

HONGKONG LEGISLATIVE COUNCIL.

29TH JANUARY, 1920.

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. J. H. KEMP, K.C., C.B.E. (Attorney-General).

HON. MR. R. O. HUTCHISON, M.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. H. E. POLLOCK, K.C.

HON. MR. LAU CHU PAK.

HON. MR. HO FOOK.

HON. MR. S. H. DODWELL.

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

HON. MR. J. JOHNSTONE.

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

New Member

HON. MR. R. O. HUTCHISON took the oath and his seat as a member of the Council in the place of the Hon. Mr. C. McL. Messer, Colonial Treasurer, on leave of absence from the Colony.

Minutes

The minutes of the meeting of the Council held on December 23rd., 1919, were confirmed and signed as correct.

Paper

THE COLONIAL SECRETARY laid on the table by command of H.E. the Governor, Sessional Paper No. 1 being the Preliminary Report on the Purchase and Sale of Rice by the Government of Hongkong during the year 1919.

Questions by the Hon. Mr. Pollock

HON. MR. H. E. POLLOCK, K.C., in accordance with notice given, asked the following questions, to which the Colonial Secretary replied:—

Q.—What steps is the Government taking for the purpose of carrying out the recommendations of the Coroner's Jury with regard to the recent Victoria Gaol tragedy, in which two Warders lost their lives?

A.—The points raised by the verdict require a considerable amount of investigation and it is impossible to make a statement at present. It will probably be found desirable to appoint a Committee of investigation, on which perhaps the honourable member would be willing to serve.

Q.—Will the Government consider the advisability of establishing a Pasteur Institute in this Colony? What would be approximately the cost of doing so? Will the Government procure the services of a trained and fully qualified man, who has passed through the course at a Pasteur Institute?

A.—The matter is receiving consideration. In view of the very small number of cases occurring in the Colony and the existence of Pasteur Institutes within easy reach at Saigon and Shanghai it does not appear that it would be justifiable to incur any large expense, but it seems possible that a special building could be dispensed with, in which case no very considerable expense would be involved except for the salary of the officer

required for the work. The normal work of the Bacteriological Institute is, however, becoming sufficiently large to justify the appointment of an additional assistant and it might be possible to obtain an officer trained in antirabic work for such a post. A serious difficulty is the maintenance of a constant supply of the necessary material for inoculation, which might not have to be used more than once in two or three years.

Q.—In view of the bad example set by the exhibition of crimes of violence and other criminal acts on cinema films, will the Government give directions to the Censors to refuse to pass films for exhibition in this Colony which show the execution of any of such crimes or criminal acts?

A.—It would be difficult to suppress all films that depicted crimes of violence as mere subsidiary incidents in long serials, as to do so would eliminate a very large proportion of the films received here. The censoring authorities have, however, been requested to give careful attention to the matter and in particular to prohibit films in which crimes of violence and the use of firearms by evildoers form the chief attraction.

Q.—What steps is the Government taking to secure the inclusion of Hongkong in the proposed Imperial Commercial Wireless Scheme?

A.—The matter was discussed in this Council on the 10th. April, 1919, and in a letter dated the 25th. April the unofficial members were informed that the Officer Administering the Government considered that a high-powered Wireless Telegraph Station for commercial purposes was urgently required and that he was addressing the Secretary of State for the Colonies on the subject. No communication has as yet been received from the Secretary of State.

Q.—What facilities is the Government giving for the encouragement of Aerial Transport to and from this Colony?

A.—This Government is in communication with the Imperial Authorities on the subject. It is unable at present to make a statement.

HON. MR. POLLOCK — With regard, sir, to Question No. 2, I do not understand if the Government is going to take steps to do its best to establish a Pasteur Institute with trained assistance. The answer did not seem to be very clear on the point.

H.E. THE GOVERNOR—The question is irregular, but, with the permission of the Council, I will reply. The answer was somewhat obscure because the position is somewhat obscure; but I am endeavouring to obtain at present statistics as to the number of cases

and other things, and if the number of cases is larger than I think it is, and the expenditure is very small, it will no doubt be possible to establish such an institution. There will certainly not be work enough for a trained officer, but I think there will be little difficulty in obtaining an assistant for the Bacteriological Institute who can do the work as well as other work. The real difficulty in connection with the matter is not staff but rabbits, as I will explain privately to the hon. member at any time.

Financial Minutes

THE COLONIAL SECRETARY laid on the table by command of H.E. the Governor Financial Minutes 1 and 2, and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded, and this was agreed to.

