

*5th September, 1929.*

**PRESENT:—**

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

HIS EXCELLENCY THE GENERAL OFFICER COMMANDING THE TROOPS (MAJOR GENERAL J. W. SANDILANDS, C.B., C.M.G., D.S.O.).

THE COLONIAL SECRETARY (HON. MR. W. T. SOUTHORN, C.M.G.).

THE ATTORNEY GENERAL (HON. SIR JOSEPH KEMP, K.T., K.C., C.B.E.).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. R. A. C. NORTH).

THE COLONIAL TREASURER (HON. MR. M. J. BREEN).

HON. MR. H. T. CREASY, C.B.E. (Director of Public Works).

HON. COMMANDER G. F. HOLE, R.N. (Retired) (Harbour Master).

HON. DR. A. R. WELLINGTON (Director of Medical and Sanitary Services).

HON. MR. T. H. KING, (Captain Superintendent of Police).

HON. SIR HENRY POLLOCK, K.T., K.C.

HON. SIR SHOU-SON CHOW, K.T.

HON. MR. R. H. KOTEWALL, C.M.G., LL.D.

HON. MR. A. C. HYNES.

HON. MR. W. E. L. SHENTON.

HON. MR. J. P. BRAGA.

HON. MR. B. D. F. BEITH.

MR. E. I. WYNNE-JONES, (Deputy Clerk of Councils).

**ABSENT:—**

HON. MR. S. W. TS'O, C.B.E., LL.D.

**MINUTES.**

The minutes of the previous meeting of Council were confirmed.

**PAPERS.**

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

Regulations under Section 3 (1) of the Wireless Telegraphy Ordinance, 1926, on 18th July, 1929.

Order under Section 4 (8) of the Merchant Shipping Ordinance, 1899, on 16th July, 1929.

Regulations under Section 26 (1) (f) of the Merchant Shipping Ordinance, 1899, on 24th July, 1929.

Rule under Section 18 of the Prisons Ordinance, 1899, on 30th July, 1929.

Extract from the Commonwealth of Australia Gazette re Proclamation No. 1 of 1929.

Regulations under Section 95 of the Liquors Consolidation Ordinance, 1911, on 10th August, 1929.

Regulation under Sections 25 (4), 33 (2) and 42 of the Merchant Shipping Ordinance, 1899, on 10th August, 1929.

Regulation under Section 3 of the Licensing Ordinance, 1887, on 10th August, 1929.

Regulations under Section 23 of the Waterworks Ordinance, 1903, on 15th August, 1929.

Declaration under the Merchant Shipping Ordinance, 1899, Table L, Quarantine Regulations, on 15th August, 1929.

The Air Navigation (Colonies, Protectorates and Mandated Territories) (Amendment) Order, 1929.

Addition to the List of States which have adhered to the International Air Navigation Convention, 13th October, 1919.

Regulation 4 of the Regulations under Section 23 of the Waterworks Ordinance, 1903, on 15th August, 1929.

Rescission of the Order declaring Saigon to be an infected place, on 22nd August, 1929.

The Berne Copyright Convention (Portuguese Colonies and Spanish Colonies) Order, 1929.

Application of Sections 34, 35 and 36 of the Companies (Consolidation) Act, 1908, to China.

Report of the Director of Public Works for the year 1928.

Report of the Superintendent of Imports and Exports for the year 1928.

Report of the Captain Superintendent of Police for the year 1928.

Report of the General Post Office, Hong Kong, for the year 1928.

Report of the Secretary for Chinese Affairs for the year 1928.

Report of the Salaries Commission (Sessional Paper No. 7 of 1929).

Abstract showing the Differences between the approved Estimates of Expenditure for 1929 and the Estimates of Expenditure for 1930 (Sessional Paper No. 8 of 1929).

### QUESTIONS.

HON. MR. J. P. BRAGA asked:—

1.—Will the Honourable Colonial Secretary state what representations, if any, have been received by the Government from the Hong Kong Automobile Association, or any organisation in the Colony, in connexion with the new parking arrangements for motor-cycles near the Star Ferry Wharf at Kowloon Point?

2.—Has attention been given by the Traffic Department to the repeated complaints appearing in letters to the newspapers against the unsatisfactory nature of the arrangements?

3.—What steps is the Government taking (a) to improve the recent innovation that is causing so much inconvenience to motor-cyclists at Kowloon; (b) and when will any needed improvement be effected?

THE COLONIAL SECRETARY replied:—

1.—No representations have been received.

2.—The Traffic Department has taken note of certain letters which appeared in the local press.

3.—(a) and (b). The matter is under consideration and as at present advised the Government considers that it will be necessary to prohibit the leaving of unattended motor-cars and motor-cycles within the congested area at Tsim Sha Tsui point.

### Homuntin Sewerage System.

HON. MR. J. P. BRAGA asked:—

1.—Regarding a petition to Government from residents of the Homuntin district for a water-carriage system, and the

reply, dated 3rd August, with reference thereto, from the Honourable the Director of Public Works that, in view of the very heavy expense involved, he was not prepared to make recommendations to Government at the present time, will the Director of Public Works state what is the estimate of cost for laying a suitable and new drainage system with an outfall clear of the Harbour of Refuge?

