

8TH MARCH, 1926.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR (SIR CECIL CLEMENTI, K.C.M.G.).

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR GENERAL C. C. LUARD, C.M.G.).

THE COLONIAL SECRETARY (HON. MR. E. R. HALLIFAX, C.M.G., C.B.E.).

THE ATTORNEY-GENERAL (HON. MR. J. H. KEMP, K.C., C.B.E.).

THE COLONIAL TREASURER (HON. MR. C. McI. MESSER, O.B.E.).

HON. MR. H. T. CREASY (Director of Public Works).

HON. MR. D. W. TRATMAN (Secretary for Chinese Affairs).

HON. SIR HENRY POLLOCK, K.C.

HON. MR. P. H. HOLYOAK.

HON. SIR SHOUSON CHOW.

HON. MR. A. O. LANG.

HON. MR. H. W. BIRD.

HON. DR. R. H. KOTEWALL, LL.D.

MR. S. B. B. McELDERRY (Clerk of Councils).

ABSENT:—

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

Minutes

The minutes of the last meeting were confirmed by the Council and signed by the President.

Papers

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid on the table the following papers:

Order made under section 24 of the Rents Ordinance, 1922, on 17th February, 1926.

Jurors' List for 1926.

Refunds of Rates

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to give the Governor in Council power to order refunds of rates.

In doing so he said—At the last meeting of this Council I made a statement with regard to the reasons for this legislation and the form which the legislation was to take, and the manner in which it was proposed to administer the ordinance. In view of that statement I think that no further explanation of the Bill is required now, and, with your permission, Sir, I will simply move the first reading.

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

Disabilities on Former Enemy Aliens

THE ATTORNEY-GENERAL moved the first reading of a Bill intituled, An Ordinance to repeal certain enactments imposing disabilities on former enemy aliens.

He said—The object of this Bill is to remove certain disabilities on former enemy aliens which at present exist in the statute book in consequence of certain legislation passed shortly after the termination of the war. A Treaty of Commerce and Navigation has recently been ratified between His Majesty's Government and Germany and it is proposed that this Colony should adhere to that Treaty. It binds His Majesty's Government to introduce into Parliament legislation removing certain disabilities which exist in the English statute book, and the object of this Bill is to remove similar disabilities in our statute book in order that the spirit of the Treaty may be carried out. The effect will be that former enemy aliens will have the same status and the same rights as all other aliens in this Colony.

THE COLONIAL SECRETARY seconded the motion which was agreed to.

The Adjournment

HIS EXCELLENCY — If it suits the convenience of hon. members I suggest that we adjourn till Thursday week at 4 p.m

The suggestion was agreed to.

FINANCE COMMITTEE

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

THE CHAIRMAN mentioned that this was the first meeting since the new standing order regarding the Finance Committee proceedings came into force, and the first message from His Excellency direct to the Finance Committee was now before them. The effect of the new standing order was that it avoided the merely formal reference of recommendations to the Legislative Council for re-reference to the Finance Committee. Every item was explained in writing in place of the verbal explanations formerly given, and the new standing order enabled the Finance Committee to be called without the necessity of calling the Legislative Council in advance.

Supplementary Expenditure

His Excellency's message presented for the consideration of the Finance Committee the items of supplementary expenditure and the explanations set out below:—

TO SUPPLEMENT ESTIMATES, 1925

<i>Item.</i>	\$
157.—H.E. the Governor, personal emoluments, leave pay of Sir R. E. Stubbs	6,857.00
158.—H.E. the Governor, other charges, furniture	782.00
159.—H.E. the Governor, special expenditure, purchase of safe	286.00
160.—Sanitary Department, other charges, advertisements, Home appointments	74.00
161.—Sanitary Department, special expenditure, 5 motor refuse lorries, balance of account	464.00
Total	\$8,463.00