Amendment of Standing Orders

The following resolutions were on the agenda in the name of the Colonial Secretary:—

1.—That Standing Order No. 11 be amended as follows:—

In sub-section (a) by the omission of all the words after "Chairman" and the substitution of the following words "The Treasurer, the Director of Public Works, and the Unofficial Members of the Council."

In sub-section (c) by the omission of all the words after "Chairman" and the substitution of the words "the Treasurer, and the Unofficial Members of the Council."

2.—That Standing Order No. 12 be amended as follows:—

In line 1 by the omission of the words "either" and "or the Public Works Committee."

In line 3 by the omission of the words "either of such Committees" and the substitution of the words "the Committee."

In line 5 by the substitution of the word "the" for the word "such."

H.E. THE GOVERNOR—With regard to the motion which stands in the name of the Colonial Secretary, I should like to say a few words in explanation. It is within the memory of the hon. members that at the first meeting at which I had the honour to preside I said that I would give effect to the desire expressed by an unofficial member that all the unofficial members of the Council should be appointed to the Public Works Committee I found on investigation that, in order to carry out the proposal, it would be necessary to amend Standing Order number 11 which provides that the Public Works Committee shall consist of the Director of Public Works as Chairman and four other members. That accounts for the second paragraph of the first part of the hon. member's motion. With regard to the first paragraph it will be observed that in section II of the Standing Orders it states that the Finance Committee shall consist of the Colonial Secretary and such officials, excepting the Governor or the Officer Administering the Government. I think that hon. members will agree with my view that the Finance Committee, which consists of all the members of the Council with the exception of the President, is a very large committee and it will be better if some of the members not absolutely essential were dispensed with. The Finance Committee which I have been accustomed to work with for many years past consisted of myself as Colonial Secretary, the Controller of Revenue, who does not exist in this Colony, the Treasurer, and all unofficial members of Council, and I think everybody agreed that it was a very satisfactory Committee as such. In this Colony the Colonial Secretary will obviously be Chairman, and the Treasurer is absolutely necessary as the natural officer to be on a Committee considering expenditure. I consider it desirable that the Director of Public Works should be an *ex-officio* member of the Committee, the work of which relates largely to expenditure on Public Works, and I think that the presence of all the other official members might be dispensed with. Of course, under section 13, it will be always possible for them to be present if they desire it. I think that that reform will be useful, and I will now ask the Colonial Secretary to move the amendment.

THE COLONIAL SECRETARY moved the first resolution, and the ATTORNEY-GENERAL seconded.

HON. MR. POLLOCK—With reference to the motion now before the Council, I only have a few remarks to make. In the first place, sir, I have the honour for the first time during a long period of service in this Council of now being a member of the Public Works Committee, or will be one when this

amendment is passed, and I should therefore like to say a few words about the second part of the resolution. As is known by the hon. members, at the present time the Public Works Committee is convened at very irregular intervals, and is almost invariably convened at the suggestion of the Government. I do not think, sir, that it is a very satisfactory state of affairs at all. What I want to suggest for the consideration of your Excellency is that the Public Works Committee ought to meet at regular intervals, say six times a year, and let us say for the sake of argument, on the first Friday in every alternate month of the year. And, sir, I would suggest that prior to such regular meetings, say ten days or a fortnight before such meetings, the Director of Public Works, as Chairman, should circulate to the members of the Public Works Committee the proposed agenda, and that it may be permissible for any member of the Committee, on receipt of the agenda, to give notice to the Director of Public Works, as Chairman, of his desire to bring up any particular question which he wishes to discuss, and also to ask that papers upon that particular subject may be laid before the Committee at the meeting. I think, sir, that if that procedure be adopted the Public Works Committee will have some sort of control and some sort of grasp over questions of municipal developments in this colony. At present the Committee meets at haphazard times and is only able to discuss the one specific question that the Government brings up. That is not a satisfactory position for a Public Works Committee to be in. It does not enable them to carry out as they ought to, the functions of a municipal committee or council. Once a year when the Budget is coming up for discussion there is a sort of full dress debate on public works and several other public matters. I think this is a wrong procedure and that the Public Works Committee ought, during the year, at stated intervals, to have a grasp of various municipal matters going on in the colony and that the members should have an opportunity of questioning the Chairman on matters of development, and also have an opportunity of bringing up such matters and asking for papers relating to such matters,

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public works of the colony. Of course I cannot expect your Excellency to give me an answer at the present moment, but I trust that my suggestions will meet with your careful consideration.