2.—Will the Director of Public Works kindly consider the feasibility of an alternative scheme whereby sewer connexion may be established from Homuntin down Argyle Street continuing thence down one of the new streets ultimately to link up with the existing sewers in Prince Edward Road, thus obviating the undesirability of any sewage emptying into the Typhoon Refuge?

3.—Failing the feasibility of a system such as that outlined in the second question, will the Director of Public Works suggest any other scheme whereby residents of the Homuntin district may obtain a water-carriage system that must ultimately become an imperative necessity, from a public health point of view, on account of the steady growth of the Homuntin District?

THE DIRECTOR OF PUBLIC WORKS replied:—

1.—The petition referred to was addressed to the Director of Public Works. The estimated cost of constructing a sewerage system to deal only with the Homuntin district and to discharge north of the Harbour of Refuge is \$50,000.00.

2.—The scheme herein suggested has already been explored, and has been found impracticable on account of levels.

3.—No scheme for dealing with the Homuntin district alone is found to satisfy engineering and economic conditions. This restricted area must await a comprehensive scheme embracing the whole of the Mong Kok Tsui and Yaumati areas. Such a scheme has already received consideration from the Public Works Department, but it involves large questions of sewage treatment and seems likely to prove very expensive. The proposals are not yet sufficiently concrete to be submitted to Government and much investigation is still necessary.

#### **Waterworks Finance.**

HON. SIR HENRY POLLOCK asked:—

With reference to the paragraph in Mr. Henderson's report to the Honourable Director of Public Works, dated 20th

February, 1928, which reads as follows:—"The present Waterworks scheme of finance is in my opinion out of date and I would propose re-organization on the lines suggested in my reports to you on the subject dated 21st September, 1927 and 13th December, 1927," will the Government lay copies of such reports upon the table of this Council?

THE COLONIAL SECRETARY replied:—

The subject of waterworks finance will be dealt with fully in a speech which will be made to the Council to-day by His Excellency the Governor. In the circumstances it is not considered necessary to lay on the table the departmental minutes in question.

### **Kowloon Tong Estate.**

HON. MR. J. P. BRAGA asked:—

1.—With reference to Government Notification No. 436 of the 23rd August relating to a Memorial of Re-entry by the Crown on the area known as the "Kowloon Tong Property," what consideration does the Government intend to extend to those subscribers whose houses stand on those Lots or any portions of the Kowloon Tong Property on which the Government has re-entered in respect of which there are now subsisting certain agreements and which houses are not yet completed through no fault of the subscribers and by whom all monies in respect thereof have been paid to the Kowloon Tong and New Territories Development Co., Ltd.?

2.—Is it the intention of the Government to resume those properties without affording the owners thereof facilities to meet obligations in the matter of the Crown land premium and so enable them to obtain their respective Crown leases?

THE COLONIAL SECRETARY replied:—

1.—The matter is under consideration.

2.—Although no promise can now be made that Crown leases will be granted to the subscribers referred to, it is probable that the Lots in question will be offered to such subscribers on terms which will include a stipulation that the obligations mentioned be performed. It is not the intention of the Government to disregard these subscribers, and the Government has already acceded to a request made by certain of them that they should become tenants-at-will pending the consideration of the matter referred to in the reply to question 1.

### THE COLONY'S WATERWORKS.

H.E. THE GOVERNOR.—Honourable Members of the Legislative Council: For many months past our principal anxiety has been the very serious water shortage in the Colony, and especially on Hong Kong island, due to an abnormally low rainfall. This water emergency arose in spite of the fact that all the storage reservoirs of the Colony overflowed in 1928. The last dates in that year when the reservoirs on Hong Kong island stood at overflow-level were as follows:—Wong-nai-ch'ung 4th June, Pok-fu-lam 5th June, Tytam Byewash 13th June, Tytam 16th June, Tytam-tuk 28th July and Tytam Intermediate 17th November. On the mainland, in 1928, Shek-lai-pui reservoir last stood at overflow-level on the 8th September and Kowloon reservoir on the 28th November. But the rainfall for the second half of 1928 was only 22.89 inches—the lowest ever recorded; and the rainfall from the beginning of this year to the 12th July last, when the drought may be said to have ended, was only 15.76 inches, making a total of 38.65 inches during a period of a little over twelve months. The lowest rainfall ever previously recorded in this Colony for twelve consecutive months was 45.83 inches in 1895. The recent drought was, therefore, much the most severe in the Colony's history and its effect was such that on the 11th July, 1929, when our island reservoirs were at their lowest, the total water storage in Hong Kong was only 150 million gallons, while on the 8th June, 1929, when our mainland reservoirs were at their lowest, the total water storage in Kowloon was only 79 million gallons. This means that the island and mainland reservoirs were so depleted that no more than 7% and 15% respectively of their aggregate capacities remained in storage. Since the 12th July last we have fortunately had heavy rains and our anxieties have been somewhat relieved. But it has been brought home to every resident in this Colony in an unmistakable manner that our water problem is the most pressing and the most important of our domestic problems; and it is quite clear to all of us that an adequate solution of this problem is imperative. Therefore, as a preliminary to our deliberations over next year's budget, I wish to place before you the history in brief outline of the Colony's waterworks, a description of our present position with respect to water supply, and a statement of the waterworks' policy which we intend to pursue in the near future and of the goal we aim at.

