

30TH OCTOBER, 1919.

PRESENT:—

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

HIS EXCELLENCY MAJOR-GENERAL F. VENTRIS, C.B. (General Officer Commanding Troops in China).

HON. MR. CLAUD SEVERN, C.M.G. (Colonial Secretary).

HON. MR. H. E. POLLOCK, K.C. (Attorney-General).

HON. MR. C. McI. MESSER, O.B.E. (Colonial Treasurer).

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

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

HON. MR. E. D. C. WOLFE (Captain Superintendent of Police).

HON. MR. LAU CHU PAK.

HON. MR. R. G. SHEWAN.

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

HON. MR. E. V. D. PARR.

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

Financial Minutes

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table Financial Minutes Nos. 119 to 125, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

Papers

THE COLONIAL SECRETARY by command of H.E. the Governor, laid upon the table the report of the proceedings of the Finance Committee No. 11 and moved that it be adopted.

THE COLONIAL TREASURER seconded,

and this was agreed to.

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the report of the proceeds of the Standing Committee on Law and moved that it be adopted.

THE COLONIAL TREASURER seconded, and this was agreed to.

Public Latrine on Barker Road

THE COLONIAL SECRETARY—Sir, I beg to move the resolution which stands in my name with regard to the erection of a public latrine and urinal close to Barker Road station as follows:—

Whereas application has been duly made by the Sanitary Board to the Governor under section 167 of the Public Health and Buildings Ordinance, 1903, for the erection of a Public Latrine and Urinal to the northward of Barker Road Station below the level of the road:

And whereas such application having been duly approved by the Governor and a notification of the intention to erect a Public Latrine and Urinal at such site having been duly published in three successive numbers of the *Gazette*, certain owners and occupiers of property in the vicinity have objected to such erection:

And whereas such objections have been duly considered:

It is hereby resolved by this Council that the above-mentioned site and the erection thereof of a Public Latrine and Urinal be and the same is hereby approved.

The usual procedure required by law was adopted by advertising the Government's intention of making this convenience and one objection was received from the occupier of a small house on the other side of the road. The objection was considered, and it was not thought to be a very substantial objection because the

position chosen for this convenience is well below the road and, owing to that, it was not thought it would be a detriment to the house in question. The matter was the subject of some correspondence with the Sanitary Board and the Sanitary Board passed a resolution agreeing to the position chosen. I may say I have personally examined various alternative sites and agree with the expert advisers of the Government that the site chosen is a proper one. I beg, therefore, to move the resolution.

THE ATTORNEY-GENERAL seconded

HON. MR. C. G. ALABASTER—I beg to move an amendment that the question of this site and the two alternative sites suggested by the Sanitary Board be referred to the Public Works Committee of this Council which does not appear to have been consulted in the matter. I understand that the Government site is in juxtaposition to Barker Road Station where the convenience must necessarily prove a nuisance to persons arriving at, and departing from, the tramway station. Unfortunately the Ordinance is so worded that these people cannot effectively object except through the unofficial members of this Council. The Ordinance does permit other people to object, that is to say, occupiers of property in the immediate neighbourhood, and those persons have objected. The only house in the immediate neighbourhood is the small house next to *Glenshiel*. The objection, with plans, was submitted to the Sanitary Board who appointed a sub-committee consisting of Lieut.-Col. Crisp and Dr. Koch who went into the matter most carefully and recommended either of two other sites. It was suggested that plans of these two other sites should be made, but we were unable to persuade the Government to do so, and I submit that the only thing we can do in this Council is to have the matter referred to the Standing Committee on Public Works for their consideration.

THE HON. MR. E. V. D. PARR seconded.

H.E. THE GOVERNOR — The amendment that the matter be referred to the Public Works Committee has been accepted.

The Budget

THE COLONIAL SECRETARY, moved the

second reading of a Bill intituled "An Ordinance to apply a sum not exceeding eleven million, one hundred and seventy-three thousand, two hundred and twenty-six dollars to the Public Service for the year 1920."

THE COLONIAL TREASURER seconded.

THE HON. MR. LAU CHU PAK said:—Sir, as the senior unofficial member of this Council for the time being, it is my privilege to speak on behalf of the unofficial members on the subject of this Bill. Except what will be specially stated as the expressions of my own views, the observations I am about to make have the full concurrence of my unofficial colleagues. In addition to my remarks, the other unofficial members will address this Council either by way of giving utterance to their individual opinions, or in amplification of some of my observations.

I will now proceed to deal with certain items in the draft Estimates, taking them in the order as they appear therein. The first item happens to be one on which I have to express my individual opinion, although I believe that my unofficial colleagues more or less share it. I refer to "Assessed Taxes" on page 8. This item shows an increase of nearly \$112,000, and it would be interesting to know whether this increase is due to more new houses having been built since the current estimates were framed, or merely to reassessment of old buildings. Several complaints have been made to me by the Chinese that the steady increase in rents has been due to certain houses having been over-assessed on account of adjoining houses of equal value fetching higher rentals. The assessor was perfectly right in putting the same rateable value on a house that produces a smaller rent as on a similar structure adjoining, which yields a better revenue to its owner. But the fact that the higher rent might have been forced up by the owner in order to obtain a higher value for his house should not be lost sight of by the Government. The owner of the house yielding the smaller rental naturally raised the rent on account of the higher assessment, with the result that house rents generally have advanced by leaps and bounds. I admit that the question of assessment in the circumstance described is a difficult problem, but I commend the matter to the

careful consideration of the Government as one intimately connected with the prevailing high cost of living.

The next item on which I wish to say a few words is "Assessed Taxes, Special War Rates." The discontinuance of these rates immediately on the signing of the Peace Treaty created at the time a very good impression among the Chinese, who said that, although the impost had to cease automatically as required by the Ordinance, the Government could have easily, had they so wished, found excuse to continue it by means of an amending Ordinance, or by calling the tax some other name. The action of the Government had a result more far-reaching than they had probably anticipated, inasmuch as it has become known as far as Peking, and was, to my knowledge, favourably commented upon by one or two Chinese high officials as an example of British rule.

As regards the item "Carriage, Chair, etc., Licences," the unofficial members are of the opinion that the introduction of public rickshas on Caine Road and Bonham Road is an improvement, which is much appreciated by residents on that level, although certain portions of the two roads are rather narrow for this increased wheeled traffic.

In connection with "Hawkers' Licences," I wish to say a few words concerning the punishment now being awarded by the Police Magistrates to boys for hawking without licences. I may say that in May last my colleague, the Hon. Mr. Ho Fook, and I took up this question semi-officially with the Police Magistrates. The present practice is that, unless a fine is forthcoming, the little offender is ordered to be whipped, or sometimes sent to gaol. Owing to the poverty of the parents or guardians of these boys, it is very seldom that a fine is paid, with the result that the poor lads have to undergo either a corporal punishment or imprisonment for an offence forced on them by their seniors. We consider it very hard on the boys, and should like to see this state of affairs remedied as soon as possible. The suggestion which Mr. Ho Fook and I made to the Magistrates was this: When a boy is arrested for hawking without a licence the parent or guardian be sent for, and a small fine imposed. If the parent or guardian could not be found, or could not or would not pay the fine when imposed, then the boy should be sent to the Secretary for Chinese Affairs to be dealt with by the Brewin Fund Committee, who may be able to find work for him or get him a licence; or, in a

really deserving case, arrange to have him educated in one of the free vernacular elementary schools supported by the Chinese. We have not had a reply to this suggestion, nor have I seen any indication that it has been adopted. My Chinese colleague and I realize, as we stated in our letter to the Magistrates at the time, that the problem is intricate and difficult of solution, especially when our law does not permit of the parent or guardian being punished. The only solution that I can think of—and it has recently been advocated in the English Press—is the establishment of a Reformatory for the reception of juvenile offenders, and for teaching them a useful trade. Perhaps, instead of a Reformatory, an Industrial School for juveniles would even be more useful. To such a school could be sent not only boys guilty of municipal offences, but also children of the poor, who would otherwise go to swell the number of street-urchins. The separation of these two classes of boys, if considered necessary, is a detail that can be arranged. Such an institution could be evolved out of the existing free vernacular schools, or become an adjunct to them. I may mention that this suggestion has the sympathetic support of my unofficial colleagues.