HIS EXCELLENCY—I should just like, without it being considered an answer, to make one or two observations in connection with what Mr. Pollock has said. I quite agree that if you have a Public Works Committee it is just as well that it should meet occasionally and do some work. I gather that the difficulty in the past has been due to the fact that it was rather hard to get the unofficial members to take an interest in such matters. The hon. member mentioned the question of the Estimates. I expressed at the time my surprise that the Public Works Committee had not gone more thoroughly into the matter of the Public Works expenditure. If the committee were to meet at more frequent intervals I am sure it would be a good thing, but, as at present advised, I would deprecate regular sessions as either you may have no work to do and waste your time by meeting, or else you may have too much to do and you would have then to postpone it for an unduly long time. I think it would be more convenient if members communicated with the Chairman privately beforehand, and then if they desire any point to be brought forward to arrange for a meeting.

THE COLONIAL SECRETARY moved the second resolution, relating to Standing Order No. 12.

THE ATTORNEY-GENERAL seconded.

HIS EXCELLENCY — This is merely a consequential amendment as a result of the first.

Both resolutions were carried.

HIS EXCELLENCY—It is the custom at the first meeting of the Council that the names of the Standing Committee be announced. In view of the alterations to the Standing Orders it is not necessary to make any announcement as to the Finance Committee and the Public Works Committee. The only Standing Committee is the Law Committee to which I appoint the Attorney-General, as Chairman, the Secretary of Chinese Affairs, the Hon. Mr. H. E. Pollock, the Hon. Mr. Lau Chu-pak and the Hon. Mr. J. Johnstone.

Suggested Removal of Military Establishments

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

with notice given, moved the following resolutions:—

That, with a view to giving facilities for commercial expansion, a Committee of the Legislative Council be appointed, consisting of His Excellency the General Officer Commanding and two Official and three Unofficial Members of the Legislative Council, for the purpose of considering and reporting to this Council upon the resumption by the Hongkong Government of the Military Establishments on the Queen's Road and the terms and conditions of such resumption.

HON. MR. H. E. POLLOCK—Sir, I think it will be admitted by those who are acquainted with the conditions of this Colony, and I am sure it must have struck your Excellency already, that there are very limited opportunities for office and business expansion in this Colony, and that, therefore, it would be desirable if we could arrive at such an arrangement that the military establishments on the Queen's Road should be removed to a more distant—a less central—spot, in order to give room for commercial and trade expansion in this Colony. I would venture to suggest that such a committee as the resolution proposes would be a suitable committee for bringing matters to a head. We should have on the Committee the highest military officer in the Colony, official members and also unofficial members as representing the taxpayers and the general public of the Colony. I think, sir, my main reason for suggesting that the Committee should be so composed is that it is obvious that unless a Committee of this character is appointed you will have an almost interminable quadrilateral correspondence, between the military authorities, the War Office, the Colonial Officer and the Government here. You will have the War Office passing the matter on to the Colonial Office and the Colonial Office passing the matter back here, and perhaps in some cases you will have the stream setting back the other way and you will have this Government communicating with

the Colonial Office, and that office with the War Office, and so on. It seems highly desirable—and the unofficial members of this Council are of this opinion—that a Committee such as I propose should be appointed. We think this will save much correspondence and concrete proposals may be evolved for submission to the Colonial Office and the War Office as being the considered opinion of the highest military officer here and the official and unofficial members of the Council. I think, sir, there can be no question that there are other sites which could be found for the military establishments of the Colony than this central situation, impeding commercial progress and expansion, and if such a Committee could meet I think it would produce speedy and satisfactory results. There is a considerable shortage of offices, and unless more accommodation is found it must result in European firms having to go down to the farther parts of the Colony which are reserved for Chinese offices and shops. There can be no doubt about the pressing nature of this matter. With regard to the Colony having a right to consideration in this matter from the military authorities, it will be fresh in the minds of members of this Council what important contributions the Colony made to the war in man power and money, and in sending home clothing for the troops at the front. So far as the war itself is concerned this Colony played a very worthy part. In the matter of our old friend, the Military Contribution, I do not think it is quite realised what this Colony is doing. I would like to refer to the papers which were laid on the Council table on April 23rd, 1914, which was intended, no doubt, to be a very convincing answer by the War Office to the complaint made in this Council by the unofficial members that the Military Contribution was somewhat excessive. In that paper there appears a despatch dated December 31st, 1913, from the War Office with reference to the cost of the garrison here in 1912 and 1913, and in working out the cost of the garrison for these years a number of items were put in, such items as medical services, board and lodging allowances, transport supplies, miscellaneous services and home effective charges, deferred pay and gratuities, showing that the War Office had every intention of making the bill as heavy as possible. The cost of garrisoning the Colony during 1912-1913 was