The construction of residential and business premises on Hong Kong island began in March, 1841, when Messrs. Jardine, Matheson & Company erected the first substantial house and godowns at East Point. The mercantile centre of the Colony was at the outset in Wong-nai-ch'ung valley and Chinese settlement began to the west of that valley. The water supply for these early settlers came from the fine mountain-stream which gives the valley its name, and which makes its way into the harbour through what is now known as the Bowrington Canal. The so-called Blue Pool in this stream provided a small storage; and it is interesting

to note that during the recent water emergency this pool, which was reconstructed by the city waterworks in 1874, was again brought into use and dug out, after being completely silted up in the course of the intervening years. Moreover, even when the drought was at its worst, the Wong-nai-ch'ung stream never failed to flow. Doubtless it was this natural water supply which attracted the first settlers to the Happy Valley.

In 1841 there were estimated to be 5,650 Chinese in Hong Kong. The number of Europeans, then resident on the island, is not known; but it must have been very small. Ten years later, in 1851, the population had increased to a total of 32,983 souls, of whom 1,520 were non-Chinese; and in that year the Colony's first waterworks were constructed, namely, five wells for the city supply. Again, it is interesting to remark that during the recent emergency we have had to fall back upon the opening of wells in Happy Valley and elsewhere to eke out our failing supply from the reservoirs.

The next step was taken in 1860, when two tanks were constructed in Bonham Road for the city supply; and once again I note that tanks have during the recent emergency proved to be one of the most useful means of combatting the drought. The two tanks built in 1860 were, three years later, connected by an aqueduct with Pok-fu-lam, where in 1863 the Colony's first storage reservoir was completed. In that year the population of Hong Kong had increased to 124,850 souls, of whom 3,149 were non-Chinese.

The Pok-fu-lam scheme, like so many of the Colony's waterworks, was developed by successive stages. In 1863 the capacity of this reservoir was only two million gallons. In 1871 by reconstruction its storage was increased to 66 million gallons; and in 1895 an additional 4,400,000 gallons were impounded by the use of boards, making the total capacity of Pok-fu-lam reservoir 70,400,000 gallons. Meanwhile, in 1877, the conduit between Pok-fu-lam and the city was reconstructed; and, in 1890, four filter beds for this reservoir were built with an area of 1,360 square yards.

The second, and by far the largest, of the storage schemes on the island is that in the Tytam valley. The original section of this scheme was completed in 1889. It provided for a storage reservoir of 312,330,000 gallons, a tunnel 1.38 miles long, a conduit three miles long, and a service reservoir with a capacity of 5,700,000 gallons. In 1897 the dam was raised to impound an additional 72,470,000 gallons. The capacity of Tytam reservoir thus became 384,800,000 gallons, and by using boards this was further increased to a total of 407 million gallons. Meanwhile, in 1891, the Peak, which had previously been dependent on well water, was supplied from the city waterworks by pumping; and, in 1892, the city waterworks distribution scheme was completed.

In 1899 was completed the small Wong-nai-ch'ung reservoir with a capacity of 30,340,000 gallons, increased to 33,994,000 gallons by the use of boards; and in that year the total capacity of all storage reservoirs on the island, with boards in use, was 511,394,000 gallons. It is not now considered safe to increase the depth of water in the Pok-fu-lam and Wong-nai-ch'ung reservoirs by the use of boards. Both these old reservoirs leak and the leakage increases, when boards are fixed. Moreover, as Tytam reservoir now overflows into Tytam-tuk reservoir, the use of boards in connection with it has been discontinued. The total capacity of these reservoirs has thus been reduced from 511,394,000 gallons in 1899 to 481,140,000 gallons at the present day. The Colony's population in 1899 was 259,312 souls, of whom 15,822 were non-Chinese.

On the 16th April, 1899, the New Territories were taken over and the British flag was hoisted at Taipo. Prior to that day the land population of British Kowloon, which, according to the 1891 census, was 19,997 souls, had drawn its water supply entirely from wells, and the only waterworks undertaken by the Hong Kong Government on Kowloon peninsula had been the construction, in 1895, of three wells, north of Yaumati, to supply 250,000 gallons a day. But from 1899 onwards increasing attention was given to schemes for storing water on the mainland. The construction of the Kowloon reservoir and of the Kowloon waterworks gravitation scheme began in 1902 and was completed in 1910. Its storage capacity at overflow-level is 352½ million gallons, but with the sluices down an additional 32½ million gallons can be stored, making a total of 385 million gallons. Next followed, in 1925, the completion of the Shek-lai-pui reservoir, with a capacity of 116 million gallons; and meanwhile, in 1923, work began on the Sheng-mun valley scheme, which is still under construction, and about which I shall have more to say later on. Two small schemes on the mainland should, however, be mentioned at this point. In 1920 the Royal Hong Kong Golf Club requested Government to supply water to the links and club-houses at Fan-ling; and, as private residential development also had begun in the vicinity, a gravitation system was constructed to supply the district, water being obtained from a perennial stream to the west of the golf course. The distribution system now extends from Fan-ling village to Kam-tsin village and the average daily consumption this year has been about 17,000 gallons. It was further decided, in 1922, to place the Taipo water supply on a more satisfactory basis. Prior to that year houses in the neighbourhood of Taipo were supplied from sources of doubtful purity and Taipo Market itself was dependent on wells. An intake has now been formed in a large stream near Taipo; all cultivated ground above the intake has been resumed and the catchment area has been made into a forestry reserve. A 4" main has been laid and supplies Taipo Market and other villages as well as the residential buildings in the vicinity. The daily consumption at present amounts to 40,000 gallons.