There is another matter arising out of this item of revenue, on which I venture to make some observations, *i.e.* the number of hawkers' licences to be issued. It has been brought to the notice of the Chinese General Chamber of Commerce, of which I am the chairman, that some of the men who were arrested and fined or sent to gaol for unlicensed hawking during the early months of this year had applied for but been refused a licence on the ground that already a sufficient number of licences had been issued. The Chinese ask me to plead on behalf of these poor people for a more liberal policy. Some of these men come to Hongkong with a few dollars (probably their whole fortune) in order to earn an honest livelihood as hawkers. When arrested and fined, with the possible loss of their entire stock-in-trade, they inevitably go to swell the ranks of the unemployed and of rogues and vagabonds; or, worse still, may be driven to thieving. It would be far better to have some more licensed hawkers, who can be controlled by the police, than that a hardship should be inflicted on

poor but honest people, or that the Colony should have in its midst a host of undesirables. I hope that this representation will receive the sympathetic consideration of our energetic Captain-Superintendent of Police.

On page 9 of the Estimates appears the item "Kowloon (West) Ferry Licences" which show a revenue of nearly \$119,000. The unofficial members are of the opinion that, as a cheap ferry service would tend to help the spread of the native population from its present congested area in Victoria to the other side of the harbour, the Government should obtain from the lessees a reduction in the fares, especially in that for third class, against a reasonable rebatement in the present rents paid to the Government.

Arising out of the item "Money Changers' Licences" I would ask that the embargo on the export of subsidiary coins from the Colony, which entails hardship on the people, may be withdrawn at an early date. Since the matter was taken up by the Chinese General Chamber of Commerce with the co-operation of the Chinese banks, the premia on Hongkong sub-coins have disappeared. Moreover, our small coins and bank-notes are again at a discount in Canton and the adjoining districts, and it does not now pay anyone to take these moneys from Hongkong to such places. The reason for the embargo, therefore, no longer exists.

The revenue from "Opium Monopoly" shows a decrease of \$1,500,000, and the explanation given in the note against it is that a decrease in consumption of opium is expected. We should like to know whether the decrease is the result of a policy of the Government, or is due to a diminishing demand for the drug, or to a probable increase in the quantity of opium smuggled into the Colony. Without expressing our opinion in any way, we desire a fuller explanation for such an enormous shrinkage in a principal item of our revenue.

We find that the number of Pawnbrokers' Licences has increased, and we wish to record our opinion that where there are too many pawnshops gambling inevitably springs up or largely increases, with an attendant increase in crime. We trust that this point of view may receive the attention of Your Excellency.

Passing now to "China Companies Fees" on page 12, I wish to offer for the consideration of the Government a suggestion which has the approval of my unofficial colleagues. Owing to

the unrest prevailing in the interior of China, the number of business men who have transferred their commercial activities to this Colony, which affords them security and protection, is large and is daily increasing. If it could be done, I should like to see British protection afforded to all Chinese companies registered here outside this Colony. In that event, Hongkong would assuredly become increasingly popular with Chinese business men, and, what is more, British prestige in China would be greatly enhanced. I know that this is an Imperial question, and one that is beset with many difficulties, but none the less I would urge Your Excellency to give it your consideration.

There is an estimated decrease of \$1,000 in "Prison Industries." If you will turn to page 58, under "Prison, Other Charges," you will find that the increase in expenditure in the item "Subsistence of Prisoners" is explained as being partly due to an increase in the number of prisoners. Since the number of prisoners has gone up, how is it that the prison industrial labour has yielded, or is expected to yield, a smaller revenue? Whatever the cause, we should like to be enlightened on this point.

The gross receipts from the Kowloon-Canton Railway (page 14) are estimated to amount to \$482,000, while the working expenses, special expenditure, interest on the inscribed stock issue of 1906 together with the Sinking Fund at 1 per cent. thereon, are expected to amount to \$1,136,184, thus showing a deficit of over \$654,000, as is shown in foot-note 3 on page 119. If, therefore, it is for no other reason than a commercial reason, the Government should make every effort to get our railway linked up with the Canton-Hankow Railway, which would undoubtedly result in a considerable increase in the traffic on our line. The railway could also be rendered more popular by certain improvements, but it would take up too much of the time of this honourable Council for me to detail them here. If Your Excellency desires it, I shall be glad to submit my suggestions at a later date.

The item "Interest on Government House Furniture" on page 18 is estimated to amount to \$290 next year. We presume that this interest is payable by the Governor on the value of furniture in

rooms occupied by him as his living quarters. We consider it somewhat niggardly on the part of the public to require the Governor to pay for the use of furniture provided by them as a matter of necessity. Even if this is done in other Colonies, there is no reason why the practice should continue here. Let us take the lead in this small matter, as we have done in one or two larger matters in the past, and abolish the system; and most likely our sister Colonies will follow suit. In connection with this question, we invite attention to the item "Rent of Government Furniture" on the same page. This is evidently rent paid by officers living in Government quarters in which furniture is supplied by the Government. If our suggestion regarding the Governor's furniture is adopted, the privilege should be extended to the other Government officers, the amount involved being only \$170 a year in their case.

I now come to the Estimates of Expenditure. In the Estimates of the Harbour Master's Department, we suggest that provision may be made for a launch and, say, two fairly high-power motor-boats. The launch is to be used for towing junks and smaller craft to the Harbour of Refuge in typhoons and storms; while the motor-boats are to serve as life-boats, which can at the same time perform ordinary harbour duties.

Under "Other Charges, Imports and Exports Department," the sub-heads "Fuel" and "Packing Expenses" show no reductions, in spite of the statement in Your Excellency's Budget speech that much less opium was expected to be boiled next year, and also in spite of the fall in price of coal that has taken place since the current Estimates were passed. It is true that the amounts inserted for next year need not be all spent; but the provision of a sum larger than what will actually be required does not conduce to economy.

In connection with the Estimates of this Department, we desire to take this opportunity to urge the early abolition of the trade restrictions introduced owing to the exigencies of the war, particularly the regulations governing Import and Export Permits, which are causing great inconvenience to the general public, and are inflicting much hardship on the Chinese. At the second reading of the Budget Bill last year this question was raised, and His Excellency the Officer Administering the Government said that the restrictions were war measures. Now that the war has ended, these vexatious restrictions should end also.

We desire to comment upon the present system of searching passengers leaving or arriving in this Colony by Revenue Officers and by the Police. This question was raised by the unofficial members in this Council in 1916, and although some improvement has since been effected, we feel that much more can still be done. Now that the European Police contingent is to be substantially augmented, we hope that more European supervision of the search work on the wharves may be exercised.

The unofficial members will unhesitatingly vote for the sum inserted under Miscellaneous Services for special allowances on salaries; but they are of the opinion that, if the allowances were to be made retrospective in the case of officers in receipt of sterling salaries or exchange compensation, the other Civil Servants should be similarly treated, as they have suffered in common with their senior officers from the high cost of living.

In the Police Estimates, the addition of 4 European Lance Sergeants, 15 European Constables and 32 Chinese Constables, to bring the Force up to pre-war strength and in conformity with present-day needs, has the warm support of the unofficial members of this Council.

The unofficial members beg to associate themselves with the remarks made by Your Excellency at the last meeting in reference to the good work done by the members of the Force and by the Police Reserve during the war.