given as —614,000 and the Colony's contribution in respect thereof was —143,000 odd. That certainly made it appear that the Colony was paying less than a quarter the cost of maintaining the garrison. Turning now to the figures for 1920, it will be seen that we are going to send home as military contribution $2\frac{3}{4}$ million dollars, and if you fix the rate of exchange forward at a favourable rate you will be sending home in round figures —700,000. Assuming the cost of the garrison now to be not largely in excess of the cost of the garrison in 1914 there seems every probability that instead of paying less than a quarter of the cost of the garrison, we shall be paying the full cost of the garrison for the year 1920. Those are rather striking figures, and I think, sir, they should be taken into consideration by the military authorities when considering any claim which is made on them in connection with the removal of the military establishments from Queen's Road to some place which will not impede or inconvenience the commercial expansion of this Colony. I trust, sir, the Government will agree with the unofficial members that this is a very important matter and in thinking that a Committee of the sort I have mentioned is the speediest way of arriving at a solution of this matter. I will call upon my honourable friend Mr. Dodwell to second this resolution, which, as I have stated, represents the unanimous opinion of the unofficial members of this Council.

HON. MR. S. H. DODWELL — I beg to second the resolution. I have nothing to add to the remarks Mr. Pollock has made on the subject.

H.E. THE GOVERNOR—I have listened with pleasure to the remarks of the hon. member, and I fully agree with him in regard to the matter being of very considerable importance. I am not sure that I agree that the Committee he suggests would be the most satisfactory method of getting some action taken in the matter. I quite appreciate what he said about a quadrilateral correspondence, of which, for ten years past, I have had a considerable experience. There would be really five sides to the correspondence. But there is a fatal obstacle to the acceptance

of the hon. member's motion, because I think it will be impossible for my honourable and gallant friend, the General Officer Commanding, to serve on such a Committee without first getting the express permission of the War Office.

MAJOR-GENERAL VENTRIS—That is so.

H.E. THE GOVERNOR—I think that the best thing to do is to get an agreement here, and then endeavour to induce the authorities at Home to fall in with the view. Whether it is well to proceed only with the question of the Queen's Road establishment, Murray Barracks, or also to include the Kowloon establishment —.

THE COLONIAL SECRETARY — Whitfield Barracks.

H.E. THE GOVERNOR—I was not thinking of Whitfield Barracks but the matsheds on Nathan Road. It is highly desirable that we should move the military to a place equally suitable for military purposes and less inconvenient to the civilian. It is well to remember that the matter is going to cost a considerable sum of money. We cannot expect the military authorities to remove without providing them with some place to move to. We must not only provide the site, but the buildings as well. So I think it is very clear that the matter is going to involve the Colony in a very large expenditure. I do not think we can establish such a strong argument as he suggests on the military contribution and so forth. The answer to the statement that we are now paying the whole cost of the garrison, if correct, shows how small a proportion was paid in the past, and I shall be somewhat surprised if the cost of the garrison does not materially increase. The course I propose to adopt is to transmit to the Secretary of State the hon. member's motion with which, in principle, I am entirely in agreement, and ask him to induce the War Office to agree to a joint investigation in the matter between the War Office and the Colonial Office. I think it will be most satisfactory if the undertaking is taken up by myself and my hon. and gallant friend and such other member as are pleased to place their services at our disposal. I will do my best to get the Secretary of State to consider the matter fully by placing the whole position before him, but I regret that, for technical reasons, I am unable to accept the resolution

HON. MR. H. E. POLLOCK — Sir, I have got the right to reply according to Rule 26. We should be glad if the military establishment were removed from

Kowloon as well as on this side. My motion was confined to the military establishment in Queen's Road, and my experience tells me that if you deal with matters in detail you may get them carried through, but if you do not, you may not carry them through. I shall be glad if your Excellency will get the military to move further away from Kowloon as well as Hongkong. In regard to the military establishment in Queen's Road, I do not merely refer to the Murray Barracks, but to other military establishments along Queen's Road much further east than that. With regard to this motion I think, sir, that, in order to show that the unofficials feel very strongly on this point, and that they do desire that the matter may be pressed, we ought to press this motion to a division in this Council. I think that this will impress the authorities at Home much more than if I said I did not press the motion. I think my motion ought to be pressed—I think all the unofficials press it—and I do not think any rules of red tape should stand in the way of the General Officer Commanding sitting on the Committee. I will further point out that I gave notice of this motion as long ago as the 23rd of last month, and there was plenty of time in the interval to have communicated with the War Office by telegram and to have got the sanction for the General Officer Commanding to sit on the Committee, which I think it would have been hard for the War Office to have refused having regard to the fact that the unofficials were supported by the Government. Therefore, sir, I regret I must press the matter to a division.