TO SUPPLEMENT ESTIMATES, 1926

<i>Item.</i>	\$
3.—H.E. the Governor, personal emoluments, salary of Private Secretary	130.00
4.—H.E. the Governor, personal emoluments, leave pay of Sir R. E. Stubbs	13,714.00
5.—H.E. the Governor, other charges, furniture	720.00
6.—Kowloon-Canton Railway, personal emoluments, miscellaneous personnel	4,376.00
7.—Kowloon-Canton Railway other charges, running expenses, maintenance of equipment, maintenance of way and structure	11,195.00
8.—Kowloon-Canton Railway, special expenditure, alteration to track	3,000.00
9.—Kowloon-Canton Railway, special expenditure, repairs to stock	3,000.00
10.—Medical Department, other charges. B.—Hospitals and Asylums; medicines, surgical appliances and instruments	1,500.00
11.—Miscellaneous services, other miscellaneous services, staff quarters, Hongkong University	7,296.00
12.—Police Force, other charges, cost of recruitment and passages for 50 Indians	3,250.00
13.—Police Force, other charges, rations for Indian police	3,000.00
14.—Miscellaneous services, grant in aid of other Institutions, School of Oriental Studies, London Institution (£30)	277.00
15.—Medical Department, Hospitals and Asylums, Peak Hospital	28,578.00
16.—Police Force, special expenditure, expenses of Convoy System	58,680.00
	<u>\$138,716.00</u>

	\$138,716.00
17.—Public Works, extraordinary, Hongkong buildings, Officers quarters, Ventris Road.....	113,000.00
18.—Public Works, extraordinary, New Territories, communications, roads, a new bridge at Taipo and road diversion to replace bridge washed away in 1925	9,000.00
19.—Miscellaneous services, other miscellaneous services	200,000.00
Total.....	\$460,716.00

MEMORANDUM EXPLAINING THE ABOVE ITEMS.
ESTIMATES, 1925

A.—Items for which there are no savings under other sub-heads of the Head.

157.—This is the portion payable in 1925 of the six months' leave pay for Sir Reginald Stubbs recommended by Unofficial members of the Legislative Council.

158.—This additional furniture was bought and paid for in 1925 to equip Mountain Lodge where His Excellency is now in residence.

159.—This is to cover the cost of a small safe purchased by transfer in 1925 from unallocated stores. The safe is at Mountain Lodge, where it is used for official purposes.

160.—This expenditure was incurred by the Crown Agents in connection with appointments of inspectors in England and was not foreseen.

161.—This represents the difference between the cost as provided for in the estimates namely \$34,700 and the expenditure incurred by the Crown Agents in fulfilling the order.

ESTIMATES, 1926

A.—Items for which there are no savings under other sub-heads of the Head.

3.—This is salary for a cadet officer acting as Private Secretary from October 31st to November 11th, 1925.

4.—Please refer to explanation of item 157. This is the portion payable in 1926.

5.—This is to cover the cost of 40 dozen chairs, it being thought more economical to purchase outright rather than to hire on each occasion of official entertainment.

6, 7, 8 and 9.—This is to maintain the service on the Fanling-Shataukok branch line for which no provision was made in the estimates for 1926 as it was at the time thought that with the completion of the parallel motor road the service would not be required.

Items 8 and 9 are not recurrent. It is estimated that \$8,500 should be recovered in the form of receipts during the year.

10.—The amount voted under this subhead is \$60,000, and in this sum provision was made for purchase of surgical instruments at an estimated cost of £300.

The Principal Civil Medical Officer considers that certain additional instruments not included in his previous estimate should be obtained, as being essential to a well equipped hospital and a supplementary vote for the sum of \$1,500 is requested to cover the cost of these additional requirements.

11.—Members of the Finance Committee agreed in May, 1925, to a loan of \$100,000 for the purpose of building quarters for the staff of the Hongkong University and Government Officers. Under present circumstances the Government considers it inadvisable to continue this work. The University Authorities had, however, already employed architects to draw up plans and specifications. The Architects' bills for doing so amount to the sum of \$7,296.00 and a vote for this sum is requested.

12, and 13.—To replace vacancies in the force caused by the reduction of the numbers of the Weihaiwei contingent it is necessary to make arrangements for the recruitment of further Indians. It is estimated that the cost of recruitment and passages will amount to \$3,250,, and that the ration vote of \$40,000 will require supplementing to the extent of \$3,000. Salaries of men recruited will be paid from lapsing salaries. A supplementary vote of \$6,250 is therefore requested.