Meanwhile further storage reservoirs were also being built on Hong Kong island in the Tytam valley. The Tytam Byewash reservoir, with a capacity of 22,370,000 gallons, was completed in 1904; and the so-called Intermediate Reservoir in Tytam valley, with a capacity of 195,914,000 gallons, was completed in 1907. Work on the Tytam-tuk scheme began in 1913 and was completed on the 22nd October, 1917. These works comprise a storage reservoir, practically at sea-level, with a capacity of 1,419 million gallons, a pumping-station capable of raising 9 million gallons a day to Tytam Tunnel, two suction mains of 18" diameter and half a mile in length, and three rising mains of 18" diameter and 1.93 miles in length. Three more small schemes must be mentioned for the sake of completeness. In 1914 a service reservoir and two filter-beds were constructed to supply the Shau-ki-wan district with water collected from intakes in streams on the eastern slopes of Mount Parker. A supply of about 200,000 gallons a day is obtained from this source. In 1922 a balance tank was built and a 3" pipe-line, capable of yielding 75,000 gallons a day, was laid from Wong-nai-ch'ung reservoir to serve the new development in Repulse Bay. Finally, this year, a similar pipe-line and balance tank have been built connecting the Stanley peninsula with the Tytam supply and capable of yielding nearly 100,000 gallons a day.

No further storage reservoirs have as yet been constructed in Hong Kong, and the total capacity of the six storage reservoirs built by Government on the island—namely, Pok-fu-lam, Wong-nai-ch'ung, Tytam, Tytam Byewash, Tytam Intermediate and Tytam-tuk—is 2,118,414,000 gallons. The population of Hong Kong island cannot now be less than 600,000 souls. Thus the storage, which in 1863 was no more than 16 gallons a head, and in 1899 was only 1,972 gallons a head, is now 3,530 gallons a head.

Apart from these six storage reservoirs constructed by the Government, four reservoirs have been built on Hong Kong island by private enterprise. Three of them were constructed by Messrs. Butterfield & Swire in connection with their establishments at Quarry Bay. The first was built in 1884 and has a capacity of 11 million gallons. The second, built in 1893, has a capacity of 30 million gallons; and the third, built in 1895 and situated at the 500-foot level above North Point, has a capacity of 137.7 million gallons. There is also in the Aberdeen valley a storage reservoir constructed in 1890 by the Tai Shing Paper Manufacturing Company. Its capacity, when first built, was 44.2 million gallons. In the years 1899 and 1900 its dam was raised 18 feet to its present level, thus increasing the storage by 47.8 million gallons to a total capacity of 92 million gallons. From this reservoir the Company is required by the terms of its Crown lease to supply the Aberdeen and Ap-li-chau villages with 60,000 gallons a day; and, in order to improve this supply, the Government in 1897 constructed a small covered service reservoir and three filter-beds. The Company's own reservoir was, however, resumed by the Hong Kong Government in March last, as an initial step towards the  
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in Aberdeen valley, a matter to which I shall revert later on. The Ap-li-chau supply was obtained by waterboats until 1928, when a 2" pipe-line was laid across the bed of Aberdeen harbour to give this small island a direct service.

I now pass from the subject of water storage to that of water distribution. On the mainland, where storage of water has fortunately hitherto kept pace with the growth of the population, it is now the policy of Government to give all premises a metered supply through the mains. But on the island, where in times of drought the water storage has often been insufficient to supply the needs of the resident population, a more complicated system of distribution grew up. Under the legislation of the years 1895 to 1898 the system of supply was as follows:—

(a) Within the City of Victoria water for domestic purposes was supplied without check or restraint of any kind through services laid on to the houses. Any house could have its service. Meters were fixed only in the case of supplies for trade or non-domestic purposes.

(b) Outside the City of Victoria the supply of water to Chinese houses was entirely by means of public fountains. Services for the supply of water for domestic purposes were permitted to European houses only, and in the case of all services meters had to be fixed.

(c) A uniform rate, both inside and outside the city, of 2% *per annum* on the rating valuation was charged on account of water. In the case of all metered supplies, the water consumed was charged for at the rate of 25 cents *per* thousand gallons, a rebate of  $\frac{1}{3}$  % *per annum* on the rating valuation being made from the accounts.

You will see that under the old ordinances there were some strange anomalies. A European house inside the city boundaries obtained an unlimited supply of water through the mains without payment, except in the form of rates; but a similar house outside the city boundaries was metered and had to pay for all it consumed, only a portion of the amount paid as water rate being refunded. A Chinese house inside the city boundaries also obtained an unlimited supply of water from the mains without payment, except in the form of rates; but a similar house outside the city boundaries had to obtain its supply from street-fountains, whilst paying the same water rate as a house inside the city.