In the Sanitary Department, we are glad to see that two additional Sanitary Inspectors will be appointed so as to relieve the Police Inspectors at Kowloon City and Shamshuipo of sanitary duties. We consider that the practice of putting police officers in out-stations on all kinds of extra duties, such as the collection of revenues and the performance of sanitary inspectors' duties, should as far as possible be done away with.

Speaking as a representative of the Chinese, I think that the administration of the lime-washing regulations is not above criticism. Complaints have reached me from time to time that lime-washing done by one's own contractor often failed to be passed by the Sanitary In-

spector in charge, even when done twice or three times; while the work executed by certain privileged contractors invariably received better treatment. Such being the case, the Chinese prefer to have the work done by the Sanitary Department, and to pay for it according to a reasonable scale of charges to be published.

The provision for 10 Vernacular Pupil Teachers in the Education Estimates in connection with a scheme for training young students for the posts of vernacular masters has the warm support of the Chinese. The scheme not only will ensure a steady supply of vernacular teachers, but should, if properly worked, produce in course of time, a class of better qualified men for this important work.

With regard to the proposed grant of \$10,000 to the Confucian Society, which, I hope, is an annual subsidy, I am glad that the efforts of the Society and of a few Chinese gentlemen to give the children of the poor at least an elementary education in their own language, have at last received the support of the Government. On behalf of the Society and of the entire Chinese Community, I beg to thank the Government for this substantial grant.

The unofficial members endorse Your Excellency's remarks as to the excellent work done during the war by the members of the Defence Corps, and to the valuable services rendered by Major Morgan as its first Administrative Commandant.

Turning to "Public Works, Extraordinary," we notice that many items show neither the original nor the revised estimates of the works in hand or contemplated. To give a few items of more or less magnitude, we cite Nos. 5, 7, 8, 11, 12, 16 (k), 16 (l), 16 (s), 17, 23, 49, 50, 68 (b) and 69 (a). Unless this information is given, it is not possible to tell whether or not the sum inserted for the first time for a certain work will be all that is required to complete it. In any case, no business man would like to approve of an undertaking without knowing what its total estimated cost is, even though approximately.

We are glad that at last the mortuary on Hill Road is to be removed to a more isolated site. It is at present hemmed in on all sides by residential quarters, and the news of its proposed removal has been received with

satisfaction by the people living in the neighbourhood. I hope that the work may be completed before the next hot season sets in.

In connection with Item 19, Miscellaneous Drainage Works, we call attention to the increase in the number of mosquitoes in some parts of the Island. The cause may be found in the stagnant water, retained in manholes after rains or after flushing operations, which serve as breeding-places of these insects.

We should like to avail ourselves of this opportunity to call once more Your Excellency's attention to the necessity for a high-power Commercial Wireless Telegraph-station, which we should like erected as soon as possible.

I would also ask that a site in a fairly accessible locality be set apart for a golf-links for the use of the Portuguese and Asiatic communities. Representations have been made to my Chinese colleague and myself by several Portuguese gentlemen, as well as by the Chinese, as to the want of such a place of recreation for them, and I am pleased to state that their request has the support of my unofficial colleagues.

At the second reading of the Budget Bill last year, the Hon. Mr. Landale suggested on behalf of the unofficial members that the Public Works Committee should be enlarged so as to comprise all the unofficial members of the Council. We do not know whether this suggestion has escaped attention or not, but, in view of the increasing magnitude of our public works, we again press it to the notice of the Government.

As regards the permanent increase in the emoluments of Government servants, the unofficial members will gladly vote for whatever additional amount may be considered necessary. For my part, I should also like to see the pay of the lower grades of the Service, such as the Asiatic Police and Revenue Officers, somewhat raised.

Should the estimated balance in favour of revenue be turned into a deficit, as it is most likely to be, by the additional expenditure necessary for payment of increased salaries and by the expected heavy loss in the Government's rice transactions, we would have the accrued balances of the Colony to fall back upon.

If necessary, we could resort to a short-term loan to pay for our works of development, many of which, as Your Excellency said, would be remunerative.

Speaking of the Government action in dealing with the rice situation, I venture the opinion that the monetary loss that may result from it will be more than compensated by the good it has done. It prevented the incipient riots that had broken out from assuming uglier proportions; it had a decidedly steadying influence on the minds of the whole community; and, though the Government might not have foreseen it, it helped to bring down prices very quickly. Had not the Government bought such a large quantity of rice, and become the people's grocers, as it were, the prices of the commodity would most probably have remained on their high levels much longer than they did, and the public would have had to pay them anyhow. The whole matter therefore resolves itself into this: the Government, as representatives of the people collectively, paid high prices for the rice, which, otherwise, the people individually would have had to pay. As to whether the handling of the buying and selling part has been done in a businesslike manner or not, I prefer to defer judgment until the whole matter is closed, and a statement of the transactions is laid before this Council, as undoubtedly it will be. I should add that the views I have expressed are shared by my unofficial colleagues.

In conclusion, we desire to offer the Government our congratulations upon the progress of the Colony as evidenced by the figures in the Draft Estimates and in the Financial Statements before us. It speaks highly of the administration, especially the work of Sir Henry May, and of the Hon. Mr. Claud Severn, who, for about a year, administered the Government with ability and success.

THE HON. MR. R. G. SHEWAN said:— Sir, I had not intended—as I have only just returned to the Colony—to say anything about the figures now laid before us, but the Hon. Mr. Lau Chu-pak's remarks have raised some memories of old days. I quite agree with his remarks on the education of little children. I have long thought that something ought to be done for these urchins, these waifs and strays allowed to run wild on the streets. I think they should be, somehow or other, fed and given some education, but I am not at all sure that this should be done by the Government. In England, as you know,

one constantly sees houses with the inscription "supported by voluntary contributions." I know the public spirit of the Chinese and I think Mr. Lau Chu-pak and his wealthy friends might easily attend to this matter. At any rate, I should like to see many more institutions than there are at present supported by voluntary contributions.

As for the smuggling of Opium, it is a delicate question but I think it is a purely Chinese one. It is quite obvious that there are some rich capitalists behind this smuggling and I think Mr. Lau Chu-pak and his friends could probably give, if they wished, very valuable information to the Government on this point. At any rate they are more likely to find out about it than foreigners.

As to the question of rice, I do not think Mr. Lau Chu-pak should be very hard on the Government. They had to do their best, as I understand, in the crisis, and they had no Joseph to tell them seven years beforehand what was going to happen.

There is only one matter which I really meant to refer to. I had the honour of serving on the Civil Service Salaries Commission and I was rather surprised when I returned to the Colony to find that no official announcement had been made on that subject. I presume the delay has occurred in London as the Governor stated on April 10th. last that the recommendations of the Commission had then already gone forward to England. No doubt there is some good and sufficient reason for the delay and I am not going to trouble the Government with unnecessary questions, but the matter is one of vital importance to hundreds of families in the Colony and the Government officials at Home perhaps do not realise that "while they are fiddling Rome is burning." As to our recommendations, I think I may say, without revealing any secrets, that we approached the matter determined not to lay ourselves open to any charges of extravagance or over generosity. We meant to be as economical and conservative of the Colony's money as we could possibly be. But I am bound to say that, on enquiry into the matter, we found that the case of the Civil Servants for the redress of their grievances was overwhelmingly strong. They have