H.E. THE GOVERNOR—For the reasons which I have indicated I am afraid it will be useless for me to accept the motion—for the reason that the General Officer Commanding will not be able to take part in it without the permission of the War Office.

The motion was then put and His Excellency declared "the Noes have it."

HON. MR. POLLOCK—Can we have a division?

H.E. THE GOVERNOR—Strictly speaking, you should have called for a division before.

HON. MR. H. E. POLLOCK—I had already asked for a division.

H.E. THE GOVERNOR—The hon. member should not have mentioned the word division till the question 'Aye or No' had been put. But I will put the question again.

Hon. MR. POLLOCK — We are not expected, sir, to know what the procedure of other Councils has been. We can only follow the procedure of the past in this Council. I ask for a division.

On the vote being taken there voted:

Ayes:—The Hon. Mr. S. H. Dodwell, the Hon. Mr. E. V. D. Parr, the Hon. Mr. Ho Fook, the Hon. Mr. H. E. Pollock, the Hon. Mr. Lau Chu-pak.

Noes:—The Hon. Mr. John Johnstone and all the Official members.

The Housing Question

HON. MR. H. E. POLLOCK, K.C., moved the following resolution, of which previous notice had been given:—

That the various Housing Schemes for different sections of the community in various districts of the Colony be now referred by the Government to the Public Works Committee of the Legislative Council, with power to that Committee to make suggestions as to the carrying out and financing of such schemes and as to the improvement of the methods of communication with the outlying districts which are sought to be developed by such schemes.

HON. MR. POLLOCK in moving the resolution said:—Sir, we have heard from time to time during the last twelve months that the Government proposed to undertake various schemes with reference to housing, but sir, as we know, the housing situation, especially in Kowloon, has reached a very acute stage. With reference to Kowloon in particular, I should like to ask

what has happened to the Government proposal to erect a hotel in Salisbury Road. That proposal was subsequently modified to one of erecting flats in Salisbury Road. I should like to know whether anything is likely to eventuate in that respect. With further regard to Kowloon, there are, as your Excellency pointed out, certain sites, along Nathan Road which are occupied by stables for mules, and it must strike anybody going through Kowloon that not only these sites but the whole length of Nathan Road on the west side of it would be suitable and should be utilised for housing accommodation. Another good site is between the road leading up to the rifle range and the Kowloon Railway line. There is a very fine site there which could be utilised for building, and I hope the Government will be able to make some statement with reference to this piece of land. Another point, sir, which strikes anybody going to Kowloon is that there are certain comparatively large spaces of ground not very far from the ferry which are still not built upon, and it would seem that these spaces of ground ought to be utilised.

THE COLONIAL SECRETARY — Near Tsim-sha-tsui?

HON. MR. POLLOCK — Not only Salisbury Road, but at the back of Humphreys' flats. In connection with this question of housing, it is well known that the Government is giving financial assistance on this side for the erection of flats, and it seems only reasonable that assistance of some sort should be given for the erection of houses in Kowloon. Of course, sir, in the erection of cheap houses, the land question is very important. It is necessary that land should be made available at moderate terms, and that only a moderate sum should be charged as Crown rent. Also, sir, in connection with Kowloon, as your Excellency is aware, there is the question of developing the outlying portion of Kowloon, around Shamsuipo, and if that part is to be developed it is obvious that there should be reasonable means of communication. Roads must be made fit to carry some form of service which would bring people to Tsim-sha-tsui and the Star Ferry fairly cheaply and fairly quickly. With regard to the question of the outlying districts, I made a speech on the subject of the housing problem which was

fully reported in the "South China Morning Post" of April 10th, 1919. No doubt your Excellency will refer to that speech, and I need not go into the points again. There is no doubt, sir, as I stated just now, that the one very important thing is the question of financial assistance. Land must not be too dear, otherwise it will not be possible for people of moderate means to become the owners of their own houses. Another point in the development of the new districts is the erection of a standard type of building, a certain standard type of house and standard building materials, leading to facilities of erection and economy in building. Another point is the financing. In the Crown leases there should be a standard rent, that is a certain maximum rent for a particular type of house. That condition would bind people down against charging any higher rent for a particular type of house, and it would have the effect of preventing speculators coming in from outside and buying up houses and then putting up the rentals. I have no doubt that your Excellency is acquainted with the fact that money has come in sometimes from the outside and that houses giving a comparatively small return have been bought and the purchaser has put up the rent with a view to reselling the house at a profit. I do not want, sir, to repeat what any member can read in the columns of the "Morning Post" of April 10th, 1919. There is also the question whether it is worth while for the Government to take up the question of introducing into this Colony some law relating to Building Societies. Another point I mentioned, on the question of municipal development, was, the public debt of this colony being comparatively small, the question of obtaining the assent of the Secretary of State to short term loans for the purpose of building development. I do not think I need say more now on the subject, more especially as I have been given to understand by the hon. the Colonial Secretary that, subject to certain amendments in the wording, the Government is prepared to accept the principle of this resolution. I will now ask the Hon. Mr. Parr to second the motion.