14.—In previous years provision was made for a grant of £30 to this Institution, but no provision was made in

the 1926 estimates as at the time when these were framed it was not clear that the Institution was in need of financial support from this Government.

Further information, now available, justifies the continuation of the grant, and a supplementary vote for £30 is therefore recommended.

15.—It has been decided as from 1st January, 1926 to take over the Peak Hospital as a Government Hospital under the direction of the Principal Civil Medical Officer with the assistance of an Advisory Committee of three Medical Practitioners.

Funds are necessary to pay off the debit balance on the advance account on 31st December, 1925 amounting to \$10,077.96; to make up the deficit of expenditure (estimated at \$35,000) over receipts (estimated at \$25,000) for the year 1926; and to pay for certain necessary repairs to the building, estimated at \$8,500.

A supplementary vote is accordingly requested for the above sum of \$28,578, made up as above:—

To clear advance account.....	\$10,078
Estimated 1926 deficit.....	10,000
Repairs to hospital.....	8,500
Total.....	<u>\$28,578</u>

16.—In 1924 the members of the Finance Committee agreed to the expenditure necessary to employ extra guards, amounting to 50 on Senior Convoy ships in the Canton Delta for the purposes of piracy prevention. During the Strike and afterwards these specially trained guards were used to augment and reinforce the Police Force, being kept in readiness for further piracy duties.

The expenditure was paid from Advance Account and it was the intention to take a vote later on. The expenditure up to the present paid from Advance Account is \$37,680 and it is estimated that a further sum amounting to \$21,000 will be required during the current year.

A vote for a total sum of \$58,680 is therefore requested.

17.—Provision was made in the 1925 estimates for the completion of these quarters during 1925, but after the Strike began it was

decided to suspend work.

Retaining walls and concrete foundations, and brick work to the ground floor level have been completed, and it appears desirable to proceed with the work without further delay and so avoid a claim from the contractor.

A vote for \$113,000 is requested for this purpose, being the estimated amount required to complete the contracts.

18.—A sum of \$40,000 is provided in the estimates for this purpose. It is found that this sum will not suffice for improved grading of the approach to the Railway, and for the construction of a temporary bridge to be used during re-construction.

For these purposes an additional \$9,000 is necessary and a supplementary vote of this sum is requested.

19.—The amount voted under this subhead in the estimates (p. 109) is \$55,000.

This sum is insufficient to meet necessary expenditure in connection with emergency measures and a supplementary vote of \$200,000 is requested.

HON. SIR HENRY POLLOCK, in reference to item 17, relating to the sum of \$113,000 for Hongkong Buildings, Officers' Quarters in Ventris Road, asked for more information.

THE DIRECTOR OF PUBLIC WORKS explained that the money was required to complete the subordinate officers' block. The work was stopped last year when the building had been carried up to the ground floor. It had to be decided whether the contractor was to proceed or not, and ultimately it was decided to ask the Finance Committee to approve this expenditure as against a corresponding saving on another item in the Estimates for 1926.

THE CHAIRMAN—It was not economy really to leave buildings half finished.

HON. SIR HENRY POLLOCK enquired the total cost.

THE DIRECTOR OF PUBLIC WORKS said he had not the figures with him, but the amount was something like \$150,000. The other work had been done on site preparation.

HON. MR. LANG—How many houses does this provide?

THE CHAIRMAN—Six houses.

HON. MR. LANG—It is a terrace of houses?

THE CHAIRMAN—Yes.

THE DIRECTOR OF PUBLIC WORKS said the total cost, including site formation, would be \$280,000.

HON. MR. LANG remarked that this was about \$47,000 each, or, exclusive of site formation, \$25,000, for terrace houses. It seemed to be out of proportion.

HON. MR. HOLYOAK—How many storeys have they?

THE DIRECTOR OF PUBLIC WORKS—Two.

THE CHAIRMAN—These estimates were submitted to the Finance Committee last year and approved.

Statistical Information of Trade

The agenda contained a reference to the proposed re-establishment of the Statistical Branch of the Imports and Exports Department.