Drought and insufficient storage made it frequently necessary to resort to a system of intermittent supply upon the island. Indeed, from 1889, the date of the completion of the original Tytam scheme, down to 1902 it had only been found possible to maintain the full supply in four years. The trouble came to a head during the exceptional drought of 1901-2, which extended over the whole of South China and resulted in a water famine on Hong Kong island

during the early part of 1902 similar to that which we have experienced this year. It became evident that action must be taken, not merely to increase, but to conserve the Colony's water storage; and it was first sought to attain the latter object by introducing universal meterage, the so-called "free supply" of water being placed very low. It was hoped that, rather than incur the expense of paying for "excess consumption," the poorer classes of the population would fetch their water from the street-fountains, where they could obtain as much as they required free of charge, except in so far as the payment of rates was concerned. A bill was drafted, which provided for universal meterage, and "excess consumption" was defined in it as any quantity of water ascertained by a meter as having been used in a tenement in excess of a quarterly allowance which, at 50 cents *per* thousand gallons, would be equal to  $\frac{1}{3}$  % of the annual rating valuation of the said tenements. Under such a system of computation, the "free" supply of water in a Chinese house inhabited by the poorer classes would, it was estimated, have been about two gallons *per caput per diem*. Experience gained in Kowloon at that time had shown that seven gallons a day was for domestic purposes enough for the poorer Chinese, when there was no waste; and it was anticipated that, rather than pay for the extra five gallons a head, occupants would give up their house services.

A bill, drafted on these lines, was read a first time in this Council, but its object was misunderstood by the Chinese. They imagined that the aim was to raise revenue, whereas the real object was to check waste. The then Chinese members of the Legislative Council represented to Government that the bill would fail in its object, as landlords, in order to make their houses attractive, would keep the water-services in them and would arrange to charge the tenants for their excess consumption by additions to the rent. The Chinese, it was urged, would be better pleased if Government took steps to attain its object by direct legislation, at the same time increasing the "free" supply to such premises as were allowed services. The Government thereupon abandoned the idea of universal meterage and determined to provide for the supply of water to the poorer sections of the population by means of street-fountains, a step which would have brought the distribution of water within the city into line with that then existing outside its boundaries. For the wealthier classes a supply by house services would be provided, all such services to be metered and any excess consumption above a certain allowance to be charged for. Public fountains would be opened throughout the city and all houses would be disconnected from the mains unless the owners agreed to the introduction of meters and signed an undertaking to pay for "excess consumption."

A new bill was accordingly introduced into Legislative Council and passed as Ordinance No. 29 on the 13th August, 1902. The chief changes which it made in the law were:—

- (1) The enforced use of a meter in every house connected with the water service.

(2) The reduction of the daily allowance of water *per caput* from about twelve gallons a day to about five gallons a day.

(3) The increase in the price of water to be supplied by meter from 25 cents to a sum not exceeding \$1 *per* thousand gallons.

(4) The enforced disconnection of the existing water-service supply from every "tenement-house," *i.e.*, every domestic building let to and inhabited by more than one occupier or family as tenants of a common landlord or sub-tenants of a tenant of any portion of such domestic building.

The two Chinese members of Legislative Council dissented from this bill also, and a petition was presented in August, 1902, by the Chinese inhabitants and firms of Hong Kong to the Secretary of State for the Colonies, praying that the legislation just passed should be disallowed, and proposing that instead the method of distribution, now known as the "rider-main system," should be introduced. The grounds upon which the Chinese objected to the new legislation were that the first three changes in the law, as set out above, would entail upon the poorer classes much expense, trouble and inconvenience as regards their water supply; that there would be endless disputes between landlords and tenants as well as between the tenants themselves who occupied different floors or parts of the same building, and also between incoming and outgoing tenants; and further that by causing the poorer classes of Chinese to use as little water as possible, cleanliness and sanitation would be greatly prejudiced. With respect to the fourth change in the law the petitioners predicted that under its operation the water-service of each and every tenement-house occupied by Chinese in the City of Victoria would be summarily cut off with a very small chance of any reconnection. Therefore, instead of the drastic measure of cutting off all water-service from tenement-houses throughout the year, the petitioners urged the adoption of a scheme suggested by Mr. Osbert Chadwick in a report on the water supply of Hong Kong, dated the 18th April, 1902, in which he proposed that subsidiary mains of small diameter, now known as "rider-mains," should be laid parallel to the principal mains on one or both sides of the city streets and that the house-services should be disconnected from the principal mains and connected to the rider-mains. In this way the town would be divided up into blocks of convenient size, the water supply to which could be turned on and off independently and in rotation. Thus the occupants of tenement-houses would get a full supply, when the reservoir storage warranted it, and the evils of the intermittent supply in time of drought would be mitigated.

The Secretary of State agreed with the petitioners. Approval of Ordinance No. 29 of 1902 was withheld and a new bill was introduced in this Council in July, 1903, providing for the laying of rider-mains in areas which were defined as "rider-main districts." This bill was passed into law on the 17th September, 1903. Under its provisions practically the whole of  
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Road, Caine Road and High Street, including East Point and Kennedy Town Districts, has been brought within the definition of a rider-main district. Rider-mains have been laid, and water-services to the houses in rider-main districts have been disconnected from the principal mains and connected to the rider-mains. Connections with the principal mains are granted only in cases in which special sanction is given by the Governor-in-Council, and with regard to which the owners enter into an undertaking to pay for "excess consumption."