suffered long and silently and stoically from the fluctuations of exchange, from the high rents of houses and from the general increased cost of living in the Colony. They have been fobbed off from time to time with mean shifts such as the so-called duty pay which was obviously only designed to deprive Civil Servants of the share of pension which should have been attached to that duty pay. And not only that. It was intended, or, at any rate, it resulted in forcing them to remain out here and work and so injure their health when they should have been at home recruiting their strength. What I think of the gentleman who invented that duty pay is perhaps better illustrated in this way. When I was a young man in Hongkong the American Consul was the celebrated Colonel Mosby, a great cavalry leader. He was a first-class fighting man and very irascible when I knew him and he soon came to loggerheads with a man called Peter Smith, the official crimp of the Consulate. Mosby was a past master in strong language and was soon told he was to be prosecuted for libel by Peter Smith. He turned round, saying, "libel Peter Smith, the word is not coined that could libel Peter Smith." That is how I feel of the man who invented duty pay. Contrasted with him, Peter Smith must have been a nobleman. I know Mr. Messer says they must make the best of it and that it is better than nothing. It was like the little boys taking medicine. They laughed miserably, the little wretches, but they had to swallow it. The men in high places should care for the interests of those under them. They should not try to take advantage of difficulties in this way. If I were not speaking in this Council and in the presence of H.E. the Governor, I should call it a dirty trick. I do not think I need enlarge on that subject so I will turn back now to the recommendations. We invited everyone who wished to come before us and state his or her case. We examined personally every applicant and, in no instance, did we recommend any expenditure or any increase that we did not think absolutely justified by the facts. It was a matter of bare justice and nothing more. After all we unofficial members can do very little in these matters. We can bark but we are muzzled by the official majority, and we cannot bite. But I will go on barking as long as I can and I say now that if Lord Milner's advisers see fit to modify our recommendations to any material extent they will do grave injustice to

their fellow-servants out here, as well as to a body of hard working, patient and loyal men and women.

THE HON. MR. C. G. ALABASTER said:—
Sir, I desire to associate myself with the remarks which have fallen from the senior unofficial member of this Council, more especially as those remarks reflect the results of certain discussions which the unofficial members have held on this budget.

If I may supplement those remarks, sir, I should like to say that, whilst the Colony and those who have the shaping of its destinies are to be congratulated on the continuous and natural increase of its revenues and on the allocation of so large a proportion of those revenues to development, it is impossible to pass these estimates without some criticism of their faults, the greatest of which are those of omission.

Last year this Council was asked to apply a sum not exceeding \$10,605,345 to the Public Service of the year 1919. For the previous year the sum voted was \$8,386,910. Yet only eight weeks ago we were asked to authorise the appropriation of a supplementary sum of \$5,466,327, to defray the charges of the year 1918, and we now know from your Excellency's speech on the first reading of this Bill that these estimates which are framed to show a balance in favour of revenue of something more than four lakhs, attain that satisfactory appearance only by the studied omission of two factors of expenditure which must be reckoned with during the financial year— the deficit on rice purchases and the emoluments of public servants.

The amount which will be required under the former head, you have told us, cannot be evenly approximately estimated; it is fairly generally believed that it will run into some millions of dollars. If, hitherto, unofficial members have refrained from criticising or catechising the Government on the rice question you must understand, sir, that they have exercised that self-restraint so as not to tie the hands of the Administration in dealing with a delicate and difficult situation. But the time for calling on the Government to give an account of its stewardship cannot be much longer deferred. It is to be hoped, sir, that means will be devised to prevent a recurrence

of the conditions of the last few months, and that the burden of paying the bill will be imposed as far as possible on the speculative interests that brought the situation about.

It is to be hoped, sir, also that by improving the communications with the Southern district of the New Territories, particularly Lantau and Lamma, greater areas of Colonial land may be put under cultivation so as to enable the Colony to grow its own consumption of rice and other vegetables and fruits. The cultivated acreage at present is only 42,463. It is high time, sir, that steps were taken to put as much as possible of the remaining 207,778 acres under cultivation on the terrace system, at which the Chinese cultivator is such an adept.

On the question of increased emoluments of public servants, which are represented on page 42 of the estimates as a sum of \$465,000, we know from your Excellency's speech and from the footnote on that page that this sum represents merely temporary increases authorised by Colonial Office telegrams in July and September, and that the real sum required for the service of the year will be measurably greater. The reticence displayed by the Administration in refraining from publishing the report of the Commission on Emoluments, and from inviting the opinions of unofficial members and the public on that report, is regrettable. But I may say, sir, that when the Government does come forward with its proposals on that important subject you will not find that the unofficial members will be niggardly in voting whatever sums may be necessary for the purpose. The Service has many genuine grievances with which the unofficial members have every sympathy. If I may single out one, in particular, it is the lack of adequate provision for passages for public officers and their dependents. Whilst on the subject of salaries, I may point to the somewhat misleading statement which appears in the exchange footnote on page 3. The rate of exchange on sterling salaries is not 4/5ths. at 1/9 and 1/5th at 3/-. The last fifth is paid at the Government current rate, with the result that neither the sterling posts nor the compensated dollar posts will receive during the year the sums in dollars stated in the estimates. In fact, they will not receive so much unless the dollar drops in value to 3/-.

Passing from the faults of omission to those of commission in these Estimates, it is to be noted that you propose to spend the sum of \$5,251,706, or 35.28 per cent. of the total vote, on Public Works and that, of this large sum, no less than \$3,973,700 are to be devoted to Public Works Extraordinary. That being so, it would seem impossible to defend or palliate the reticence which has been displayed by the Administration in disregarding the unanimous desire of the unofficial members, expressed last year, that the estimates for public works should be submitted in the first instance to the Public Works Committee of this Council, which should be enlarged for that purpose, as appears to be the case in Singapore and Penang, by the inclusion of all the unofficial members.

Amongst the most outstanding omissions from the draft estimates are any reference to the Praya East reclamation scheme (a matter of infinitely greater importance than the reclamation scheme for Aplichau), and, aequally important, the omission of any reference to the Government's proposals in the matter of housing, with regard to which the situation is, I can assure you, acute. If the item of \$150,000, on page 94, for a hill tramway to Wanchai Gap and the commencement of a road which will eventually reach Shek O and Cape D'Aguilar are intended as contributions to the housing problem, I will observe that, however much these works may benefit posterity, they do not go one inch towards the solution of the problem of the present situation, which is urgent throughout the Colony and particularly in Kowloon.

Whilst additional public works will necessitate increases in the staff of the Department charged with the duty of executing them, it is becoming more and more evident that the time has arrived to relieve that overburdened Department of its duties in connection with the sale of Crown Land and conversion of farm lots into building lots in urban areas. These duties properly appertain to the Land Office, which should have its own staff of surveyors under the Land Officer. In this connection, and with special reference to the item of \$200,000 which appears at the bottom of page 5 as the

estimated premia on land sales, I should like to endorse and repeat every word uttered by the Hon. Mr. Landale last year, when dealing with the same item, words which you will find, sir, on page 82 of the Hansard report.

I notice amongst the Public Works Extraordinary, on page 95, that the sum of \$60,000 is to be spent on the reconstruction of ferry piers, which now are a disgrace to the fair fame of the Colony. I note, also, that though a similar sum was voted last year only one-fifth of it was spent. I should like to know the reason! Although Eastern Street ferry pier was removed about a year ago nothing has been done to replace it. The ferry pier on the new bund opposite the market at Cheung Chau has not been even begun. The ferry piers assigned to the Yaumati and associated ferries are impossibly narrow and congested. The want of proper supervision of these piers is apparent to everyone who has had occasion to thread his way through buckets of pigwash when leaving, or arriving, at these piers by ferry. Whilst on the subject of ferries, I notice, on page 9, that you count on getting \$118,800 for new licences in connection with the Kowloon (West) ferries. It would be better, in the interests of the community, that fares be reduced and the type of vessel improved than that we should regard these necessary communications as a source of revenue. I fear, however, that not until you have required your Heads of Department and Executive and Legislative Councillors to travel by the ordinary ferries to Aberdeen, Stanley, Ping Chau and Tai O, will you be properly advised as to what is really required to bring our ferry services up to date.

I am glad to see that you intend to spend \$30,000 on the extension of Coronation Road northwards and a further \$190,000 on other roads in Kowloon; also that it is proposed to lay a larger main from the reservoir filter beds and to improve the system of distribution in that rapidly developing district. With abundance of water in the reservoir, the inhabitants of Kowloon have suffered for years from a difficulty in obtaining water in their houses, which amounts to a positive scandal. It is due to them that the Government should state explicitly the precise nature of the measures it intends to take to remove that difficulty during the ensuing year.