HON. MR. E. V. D. PARR—I beg to second the resolution. The matter is one of the utmost urgency to the development of this Colony, and so long as it remains unsettled our advancement will be impeded. It will be agreed, I think, that it cannot be settled without the assistance of the Government. I have heard the rumour that an intimation has been sent Home that married men ordered out to this station are advised not to bring their wives and families, because there are no houses for them to live in. If it was necessary to send Home such instruction it must remain a discredit to the Colony, and the sooner the matter is settled the better.

THE COLONIAL SECRETARY said — Sir, when the honourable and learned member sent in his motion dealing with the general housing question of the Colony and the extreme need for more accommodation I was glad to see it because it is a question in which during the last eighteen months I have taken considerable interest. The subject divides itself into two parts in my opinion. It became acute after the report of Lieut. Olitsky, of the Rockefeller Institute, New York, was received. It became perfectly clear from his report that the overcrowding in the City of Victoria made it fairly certain that the seriousness of any epidemic disease would be enhanced greatly by that overcrowding, and it was essential that steps should be taken to provide housing accommodation for a very large population, elsewhere than in the centre of the City of Victoria. I took up that subject, and the recommendations I made will be considered in due course. It is a very large and difficult subject, and a very much more serious one in my opinion, than the subject raised by the Hon member. The other half of the subject is practically one dealing—although the wording of the motion says "different sections" of the community—with the housing of the European community and the housing of the better-class Chinese. With regard to the European Community, I will deal first with the proposal I laid before the Council for building a hotel and flats in Kowloon. We had money for the work, or thought we had, and things had reached the stage of architects being on the point of making preliminary plans, when the owners of vessels requisitioned under the local scheme bethought themselves that there was no reason why the profits made under this scheme should be devoted to improvements beneficial to the Colony, such as providing hotel and housing

accommodation, and also extending facilities for education among the various classes of the community. They saw no reason why the money should be devoted to those purposes, but thought that the money should come back into their own pockets. I must leave the community of this Colony to judge which is the better way of disposing of profits, which may be considered war profits, and which would have gone at home into the imperial exchequer. The Government, in view of the action taken, which may in time come before the courts, do not feel in a position to spend any of those profits on the proposals until the courts have finally dealt with the matter. Therefore, the Colony has been deprived of what it urgently needs—hotel accommodation, and money, which might have been advanced for the purpose of building houses when the scheme of building flats was given up. The University also has been deprived of a quarter of a million of dollars, and education generally of a sum of five lakhs of dollars. With regard to the Hon. Member's statement about Nathan Road, the west side, the whole strip a quarter of a mile long, has already been the subject of discussion. The only other vacant land is that beyond Austin Road and Jordan Road which will be built upon possibly before very long. There are certain reasons why the land beyond Jordan Road has not been built upon and they are under consideration. The land between the Rifle Range, King's Park, and the railway line is available to the extent of about ten acres, and proposals were made some months ago, that under an agreement which exists between the Colonial Government and the Military authorities, the land should be taken over by the Colonial Government. The cost is rather over \$50,000, and a sum of \$100,000 has been provided in the Estimates this year for building houses on that land. Possibly 40 houses of different sizes will be built there, and this will, I hope, tend to relieve the situation at Kowloon. With regard to Chatham Road there is a large area of land, some six or seven acres, unbuilt upon. This has been the subject of correspondence between the Government and the owners—one of the religious societies of Hongkong, who, express a great desire to build if they can see any adequate return for their money. That matter is still being considered, and I hope some means will be devised for putting that large area of land to a proper use—that of housing. With regard to the advances made to the Humphreys Estate Company as regards Kowloon, to which the hon. and learned member referred, out of the sums lent by the Government, it is proposed to build eighteen flats on land already in possession of the company and the principal stipulation made is that the net return in rents should not be more than eight per cent so long as any money