The present method of payment for water is as follows. A rate of 2% on the assessed value of all premises, both on the island and on the mainland, is charged for water-services. In consideration for the payment of this rate a so-called "free allowance" of water is granted. This "free allowance" is calculated from the number of thousand-gallon units which the 2% rate will pay for at 40 cents a unit. Thus, if the 2% rate on a given house were ten dollars a year, the "free allowance" would be ten dollars divided by 40 cents, *i.e.* 25 units, *i.e.* 25,000 gallons a year. If, however, as in the ridermain districts, a house is not metered, the question of "free allowance" does not arise; no charge for excess consumption is made, and the supply is unlimited so long as the amount of water stored in our reservoirs permits, that is to say usually for about six months in a year. During the remaining six months, in time of water shortage, houses in the rider-main districts are often restricted to a supply of two hours a day; while, in time of severe drought such as we have recently experienced, the supply even from the ridermains is shut off and the inhabitants have to draw their water from the street-fountains. In Kowloon there are no rider-mains and all unmetered houses obtain their supplies from the street-fountains. "Excess consumption" in metered premises is charged for at the following prices *per* thousand gallons:—

(a) filtered water—

Hong Kong and Kowloon .....	75 cents
Peak District.....	\$1.00
Waterboats, Wharves and Contractors in respect of their building supplies receive no free allowance and pay a flat rate of.....	\$1.00

(b) unfiltered water—35 cents (Fanling \$1.00) with no free allowance. No water rates are imposed in districts supplied with unfiltered water. A higher price is charged in the Peak District, because in that district the use of filtered water from the mains for flushing closets has been permitted. Accounts are rendered quarterly and money does not reach the Treasury until some 4½ months after the first day of the quarter brought to account.

Such being the present position as regards water storage and water distribution, it has been brought home to us very clearly during the last twelve months that our storage is inadequate and that in time of drought our system of conserving water is clumsy and inefficient. For we have found the rider-main system to be sadly lacking in flexibility. If our rider-mains are in use, then the city supply from the trunk-mains cannot be cut off for periods of less than twelve hours, because any less period results in the upper floors of tenement houses getting no water at all. There are six rider-main districts and, in order that the pressure may suffice to give top floors a supply, the water must be turned on to each district in rotation. Thus a twelve hours' supply in the trunk mains will only give each rider-main district a two hours' supply; and even a two hours' supply often fails to convey water to upper floors in tenement houses, owing to the draw-off by inhabitants on lower floors. Consequently, as a method of economizing water, the rider-mains cause the maximum of inconvenience with a minimum of result. Supply from the trunk-mains under a system of universal meterage would be far more satisfactory, as it should enable the Water Authority to reduce the period of supply to six hours or less without thereby inflicting disproportionate hardship on anyone. This year even the rider-mains had to be closed down and the city was obliged to rely for several months on street-fountains supplied from the reservoirs and on specially constructed tanks filled with water transported from the mainland in lighters and other craft. It is manifest, therefore, that our first step should be to build more reservoirs; but unfortunately the configuration of Hong Kong is such that storage possibilities on the island are very limited. There is, however, one additional storage scheme, of which this Council has approved, and which is now being carried out, namely that at Aberdeen.

The Aberdeen scheme was approved by resolution of this Council on the 2nd May last. It provides for the resumption by Government of the existing storage reservoir with a capacity of 92 million gallons constructed by the Tai Shing Paper Manufacturing Company in the Aberdeen valley. This resumption has already been effected at a cost of \$525,000, of which a sum of \$52,500 has been paid on account, the balance being payable early next year. The Company has been granted 183 days, commencing from the 20th July last, to use up its existing stocks. On the expiry of that period Government obtains possession. The Aberdeen scheme further provides for the construction of an additional storage reservoir in this valley, estimated to contain 175 million gallons of water and to cost \$900,000. The ancillary works, including catchwaters, mains, filters, an access road and a pumping station, are estimated to cost \$1,277,000. The whole of this scheme will be financed by loan. It will much facilitate the supply of water to the western end of Victoria City, where improved distribution is most needed, for water from the Aberdeen valley will be piped to the Elliot filter-beds, which are to be augmented by a rapid gravity filtration plant. At

present, when Pok-fu-lam reservoir is depleted, it is often difficult to maintain an adequate supply to the Elliot filter-beds from the Bowen Road Conduit.

An exhaustive examination of Hong Kong island with a view to discovering yet more sites for storage reservoirs has shown that six such sites exist. But to each of them there are serious objections. Three more storage reservoirs might be built in the Tytam valley, two at a height of 750 feet above sea-level and one actually within the flow of the sea in Tytam harbour. The two former would have capacities of 70 million and 40 million gallons, but they would be inside the existing catchment area of the original Tytam reservoir. They would, therefore, impound no new supplies of water and in time of drought the water stored in them would merely diminish the storage in Tytam reservoir. The reservoir site within the flow of the sea would have a capacity of 700 million gallons; but, when investigated in 1904, a rock foundation for the dam was not found until a depth of 65 feet below ordnance datum had been reached. As the site is below sea-level, most difficult and costly coffer-dams would have to be built as temporary erections on both sides of the permanent dam under construction and the expense of the scheme would be out of proportion to the supply gained, the more so as all the water from such a reservoir would have to be pumped to a height of nearly 400 feet, in order to pass through the Tytam Tunnel. An additional reservoir might be built directly below the existing Pok-fu-lam reservoir. It would have a capacity of 78 million gallons; but its construction would necessitate the resumption of the Hong Kong Dairy Farm and is for this reason undesirable. Another natural site for a reservoir is the basin on the south side of the island containing the village of Little Hongkong and bounded on the north by Bennets Hill and Mount Cameron and on the south by Brick Hill. Two dams would here be necessary, one across Stanton Creek near Aberdeen and the other at the brickworks close to Deep Water Bay. This reservoir would have a capacity of 2,500 million gallons; but its catchment would be small for its size, although the overflows from the Aberdeen and Wong-nai-ch'ung reservoirs could be diverted into it. All water from it would have to be pumped; and, in view of the great length of the dams, the considerable resumptions necessary and the heavy contingent works, the reservoir would be costly. Moreover, in the public interest it is not advisable to submerge this valuable area of flat land, the last such area remaining in Hong Kong island. Finally it would be possible to build two additional reservoirs with an aggregate capacity of 114 million gallons in the Taikoo catchment on the slopes of Mount Butler. But the water rights in this locality are held by Messrs. Butterfield and Swire, whose existing reservoirs Government would have to acquire as a preliminary to further development; and, even if resumption were effected, it seems likely that most of the water procurable would be needed for the Taikoo Sugar Refinery and Dockyard and that comparatively little could be made available for public use. The examination of these six schemes has, therefore, led my Government to conclude that

