundred Dollars (\$2,400) in aid of the vote Public Works, Extraordinary, Police Station, Tsun Wan.

#### Communications and Lighting

The Government recommended the Council to vote a sum of two thousand five hundred and fifty dollars (\$2,550) in aid of the vote Public Works, Recurrent, for the following items:—

#### *Communication.*

Maintenance of Roads and Bridges in	
Kowloon.....	\$ 500
Maintenance of Telegraphs .....	1,500

#### *Lighting.*

Total ..... \$2,550

#### Rice Allowance

The Governor recommended the Council to vote a sum of Two thousand seven hundred Dollars (\$2,700) in aid of the vote Miscellaneous Services, Allowance of \$2 each to all Government employes in receipt of salary of \$15 per month or under in consideration of the unusually high price of rice during the last two months.

#### Revision of Laws

The Governor recommended the Council to vote a sum of nine thousand three hundred and thirty-four dollars (\$9,334) in aid of the vote Miscellaneous Services, Cost of Revision of Laws of the Colony.

**Various Votes**

The Governor recommended the Council to vote a sum of two thousand four hundred and twenty-two dollars (\$2,422) in aid of the following votes:—

Colonial Secretary's Department and Legislature, Other Charges:—

Language Study Allowances (Chinese) Unpassed Cadets .....	\$ 90
Medical Attendance on Unpassed Cadets .....	125
Newspapers, Periodicals, etc.....	50
Miscellaneous Services Telegraph Services:—	
Contribution in connection with Signalling Messages, etc., to Observatory (£75) .....	\$ 857
Telegrams sent and received by Government.....	1,300
	—————
Total .....	\$2,422

**Photography**

The Governor recommended the Council to vote a sum of fifty dollars (\$50) in aid of the vote Registrar-General's Department, October Charges, Emigration Sub-Department, Photography of Rejected Emigrants.

**Educational**

The Governor recommended the Council to vote a sum of Fifty Dollars (\$50) in aid of the vote Education, A.—Department of Director of Education. Other Charges, Queen's College, Books for Chinese Masters.

**Appropriation Bill**

The Committee then considered clause by clause the Bill entitled, "An Ordinance to apply a sum not exceeding Five million eight hundred and ninety-nine thousand seven hundred and seventy-one Dollars to the Public Service of the year 1912," and advised that the Bill be reported with only one clerical amendment.

The Committee then adjourned *sine die*, and Council resumed.