THE CHAIRMAN said that, with the permission of the Finance Committee, he would withdraw this item and bring it up for consideration by the Committee at a later date. He intimated a wish to refer the matter to the General Chamber of Commerce.

HON. MR. HOLYOAK said that two months ago the Chamber of Commerce gave a very emphatic opinion in favour of the Statistical Branch being re-established.

THE CHAIRMAN—And you recommended some economies.

The Chairman undertook to bring the matter before the meeting of the Finance Committee next week.

Postponed Works

THE CHAIRMAN submitted to the Committee a supplementary provision for certain items of Public Works Extraordinary postponed from 1925. He explained that this was not in the form of a message from His

Excellency, but was brought before the Committee with a view to getting their preliminary advice. The works in the list involved an expenditure of \$1,365,710.

HON. MR. LANG asked the reason for the postponement of the works.

THE CHAIRMAN said that in most cases it was connected with the retrenchment deemed to be necessary in the middle of last year.

THE DIRECTOR OF PUBLIC WORKS explained that in 1925 the Secretary of State sanctioned an expenditure of \$9,000,000 on public works extraordinary. Later the Department was told to retrench as far as possible, but it was quite impossible at that time to know exactly to what extent they could retrench. The result of the year's work showed that over a million dollars on these items sanctioned by the Secretary of State was saved, but they were not provided for in this year's estimates as when the estimates were framed it was quite impossible to say to what extent savings would be effected.

HON. MR. HOLYOAK mentioned that one of the items was the Victoria Hospital and he inquired whether the original estimate had been exceeded.

THE DIRECTOR OF PUBLIC WORKS replied that the original estimate had not been exceeded, but the sum now required was for additions to the main block. The estimate had had to be increased each year it had come up because additional requirements had to be provided.

HON. SIR HENRY POLLOCK—What about the Fire Brigade Station? Has the original estimate of cost been exceeded?

THE DIRECTOR OF PUBLIC WORKS—The revised estimate is \$1,450,000. The original estimate was \$1,110,000.

HON. SIR HENRY POLLOCK—What is the reason?

THE DIRECTOR OF PUBLIC WORKS— I have not a list of the additions with me at the moment, but I can furnish a statement if it is required. Furniture represents one item of \$70,000.

HON. SIR HENRY POLLOCK inquired about an item relating to filter beds.

THE DIRECTOR OF PUBLIC WORKS said the total cost of the indent from home was £9,000, roughly \$80,000. These filters, he explained, were going to deal with 3,000,000 gallons against the present filters which can deal with only half a million gallons at Bowen Road.

THE DIRECTOR OF PUBLIC WORKS, replying to another query by the Hon. Sir Henry Pollock regarding the cost of water pipes, in connection with the Shing Mun Valley scheme, said the cost was £26,000. This would just pay for landing the pipes, and not the laying of them. The length of line was about five miles. It was not proposed to bring it right into Kowloon at present.

Another item discussed was a proposed improvement in Nathan Road near the Po Hing Theatre, at a cost of \$55,000. His Excellency desired to know whether it was the wish of the Committee that this work should proceed.

HON. MR. LANG thought it might wait.

HON. MR. HOLYOAK inquired whether it was a dangerous proceed.

THE CHAIRMAN—Not exactly dangerous,

but it is a very bad turning.

HON. MR. H. W. BIRD remarked that he thought the sum required seemed very high for the work remaining to be done.

THE DIRECTOR OF PUBLIC WORKS said that all the items, in the list, or the majority of them, were passed in 1925, but were not in the budget of 1926. A large number of them were urgently required.

HON. MR. LANG—This year's estimates are not worth the paper they are written on.

The CHAIRMAN—You cannot say that.

HON. MR. LANG—But here we are asked for another million and a quarter at any rate!

THE DIRECTOR OF PUBLIC WORKS mentioned that the items were exceedingly urgent, but on instructions the Department marked time on all these items last year. He added that the contractors had not been paid since the beginning of the year.

The Committee's approval was ultimately given for all the items with the exception of that for the improvement of Nathan Road, which it was agreed should be postponed.