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be postponed until the scheme for providing Hong Kong island with water from the mainland has been put to the test.

Construction work upon this scheme, known as the Sheng-mun scheme, began (as I have already said) in 1923. An access road 16 feet in width and 1.92 miles in length from Ts'ün-wan to Pineapple Pass was completed in 1925. In the same year were also completed the intake dam across the Sheng-mun River above Pineapple Pass, the temporary conduit 6,000 feet in length from this intake to the point where the dam in the Sheng-mun gorge will be built, the North Conduit 2,900 feet in length from this point to the opening of the North Tunnel, and the South Conduit 2,000 feet in length between the North and South Tunnels. In 1926 the North Tunnel 2,160 feet in length through Smugglers Ridge and the South Tunnel 4,689 feet in length through Golden Hill were completed, and so also was the reservoir with a capacity of 33 million gallons in the lower Shek-lai-pui valley, built to receive raw water delivered through these tunnels. In the following year 150 feet of the North Tunnel were straightened and 3,200 feet of 24" steel main were laid. This trunk main will bring the Sheng-mun water to Kowloon Point and will have a total length of 24,030 feet with a feed to the Kowloon distribution system at Pipers Hill, where a covered reinforced concrete service reservoir with a capacity of 1½ million gallons was completed in 1925. Immediately below the reception reservoir in the lower Shek-lai-pui valley is the site of a rapid gravity filtration plant to deal ultimately with 20 million gallons a day. The first section of this plant, capable of filtering five million gallons a day has already been completed and is now in operation. Adjoining these filters, there is under construction a covered reinforced concrete service reservoir with a capacity of eleven million gallons. The expenditure incurred on the development of this Sheng-mun scheme up to the 30th June last was \$2,326,490, the whole of which has been charged to the Colony's loan account.

In order that water from the Sheng-mun scheme may be available on Hong Kong island, works estimated to cost \$361,602 must still be completed, including the land pipe-line to Kowloon Point, and the pipe-line across the bed of Hong Kong harbour. Of the pipe-line on the mainland 20,280 feet have already been completed, leaving 3,300 feet to be laid at Sham-shui-po and 450 feet across the railway terminus. Eventually there will also be 3,000 feet on Hong Kong island; but it is not proposed to undertake this section of the land pipe-line until late in next year. Instead a temporary connection with the city mains near Statue Pier will be made in the first instance, in order to expedite the delivery of water from the mainland to the island. The drawings and details of the harbour pipe-line have been worked out, submitted to the Consulting Engineers and approved by them. The pipes, which are 12" diameter steel mains, are due for delivery in the Colony at the end of this month, and meanwhile dredging

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the line across the bed of the harbour have been commenced. We now hope that Sheng-mun water may be brought to Hong Kong early in next year by means of this pipe-line, which is estimated to be capable of delivering 3½ million gallons a day across the harbour.

Here, however, it is necessary to sound a note of caution. The existing waterworks on the island with a total storage of 2,118,414,000 gallons and a total catchment area of 3,278 acres are calculated to have a capacity of 7.25 million gallons a day; but a modest estimate of the full water supply requirements of the island is ten million gallons a day. Thus the estimated supply falls short of the estimated requirements by 2.75 million gallons a day. At first sight it might, therefore, seem that an additional delivery of more than three million gallons a day through the harbour pipe-line would suffice for our present needs. But two considerations combine to make the outlook less favourable. In the first place, Old Kowloon and New Kowloon are growing at an abnormal rate. Now, including that part of the Sheng-mun scheme already completed, the existing waterworks on the mainland have a total storage of 501,750,000 gallons and a total catchment area of 4,270 acres. Their estimated capacity is five million gallons a day, while a modest estimate of the full water supply requirements of Old and New Kowloon is 4.18 million gallons a day. There is, therefore, at present only a surplus of 820,000 gallons a day available on the mainland; and in a few years' time, if the population on the northern shores of the harbour continues to increase, this surplus will have vanished. Then again there is a second consideration. The utmost, which the harbour pipe-line now about to be constructed can deliver, is 3½ million gallons a day. But bitter experience this year has shown us that in time of drought only one million gallons a day flow down the conduit from Sheng-mun valley; and in time of drought it is, therefore, unlikely that much water from Sheng-mun could be made available on Hong Kong island, unless and until more storage reservoirs have been constructed on the mainland.