is owing to the Government. The eight per cent. on capital expended includes, of course, not only the cost of erection, but the original cost of the land. The hon. and learned Member then raised the important point that land should be available, on moderate terms, for building purposes. If he is speaking of the old colony, where land is in tremendous demand, I should be very glad if he would submit a scheme whereby the land could be made available for building on really moderate terms. He speaks of restrictions whereby a certain rent only should be charged and a certain type of house built so that speculators will fight shy of buying land. That may be, but I really do not think that the Government should be asked to do anything except advance money. There would be no great demand for the land for building on moderate rentals. While the auction principle of selling land is in force, it is obvious that prices will run up. The hon. member referred to the development beyond Shamsuipo, and to means of communication from that neighbourhood, and for suitable roads. All these matters will, no doubt, form the subject of suggestions to the Public Works Committee. There are developments of areas in contemplation near Shamsuipo, and the construction of wide roads in that neighbourhood is proceeding. To make the existing roads in Kowloon suitable for heavy traffic, I understand from the Director of Public Work, would be a very expensive business, and when the subject of the means of communication is settled it will have to be undertaken. There is a large sum down in the Estimates, \$150,000, for constructing and improving the roads in Kowloon, but that is only a fraction of the sum required. I read the hon. member's speech as reported in the "South China Morning Post" on April 10th., 1919, with great interest and I found we were agreed on most points mentioned, and I am sure his proposals will receive every consideration. In

much of the new building at Shamsuipo a standard type of house has been erected and it has proved very satisfactory and I hope that when the building operations on the reclaimed land are started that the same type of house will be erected. When money is loaned by the Government no doubt various restrictions as to standard houses and standard rents would be imposed. I would like to refer to what the Government is actually doing. Eight houses are being erected on the ridge at Leighton Hill, Happy Valley, and twelve houses at the foot of that hill. There are some large houses being erected on the Peak and I hope that very shortly a large area in the Peak district will be available for building and that we will proceed at once to erect a large number of houses of varying sizes. If we can get the land near the Rifle Range, in King's Park as I hope we will, we can build there another forty houses. If the hon. member will get to know what the housing problem is, if he will let us know what number of houses are required, apart from hotel accommodation, it will be very useful. The Government is in entire sympathy with the motion of the hon. member and, with a slight variation of it, is prepared to accept it. I propose that down to the word "Committee" the motion should stand, and then proceed: "to make such suggestions relating thereto and also to the question of the improvement of the means of communication with the outlying districts as may appear suitable." I may say that the reason for that alteration is that under the Royal Instructions it is laid down that all proposals for expenditure must emanate from the Government. No doubt, the Director of Public Works will be glad to receive any suggestions from members of the Committee, and though they may not be put forward in any formal report they will be very useful to the Government when considering the financing of any important scheme for the development of housing accommodation.

HON. MR. POLLOCK — I am prepared to accept the amendment of the Colonial Secretary. I put in the word "suggestions" thinking that it might meet the case.

HON. MR. JOHNSTONE — There is one point, sir, that I think you did not make quite clear. I think you referred to owners of steamships other than the big European companies whose boats have been operated.

THE COLONIAL SECRETARY—I referred to the local steamers under the local requisition scheme, and the arrangements with the Shipping Controller whereby the Government took over 14 ships in all.

HON. MR. JOHNSTONE—I clear up that point because we get enough mud thrown at us as it is.

H.E. THE GOVERNOR—The course I suggest is that the Public Works Committee should look into the matter and that the Chairman should issue papers on the various schemes giving as many details as possible. It is hardly necessary for me to observe that it is a case where the Public Works Committee should meet privately, as we do not want information of the various schemes on the *tapis* and the price of land, etc., to get out. The hon. member also raised the question of the limitation of house rent. It is a very difficult question and has been attacked in various countries in various ways. I confess one great difficulty is getting clear knowledge on the subject. If the Committee can devise a scheme for the limitation of rents, which will not defeat the object, I shall be extremely glad to receive advice on that subject. We are in a difficult position, and if we limit rent to what we think is reasonable, and what the land owners may regard as unreasonable, you will check the development of building, which is even more desirable than low rents. You will never get cheap houses at cheap rents in this Colony, and the point is to get enough houses. At present there are not enough houses, though I should not be surprised to learn that the extent of the house famine is being much exaggerated. One or two people without houses can make as much noise as twenty when trying to influence public opinion. I agree with the Colonial Secretary that the Committee should endeavour to find out what is the actual shortage of houses. It may be only a few tens or it may be a hundred. In a case of that kind it is wise to make enquiries. The hon. member raises the possibility of Government raising money at short-term loans with a view to lending to houseowners. One cannot expect to get money

at a low rate of interest, and we cannot raise it at a high interest and lend it at a low one; therefore the rent of a house cannot be as low as one could hope. These and other difficulties confront you when you consider the question of a system of restricting rents, and if you succeed in restricting rents the people who build houses will say that it is better to put their money in some other business where they are not to be troubled by restrictions, and where they will get a better interest for it. However, this is a matter which will receive the full consideration of the Committee, and I shall be glad to receive any suggestion from you at any time. I trust that you will not devote yourselves to giving a general report, but will give your advice on the various subjects as they arise. The motion as read by the Colonial Secretary is accepted.