On the Hongkong side, I doubt whether it is worth while to spend \$45,000 on the extension of Lugard Road at the Peak, unless arrangements can be made with the military authorities to release some of the military lands in the neighbourhood of Harlech Gap for building sites. As we are asked to assist the military authorities with a Defence Contribution of \$2,886,478 out of our revenues for the year, they should at least be reasonable in helping to reduce the housing shortage by releasing undeveloped building sites which cost them nothing and which are not required for military purposes.

With regard to the \$71,481, including a sum of \$24,000 for next year's camp expenses, which you propose to spend on the maintenance of the Defence Corps, is it not high time, sir, that this body of men, who have cheerfully served for upwards of five years without daily pay, without chevrons, and without medals, and who have been combed and re-combed for service in the fighting line until none but those medically unfit or essential to the Colony remain, should be given the privilege, accorded to troops throughout the Empire, of demobilization at the earliest possible moment? As a force they have not proved costly and they have rendered such services towards the protection of the Colony as were deemed necessary, whilst they were always in readiness to do more should the occasion arise. The Government, sir, in a time of emergency, has traded on their patriotism. I blame them not for that. Every State may legitimately trade on the patriotism of its people in times of emergency, but to continue so to trade when the emergency has passed savours of profiteering and engenders discontent.

I am afraid that, in commenting on this mass of figures, I have detained the Council for somewhat longer than I had originally intended, but, before I resume my seat to make way for the hon. member who represents the Chamber of Commerce, there are two or three matters of importance to which I must refer.

Under the heading "Judicial and Legal departments" I note that the Government proposes to abolish the post of Assistant Interpreter (a European billet) and to

substitute a second grade Chinese interpreter. The legal profession views this proposal, sir, with consternation. The proper administration of justice in this Colony depends, in no small measure, on the quality of interpretation. It is essential that there should be at least two fully qualified Europeans on the interpreting staff and that they should be supplemented by Chinese interpreters of the first grade only. The administration has been niggardly in this respect in the past and the Government has lost, in consequence, the services of some of the best of the Chinese interpreters and translators.

Under the heading "Sanitary Department" you are making provision for only two Sanitary Inspectors to do the work at Kowloon City and Shamshuipo formerly done by Police Inspectors. You may not be personally aware, sir, so shortly after your arrival in the Colony, that when the estimates for the Sanitary Department came before the Sanitary Board last May, four new Sanitary Inspectors, and not two, were recommended. Further, that that recommendation was referred by the Board to a sub-committee consisting of the President, Mr. Chan Kai-ming, Mr. Bowley and Mr. S. W. Tso, who were unanimous in supporting the recommendation for four, and that recommendation was unanimously agreed to by the Sanitary Board at a meeting on the 10th June. Why then, sir, is the Board to be flouted and the Department deprived of the services of two much-needed inspectors, one of whom was to have been employed at Shaukiwan and Quarry Bay?

Lastly, sir, thought there is much I have had perforce to leave unsaid, there is the item under the head of "Education" which shows an estimated increase of capitation grants from \$51,763 to \$71,534, but this is explained by the fact that more schools are to be included in the grant scheme. It does not seem that there has been any increase in the actual grants per head for any particular school since 1910, notwithstanding that establishment charges for maintenance and salaries have measurably increased since that date. Indeed, I understand that, in 1915, the University Local examination grants were actually halved.

All these are matters which I recommend to the earnest attention of your Excellency's Government.

THE HON. MR. E. V. D. PARR said:— Your Excellency, in associating myself generally with what the hon. unofficial members have said, I would like to add that I feel certain I am voicing the opinion of the general public in endorsing the recommendations of the Commission appointed by the Government, to raise the scale of European pay, more especially the granting of indulgent passages when on leave for the families of officials.

As regards the Government's present proposal to spend some \$5,000,000 of current expenditure for public works out of revenue, in the event of money becoming easier as it is fairly certain to do sooner or later, I would reiterate the advice of the Hon. Mr. Landale last year to this Council that "the only business way of supplying the Colony with such works is by means of short loans in local currency with adequate sinking funds, which would provide the amount required for each year while more equitably distributing the burden of repayment." I believe it might be possible to save considerable sums of this proposed expenditure on public works, if the Government could dispense more with contractors' services when the contractors' charges are excessive. I mean by the Government buying their stores in the open market. I understand some such arrangements have been successfully carried out in the Straits Settlements. The Government might also encourage smaller contractors more than at present, by helping them, when they have shown themselves to be reliable, to bigger jobs, thus assisting to distribute the demand for all work in the Colony more equally over the supply. As a member of the Public Works Committee, I have gone exhaustively into this question of contractors' charges and I cannot persuade myself that the Government are able to get the best terms possible under the present system.

We were glad to hear that Your Excellency considers that it has become very desirable to open up new sites for residences in the Hill districts. We urge that the Government prepare surveys and publish development plans of building areas in the vicinity of present habitation centres, more especially at Kowloon, suitable for inexpensive and immediate development, forming the necessary levels and roads before such areas are applied for and taken up. The development plans

should show definite reservations for the different communities with a view to determining the type of houses suitable to particular areas, stabilising values by preventing encroachment of a poorer class of property, concentration of and economy in water supply, drainage, lighting, scavenging, etc., suitable to the different classes of property, and the provision of modern sanitation with water supply from Government mains for all European dwellings. The plans should also show the areas divided up into building lots of dimensions suitable for individual enterprise, varying in size say from 7,000 to 20,000 square feet. It is thought this would be a more efficient way of meeting the housing problem than building flats—anyhow on the Kowloon Promontory, which will one day be among the most valuable sites in Hongkong. Housing accommodation is most urgently needed by those residents whose incomes vary from \$400 to \$700 monthly. For such incomes there should be provided houses in which a family can be brought up, and the monthly rent of these houses should vary from \$60 to \$120. I see no chance, under present conditions, of building such houses on the Bowen or Wanchai Gap Roads. The Government would save considerably, not less in expense than in trouble, by loaning at a low rate of interest to reputable residents in order to admit of their building their own houses, as is done in other countries and as was wisely suggested to this Council by the Hon. Mr. H. W. Bird last year. So long as private persons can do better with contractors than the Government—and I believe most people will agree that under the present system they can—the Government and the public will both be best served by a system of loans for building purposes to Government plans. The security would in every instance be a sound business proposition. Purchasers of all lots should be required to produce proof to the authorities of their intention to build to approved type within, say, two years of purchase. Overhead rail-less trams, to begin with and bus or tram afterwards as required could bring residents from any distances to and from the Ferry Wharf, thus efficiently and easily opening up the adjoining districts. It is by such methods that great cities of the Empire have been speedily built and the time is coming for similar developments in this Colony.

We appreciate that Your Excellency has not yet had time to make a personal inspection of the various portions of the Kowloon Peninsula, and I, therefore, mention one or two matters for the favour, in due course, of Your Excellency's consideration, as affecting this and future budgets. Swampy areas such as Kowloon-tong and Farm Lot 6 near Yaumati Station to be filled in from the adjoining hills. These works will prove profitable undertakings for the Government, not to mention the general health of the community. The Mortuary at Yaumati to be removed to some more remote site. The Chinese brothels at the junction of Gascoigne and Nathan Roads to be removed. The Chinese latrines on Nathan Road—the best road we have in the Colony—to be removed. Rearrangement of War Department land—and this applies as much in Hongkong as in Kowloon. I do not doubt that these and other urgent matters will be at once apparent to Your Excellency when visiting this district.

In the Harbour Department we hope it is intended to re-open the Peak Signal-station, rightly closed down in consequence of the war, but which the shipping as well as the general community would now like to see restored to its former sphere of usefulness. We also hope that the Government will institute wireless position finders and/or diaphones, as used in European and American waters with most satisfactory results, on Cape D'Aguiar and Gap Rock. This matter, as affecting the China Coast, is to be brought before the Conference of Chambers of Commerce by the Hon. Mr. Dodwell to be held in a few days at Shanghai, and we should like to see this Crown Colony lead the way in this important matter affecting the safety of the travelling public.

As regards the continued reduction of revenue from the Opium Monopoly, it is probably not known to one elector or politician in ten thousand, and it might interest some of them to learn, that in spite of the various exchequers having been deprived of the legal revenues from this trade there is as much, and perhaps more, trade in opium, certainly more illegal trade, than ever before, and we read newspaper reports from reliable sources of whole districts in China under the cultivation of the poppy. Thus the revenues which the
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received so far as the import of opium is concerned have been handed, multiplied ten and a hundred fold, to a vast community of smugglers, whose ramifications and organisation are little short of amazing. The substitute for the gradual suppression of the opium revenue is a serious matter affecting the continued prosperity of this Colony, and it would certainly appear that things will go from bad to worse, if the British Government continue to gradually relinquish the control of this trade.

It is hoped that Barker Road Hospital has been made permanently available for maternity cases, as originally intended. So long as it has refused these cases it has remained guilty of having obtained funds from the public under false pretences, since the Government has never denied that this was one of the main objects for this Hospital in the first instance.

I entirely agree with the hon. member for the Justices that we would all like to see the Defence Corps disbanded, re-organised and more in charge of men who have served their country with distinction at the Front. It would also be a move in the right direction if employers would insert a clause in agreements that young men coming out from Home to their service are expected to join the local Defence Corps.

I would respectfully draw your Excellency's attention to the present matshed covering of Statue Wharf which detracts from what would otherwise be the most handsome landing-place in the Colony. It may be, however, that this matter is in abeyance pending the decision with regard to a victory War Memorial in the Colony.

I must especially endorse the Hon. Mr. Lau Chu Pak's remarks, particularly as regards the intended joining up of the Canton Railway with the Kowloon Line, and would add the completion of the Railway from Shuichow and Changsha. Sooner or later, the Canton Chinese officials must appreciate how much the present generation is losing by their failure to complete this work, which could be arranged to-morrow if approached in the proper spirit. Prosperity lies at the door of Kwangtung and Hunan for the asking.

In conclusion, while endorsing the congratulations of the hon. the senior unofficial member to Sir Henry May, the Hon. Mr. Severn and their fellow-workers, I would also tender to Your Excellency our congratulations on the lucid manner in which you laid this Budget before this Council after only a few days' residence among us, which augurs well for the continued prosperity of this Colony, to which H.R.H. the Duke of Connaught once happily referred in Hongkong as "one of the brightest jewels of the British Crown."

The Government's Replies

THE DIRECTOR OF PUBLIC WORKS—will endeavour as far as possible to reply to the various points raised by the unofficial members with regard to Public Works. The hon. senior unofficial member referred to the fact that, in many cases, the estimates for the original cost, or the revised estimates for the total cost of the work did not appear in this year's Budget. Hon. members must bear in mind that the work of the P.W.D. has been carried on under great difficulties during recent years. Works have I been postponed. It has been impossible to increase the staff and, indeed, members of the staff have been taken off and sent home for active service. Works have, in consequence, been allowed to accumulate but now they are being brought forward and inserted in the estimates as rapidly as possible. It means, sir, that either the estimates for many of these works must be mere guesses, which is very inadvisable, or it means that they cannot appear in the estimates at all. Hon. members have urged the necessity of providing housing accommodation and, in a number of cases these works are concerned, either directly, or indirectly, with the question of housing accommodation. Reference was made by the senior unofficial member to the items under Miscellaneous Drainage Works in connection with the mosquito nuisance. That is a matter which will doubtless be more easily dealt with by the Sanitary Department than by the Public Works Department. With regard to the question of housing, I would like to state that since 1914, 42 new quarters have been provided for subordinate officers and 2 additional quarters have been obtained by purchase, whilst flats on Caine Road for married Police Officers

to the number of nine, and over the new Magistracy for married Police Officers to the number of two, have been provided. Prior to 1914 there were some thirteen houses available for the subordinate staff and, with the figures I have mentioned, the total is 68. During the current year ten more quarters have been added and four quarters have been made available in the old Berlin Mission building, making a total of fourteen. In next year's estimates provision has been made for 44 quarters, so that, taking the total of these figures, we see that 126 houses have been provided by the Government for its staff, the majority of them during recent years. I presume that hon. members do not intend to suggest that the Government should undertake the task of making provision for the housing of the general public. Turning to the remarks of the hon. member who represents the Justices, he referred to the omission to submit the programme of public works to the Public Works Committee. I would point out that the programme comes before the whole of this Council and I can see but little advantage in referring it to the Public Works Committee. If, however, Your Excellency directs that it shall be submitted the matter will be attended to in future years. The programme can only be submitted by direction of Your Excellency. The hon. member mentioned the Praya East Reclamation scheme for which he said no provision had been made in the Estimates. That matter has still to go before the lot owners and to be agreed to by them generally. Terms have to be settled which the Government proposes to lay before them and when that has been done provision will be made for the reclamation scheme. I may point out that in past years Government has expended a considerable sum of money in connection with works undertaken in anticipation of carrying out the reclamation scheme and that money may be accepted as the Government's contribution toward the cost of carrying on the work, should it be undertaken during 1920. I have pointed out that the housing question has not been altogether omitted as the hon. member stated. He mentioned that the provision of \$150,000 for the tramway to Wanchai Gap and certain other items would not go one inch towards the solution of the housing question. That is a matter on which opinions may vary. There may be some better method of providing access to sites which would be suitable for the erection of dwellings, but the method now proposed has been considered one of the simplest and best. The hon. member suggested that all land matters should be dealt with by the Land Office. That is a question that has been very carefully considered before and,

having regard to the fact that very little can be done in the way of disposing of land without formulating schemes for laying out the area, making roads on proper levels, and making provision for water and drainage, it has been decided that it is a matter which can be more effectively dealt with in this Colony by the Public Works Department. The hon. member enquired why better progress had not been made with the reconstruction of various piers. There again, sir, it is a question of an insufficient staff. To enable us to undertake any of this work, extensive borings had to be taken to ascertain the length of piles necessary and, in order to erect substantial piers which shall serve their purpose for many years, it is intended to use re-inforced concrete piles. These have to be made, each one separately, and naturally this is a matter which takes considerable time, especially when you are dealing with piles of 60 and 70 feet in length. The hon. member asked that some indication might be given of the measures for overcoming the shortness of water supply in the Kowloon Peninsula. The principal item consists of laying a main 18 inches in diameter from the filter beds to the main point where the arterial system of distribution begins. That main will be more than twice the capacity of the existing main and there should therefore be a very substantial improvement in the supply of water obtained. From the point where that main ceases there will be other enlarged mains in various directions. The hon. member referred also to the release of military lands in Lugard Road. That is a matter which perhaps scarcely falls within my province, but I have little doubt that it will be possible to come to some satisfactory arrangement with regard to it with the military authorities, since the Pinewood Battery has been practically abandoned as a Battery. The hon. member who represents the Chamber of Commerce suggested that the Government might save very considerable sums by dispensing with the services of contractors. With regard to that I would point out that a good many years ago the London County Council established a very full and complete Works Department. It was under the control of an Officer who received very