The motion was then put as follows and agreed to:

That the various Housing Schemes for different sections of the community in various districts of the Colony be now referred by the Government to the Public Works Committee of the Legislative Council, with power to that Committee to make such suggestions relating thereto and also to the question of the improvement of the means of communication with the outlying districts as may appear suitable.

Foreign Corporations (Execution of Instruments Under Seal)

HON. ATTORNEY-GENERAL moved the first reading of a Bill intituled, an Ordinance to make provision with regard to the execution of instruments under seal by the agents of certain foreign corporation.

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

The "Objects and Reasons" attached to the Bill state:—English law requires that where an agent is to execute an instrument under seal his authority must also be under seal. Certain foreign corporations, *e.g.*, French and Belgian corporations, have no common seal and accordingly they cannot comply with this rule. This rule is purely technical now, and this Bill proposes to negative it for foreign corporations incorporated in countries where such an authority need not be under seal. It is made general in order to avoid the necessity for enquiry and proof in each case. It is made retrospective mainly for the security of leasehold titles in the Colony. The point has only recently been taken

here by purchasers.

The New Volunteer Force

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled an Ordinance to provide for the establishment of a Volunteer force.

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

The Treaty of Peace Order

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, an Ordinance to modify certain provisions of the Treaty of Peace Order, 1919, for the purpose of adapting the provisions of the Order to the circumstances of the Colony of Hongkong.

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

The "Object and Reasons" state:—The object of this bill is to adapt the Treaty of Peace Order, 1919, to the circumstances of this Colony. The Order applies to the whole of His Majesty's Dominions and Protectorates, except the self-governing dominions and India, and Article 3 of the Order contemplates that the Legislatures of the Colonies and Protectorates to which the Order applies shall legislate for the purpose of adapting the Order to those Colonies and Protectorates. The Order will come into operation when the Treaty of Peace comes into force. The Order was published in the *London Gazette* of the 24th October, 1919, and in the *Hongkong Gazette* of the 9th January, 1920.

2.—The modifications created by the bill are all matters of detail such as the substitution of dollar amounts for sterling, references to Hongkong Ordinances instead of to English Acts, and the substitution of the Governor for the Board of Trade as the authority for certain administrative functions.

**Congratulations to Sir Frederick
Lugard**

H.E. THE GOVERNOR—Before adjourning I would like to remind you that this is the first meeting of the year and among the honours published on the first day of the year was the appointment of a former President of this Council, Sir Frederick Lugard, to be a member of the His Majesty's Privy Council. I am sure that all the friends of Sir Frederick were pleased that the honour had been conferred upon him, and only wish that it had been a higher one. If it is in accordance with the general wish, I shall ask the Clerk of the Council to write to him conveying our cordial congratulations.

HON. MR. H. E. POLLOCK—I heartily support it.

The Council then adjourned till next week.

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FINANCE COMMITTEE.
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A meeting of the Finance Committee was afterwards held, the Colonial Secretary presiding.

Legal Expenses

The Governor recommended the Council to vote a sum of \$200 in aid of the vote Crown Solicitor's Office, Other Charges, Extra Legal Expenses.

THE CHAIRMAN—It appears that last year while the Crown Solicitor was away there was a heavy Criminal Sessions and it was necessary to employ prosecuting Counsel, the cost being \$200.

The vote was agreed to.

Vote for Public Works

The Governor recommended the Council to vote a sum of \$2,000 in aid of the vote Public Works, Extraordinary, Hongkong, Buildings, Latrines and Urinals.

THE CHAIRMAN—There is an out standing balance on the Duddell Street conveniences of \$400. The erection of a urinal in Conduit Road, which was held back owing to a set-back of the roadway at the point, is now being proceeded with and it is necessary therefore to have a re-vote of \$1,700. The latrine at Barker Road costs \$2,000. The total is \$1,500, but the amount provided is only \$2,500, leaving a balance of \$2,000, now before the Finance Committee.

The vote was agreed to.