much higher emoluments than the Director of Public Works in this Colony. It employed a staff and plant and everything that could be required. After running for a considerable number of years the conclusion arrived at was that the carrying out of the works of the City of London by this department was a failure and the Department was closed down. That experience has not been confined to the City of London alone, Sir, but has taken place in other places as well. As far as the proposal that smaller contractors may be assisted by awarding them larger works when they have shown themselves capable of doing work properly is concerned, that policy has been pursued during all the time that I have been at the head of the Department. The hon. member referred to the publication of development plans of Kowloon and suggested the showing of building lots and other details to enable people to take up land. Well, Sir, if Kowloon was one of those districts where the land is all of ordinary type it would be a very simple matter. Where the land is comparatively flat development plans are in existence, but when you come to deal with the rough and uneven hills of which practically all Kowloon consists the task of preparing plans which would be of use is one which would require a large staff to undertake. The hon. member referred also to the possibility of establishing over-head railless trams to bring people to the ferries. For that you must prepare your roads to carry your trams. It would be useless to establish such trams without such preparations as they would result simply in breaking up the roads and rendering them unfit either for the trams themselves or other traffic. To enable that to be done a very large expenditure must be faced and it is very questionable whether the general lay-out of Kowloon does not lend itself better to trams with rails. The hon. member suggested filling in swampy areas in Kowloon, but if he refers to the estimates I think he will find such provision has already been made. Item 56 provides \$30,000 and item 57 provides \$30,000 for these purposes. This work it is proposed to carry out, or to commence, during the coming year. With regard to the removal of Chinese latrines on Nathan Road, one is due to be removed immediately and the removal of the other—I think there are only two—will be doubtless considered later. I think that these are the only points mentioned which require any reply from me.

THE GENERAL OFFICER COMMANDING THE TROOPS—In reply to the remarks made about the Defence Corps, it will be recollected

that the present Ordinance expires six months after the declaration of peace. With regard to the work required, all that the men over 40 are now asked to do is a simple course in musketry. These number about 250, and, on arrival of the regular battalion that is expected in about one month's time, I will consider what further steps can be taken.

THE COLONIAL TREASURER—The hon. senior unofficial member mentioned three points in regard to assessment taxes. The first point was that some people pay bigger taxes in proportion to the rent, another was the increase in assessment taxes and a third that some landlords had raised rents on account to the increase in the assessed taxes. These taxes were fixed under the Rating Ordinance, being a certain percentage of the rateable value, which value was calculated on the rent that might reasonably be obtained from that property. There were some cases where leases were still in force and there were some cases where the landlord did not charge as much rent as he might and perhaps the Assessor had assessed the property at a greater rental than was actually paid. Under the Ordinance twenty-one days' notice was given of any increased assessment during which claims for abatement might be made. So far as I am aware, there have been very few. With regard to the increase of assessment taxes, there are a considerable number of new houses and, as every one is well aware, rents are going up. The increased assessment only worked out at slightly over one half per cent. on the rateable value. If rents had been increased only by one half per cent. there would have not been so much discussion on the housing question. With regard to money changer's licenses and the export of coins, the conditions have improved and the question may now be reconsidered.

THE COLONIAL SECRETARY—I wish to thank the senior unofficial member and the member who represents the Chamber of Commerce, on behalf of Sir Henry May for the kind remarks they made concerning him, and also on my own behalf for the kind reference to the time during which I have administered the Colony. In that connection I would say that if it had not been for the very loyal support I had from my colleagues and especially from Mr. Fletcher, who was acting as Colonial Secretary, I do not

think that I could have carried on in anything like the same manner. The senior unofficial member referred to jinrikishas in Caine Road. That matter is still under consideration and I hope arrangements will be made to continue that service. With regard to hawkers' licenses there are two points—one the number of licenses to be issued, the other how to deal with unlicensed hawkers who, in many cases, are small Chinese boys. The number of licenses is not strictly limited, but I think the hon. member and those who are supporting him, must see that if the number goes beyond a certain limit the streets would become practically impassable and the whole administration of the Police work of the city would be hampered to an extent which I am sure he and his colleagues would resent. As regards the punishment of juvenile offenders generally and hawkers in particular, the Government has under consideration some better method of dealing with them. It is a difficult matter, but of course the vicarious responsibility and punishment of a parent or guardian is a point that cannot be considered. The Government is certainly in favour of cheap ferry services and its effort to get fares reduced on the services started this year was, I regret to say, not successful. The term of the present concession, however, is, as hon. members are aware, a quite short one, and during the period remaining the whole question will be thoroughly reconsidered. As regards the opium revenue and the decrease to which reference has been made, I should state that the figure of seven and a half million dollars which appears in this year's estimates will not be reached and, therefore, it is not correct to say that there is an anticipated reduction of a million and a half dollars. It is quite proper and in accord with the Government's policy that there should be a reduction. In regulating the preparation and sale of opium and increasing the price, it is obvious that some reduction must take place in the consumption. As regards expenditure, the cost of packing and preparing—that is the general factory expenses—are the same, because the wages have increased. The same staff is required for handling the slightly decreased quantity of chests at the present time. I am not in a position to say that the increase of pawn broker's licenses increases the amount of gambling. I see the argument that if there are greater facilities for pawning goods there

is more money with which to gamble, but I am not sufficiently acquainted with the subject either to support or to oppose the remarks of the hon. member. As for prison industries there has been an increase in the price of materials and consequently there is a smaller revenue. With reference to the large expenditure on the Canton and Kowloon Railway, we closed the Capital Account in 1915 at a figure of over fifteen million dollars, so that now we have to charge capital expenditure to the ordinary expenditure of the railway. We decided not to increase the capital and therefore we have to show all expenditure in the estimates. The question of providing launches and general assistance in the harbour in typhoon weather has been referred to a Committee who are going to consider how the subject can best be dealt with. I hope that when the next typhoon season comes round we shall have some arrangement which will be in working order in sudden emergencies. Regarding the Department of Imports and Exports the question of permits now in existence and which, as I said last year, is a war measure, will of course have to be reconsidered. But hon. members must remember that the Government has now instituted certain statistics of trade which were acknowledged to be of great use, and it is impossible for these statistics to be in any degree accurate and satisfactory unless we have some method of checking the imports and exports of the Colony. With regard to the searching of passengers, sheds asked for have been provided and it may be possible now to have more European supervision. The question of the Government taking over lime washing will be considered. As I did not know that the hon. member was going to raise the point have not made any enquiries as to the possibility of the Government doing it, but I am glad to hear that hon. members are of the opinion that the Government can do this work at any rate better than private individuals. The question of vernacular education has been referred to. As I have said before the Government wishes to give every possible assistance for providing proper buildings and it is going carefully into the question of the best places for vernacular schools. A large sum of money has been contributed indirectly by the Chinese. This should be taken

into consideration by the hon. member opposite who said that he thought the Chinese should subscribe towards this work. They have subscribed in an indirect manner under the local shipping control scheme and their contributions may be made available for providing this particular form of education. The Government recognises the importance of the subject in every way and will deal with it at the earliest possible moment. I do not think I need refer again to the commercial wireless station. It is not a subject in which the Government can do anything more and I cannot say whether there are any prospects of such a station being erected. It would be an Imperial question and I can say nothing more on the subject. The question of providing large recreation grounds comes next. I think the Hon. Senior Unofficial member spoke of golf links. This Colony is not a very suitable one for reserving such large areas as are required for golf links but I have an idea on the subject of recreation grounds. A good deal of money will be required but I am sure the community will not be backward in the matter. I cannot say anything more definite, but I recognise that there is an increased demand for recreation grounds which will have to be met. There is no objection on the part of the Government to all unofficial members being placed on the Public Works Committee. As regards the rice question, perhaps I ought to say something. The senior unofficial member was good enough to say that the action taken by the Government prevented certain things—riots—and had a steadying influence on the community, which it prevented from being exploited. It also had what I consider a far greater effect and that was it maintained the reputation of this Colony as a free entrepot of trade. The rice was not suddenly seized and export prohibited, thereby causing large contracts to be broken and general confidence to be shaken. One thing the Government tries to do here is not to disturb the confidence people have in this place as a free entrepot of trade. Confidence is a very delicate plant and once disturbed it is very difficult to get it to grow again. That I consider in the rice question the most important object we had to deal with and I hope we achieved it. Referring to the question raised over interpreters for the Judicial and Legal departments, it is a very difficult thing to get good English interpreters. We are trying to devise a scheme whereby it may be possible. I think the member who represents the Justices of

the Peace must know himself how difficult it has been to get interpreters in the past and how very rare is a good English interpreter in the Chinese language. You will have to make it worth while for a good man to embark upon it as a career. Provision has been made for two Sanitary inspectors in the estimate when four were asked for. One of these inspectors had been put in in order to relieve another inspector who had gone on leave. The policy of providing inspectors for leave purposes is not one that the Government has ever encouraged, and it is not thought desirable to depart from that policy by appointing additional persons for whom there is no definite work. The second inspector was required for Quarry Bay but the Government thought it desirable to carry on the existing arrangements. The Peak Signal Station is to be maintained. It has been in existence for a great many years. It is one of the things people first see on approaching Hongkong. If for no other reason than a sentimental one it was thought desirable to maintain it. It has been decided not to alter the present method of signalling, during fogs. The suggestion for the installation of diaphones at Waglan and Gap rock has been found impracticable, as, apart from the expense which is considerable, the necessary power is not available. We bought a house recently adjoining the Victoria Hospital which may either be used itself or may be used as Sisters' quarters and thus release the present quarters for a maternity ward. The matter will be considered as soon as the Principal Civil Medical Officer returns to the Colony. It is quite possible therefore that the original intention of having a maternity ward will before long be realised. Referring to the question of housing I would like to say that the plan put before the Council a short time ago of erecting flats and a hotel in Kowloon has been very carefully considered with the best expert advice, and opinions from many people living in the Kowloon Peninsula have been taken to ascertain whether the scheme was the best we could carry into effect. The result has been that it is proposed to go on with the hotel, for which there is a very great demand. It is essential for the large number of tourists and others who constantly come to the Colony and for people

who do not object to a hotel as a permanent residence. The site is the best we could have in connection with the shipping and it is proposed to proceed with this part of the plan. As regards the flats it is probable that that part of the scheme will be dropped, and in place of it sums will be loaned by the Government at a fairly low rate of interest to Companies and others who are prepared to erect dwelling houses of a good type and subject to such conditions as will obviate the possibility of exorbitant rents being charged. That policy to some extent has been approved by the Secretary of State and it is proposed to proceed with it at once. The question of the provision of sites for better class houses in Victoria is certainly met by the proposed construction of a tram to Wanchai Gap. The number of sites in the best part of the Hill district undeveloped is considerable and I have great hopes myself of seeing, in a comparatively short time, a large number of houses on the slopes of Mount Cameron which would have been there many years ago if there had been any means of getting there. The Government will continue to do its utmost to provide further sites for building and in connection with the advance of money such provision is essential.

H.E. THE GOVERNOR — Honourable gentlemen, I think the points of detail raised by the various hon. members have been fairly fully dealt with. There are one or two points, however, on which I may say a few words. The senior Chinese member referred to the question of the protection in China of Hongkong Registered Companies. That is a matter which I would rather not discuss round this table. It is a side issue on the estimates and the hon. member will agree with me that it is a matter of considerable international importance and perhaps the less said about it the better. Another matter of international bearing was that relating to revenue from opium. The considerable reduction has already been referred to by my friend the Colonial Secretary. I do not know whether hon. members have read the somewhat voluminous document known as the Peace Treaty and the Covenant of the League of Nations, but if they have they will find somewhere in the early paragraphs a reference to the opium traffic which appears to imply that one of the results of the establishment of a League of Nations will be a determined effort to suppress the opium trade, and one may imagine that with the new power behind it this effort will be more effective than the efforts of the past. We must, therefore, reconcile ourselves to doing without the revenue

from opium in the near future. It is possible that the revenue will go to other pockets but that is a matter which we must leave the League of Nations to consider for itself. My point is that the reduction which occurs this year must be regarded as foreshadowing an even greater reduction in future years.

Referring to prison industries, I spent some hours going over the prison a short time ago and the first thing that struck me was the large amount of entirely useless labour being done. The difficulty, of course, is that there is not sufficient room in the prison, as situated at present, to develop prison industries. There is only one way to deal with the situation and that is the prison must be shifted out of Victoria. It will be a costly business, but it is clearly impossible to increase the accommodation on the present site and the population of the prison, unfortunately, shows no sign of diminishing. When adopting that course I trust we shall be able to make arrangements for a large extension of prison industries so that a man's term of imprisonment may not be entirely wasted but will assist him to earn an honest livelihood when he comes out if he wishes to do so. With regard to the Kowloon Railway and its linking up with the Hankow line, I think everyone inside the Government, or out of it, fully sees the importance of this connection, and we have lost no opportunity of pressing the matter; but as the hon. member is aware the state of affairs in China, and in Kwangtung in particular, has not been such as to make it extremely easy to get anything done in the near future. We have not lost sight of the matter and we shall do all we can to get this extension made.

The hon. member went on to speak of a trivial point, which mostly concerns myself, of the payment of rent for furniture in Government House. I must say I do not agree with the hon. member in his views. I do not object to having to pay that rent and there is certainly an advantage from the point of view of the Colony that the Governor does pay rent. If I were not required to do so I should probably be much more extravagant than I am in the provision of furniture, especially if I could be provided with

everything I desired. The same remark applies to much the same extent to other furniture in Government bungalows. The amount at present is small but it might be larger in the future. If the members of the service shared my views they would see that heavy necessary furniture should be provided in Government quarters. It is a matter on which a difference of opinion exists especially in the case of married officers whose wives take great objection to certain types of furniture provided. I may say at once I am not referring to this Colony. The hon. member who spoke next referred to the important question of salaries. That matter is not before the Council and I do not propose to deal with it in detail except to say that I rather imagine a certain delay is due to the fact that I felt it necessary to go Home on leave before taking up my present appointment, and the Secretary of State, thought it advisable to keep the recommendations of the Commission until I had had an opportunity of becoming acquainted with them. The hon. member spoke as if duty pay was a mean sort of swindle peculiar to this Colony and expressed a desire to know the name of the gentleman who originally introduced it.

HON. MR. SHEWAN—No.

HIS EXCELLENCY—Oh, well I misunderstood the hon. member. Duty pay has been in existence for many years in other Colonies. I rather think if anyone was responsible for its adoption when originally introduced somewhere, I believe in West Africa, it was Mr. Joseph Chamberlain, and I do not think it will be urged that he was open to the criticisms of the hon. member. Who suggested the application of it to this Colony I know, but I will reserve my information. It is to my mind not entirely unreasonable to say that a man should receive more money when doing his work than when he is not. These are all the details which strike me at the moment. There is one point of procedure to which I should like to refer. Several hon. members have expressed the opinion that the estimates should be referred to the Public Works

Committee. I am somewhat surprised at the manner in which the Council approaches the estimates in this Colony. The estimates for which I have been personally responsible for the last seven years were always examined with great care almost item by item, by the Finance Committee of the Council which consisted of myself and two other officials and the whole of the unofficial members of the Council. This body examined the estimates sometimes before the first reading and sometimes, and more usually, after the second reading when they were referred to a select committee for consideration. This is the course I expected to find followed. If it is the wish of hon. members that it should be followed in this Colony, it is in accordance with my desire. I warn hon. members that it entails a considerable amount of work. For instance the last estimates I dealt with in 1917 entailed a sitting throughout the whole of the August race week which made me the most unpopular man in Ceylon. It meant six or seven hours' solid work for five days. Hon. members would be well advised to consider carefully before committing themselves to such a course. They should consider among themselves and if they conclude that this course should be followed, they might commission one of their number to communicate with me. That will be the best plan. I hope to fall in with their wishes, to the extent practicable.

The Bill was then read a second time.

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

The Bill passed through committee without amendment and, on Council resuming,

THE COLONIAL SECRETARY moved third reading of the Bill.

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

The Council then adjourned.