One such reservoir for increasing water storage on the mainland is already under construction, namely the Kowloon Byewash Reservoir. Its site is in the valley immediately below the existing Kowloon reservoir. It has an estimated capacity of 175 million gallons, and it will impound the overflows both from Kowloon reservoir and from the raw water reception reservoir in the lower Shek-lai-pui valley. It requires no contingent works such as filters or pumping plant; and, although not a part of the Sheng-mun scheme, it can be developed economically in connection with that scheme. Its cost is estimated at \$600,000. Its construction was approved by resolution of this Council on the 24th January last.

I have now described all the works already sanctioned and actually in progress. But there are further waterworks; which

we are anxious to take in hand as soon as the schemes for them have been worked out in detail and estimates of their cost prepared. We hope with as little delay as possible to begin the construction of a dam in the Sheng-mun gorge. Its site has already been located, and it is roughly calculated that the reservoir so formed will impound between 1,000 and 1,500 million gallons according to the height of the dam. I shall be prepared to put this scheme before you and invite you to approve it as soon as reliable estimates of its cost are available. Moreover, it is possible that further examination of the Sheng-mun valley may indicate the advisability of constructing a second storage reservoir higher up the stream than the site in the gorge; but the best location of the dam for this second reservoir has not yet been determined. It is also very likely that this Council will be invited before long to approve the construction of catchwaters running along the whole southern face of Tai-mo-shan and discharging through Pineapple Pass into the Sheng-mun gorge reservoir, for it is estimated that an additional catchment area of 2,575 acres would thus be obtained. But the schemes known as the second, third and fourth sections of the Sheng-mun valley waterworks are still in a very rough and inchoate form, though it is safe to predict that in the near future the Hong Kong Government will have to spend about ten million dollars upon waterworks construction additional to that already sanctioned and now in progress. When this has been done, and if the pipeline across the bed of the harbour proves to be a success, the requirements both of Hong Kong island and of Old and New Kowloon should for a time be adequately supplied.

The possibility of using salt water for fire fighting, for road watering and for flushing sewers has been carefully investigated. It is computed that the quantity of water used for fire fighting has never in this Colony exceeded one million gallons a year; and the amount used for road watering and cleansing side-channels is estimated at 6½ million gallons a year. This demand can be adequately met in years of normal rainfall by the use of water from the nullahs and in times of drought salt water can be used, when necessary, in streets adjacent to the sea. For flushing closets and sewers the majority of buildings now obtain their supplies from wells and nullahs; and at the present time only 88 million gallons a year are drawn from the storage reservoirs for this purpose. The total annual demand for these three services is, therefore, less than 100 million gallons and does not warrant the installation of an elaborate and expensive system of piped sea water laid on throughout the city. But the whole question of the development of our nullah supplies to their utmost capacity is now receiving the attention of the Public Works Department.

The aim of this Government is to give every house connected with the waterworks, both on Hong Kong island and on the mainland, a full supply of filtered water throughout the year. This should become possible in 1932, when the first section of the Sheng-mun

scheme, the Kowloon Byewash reservoir and the new Aberdeen reservoir will, we hope, all have been completed; for the capacity of the existing waterworks on the island, namely 7.25 million gallons a day, will then be increased by 3½ million gallons a day from Sheng-mun and 2.12 million gallons a day from Aberdeen. The maximum rate of supply to the island would, therefore, amount to 12.87 million gallons a day for a demand which, according to the estimate of Mr. R. M. Henderson, our Waterworks Engineer, may in that year be as much as 11.6 million gallons a day (S.P. No. 4/1928, page 5). When we are thus a little ahead of the daily demand, and not lagging behind the requirements of our population in the matter of water supply, we ought to be able to abolish the rider-mains and give a metered service throughout Victoria City, the cost of water being paid for in proportion to the amount consumed and at a price commensurate with the Colony's outlay on waterworks.

So I come to the question of waterworks finance. The capital outlay of this Government on waterworks from the date when the first storage scheme at Pok-fu-lam was begun down to the present time is as follows:—

(a) *Waterworks on Hong Kong island:*—

	\$
1. Pok-fu-lam reservoir and contingent works .....	455,360
2. Tytam scheme .....	1,624,021
3. Wong-nai-ch'ung reservoir, Bowen Road filters and contingent works .....	330,127
4. West Point filter-beds .....	37,431
5. Tytam intermediate scheme .....	1,040,058
6. Tytam-tuk scheme .....	3,016,049
7. Elliot filter-beds and service reservoir .....	395,565
8. Pok-fu-lam pumping-station.....	215,851
9. Eastern filter-beds scheme .....	537,862
10. Workshop and plant.....	47,969
11. Bowen Road filter-beds conversion.....	144,890
12. Shau-ki-wan supply.....	37,399
13. Repulse Bay supply.....	32,690
14. Distribution works .....	758,821
15. Miscellaneous water works and minor extensions to mains .....	324,923
	\$8,999,016

(b) *Waterworks on the mainland:—*

	\$
1. Original pumping scheme.....	125,612
2. Kowloon reservoir and gravitation scheme.....	1,659,863
3. Shek-lai-pui reservoir .....	267,598
4. Fan-ling water-supply.....	44,752
5. Tai-po water-supply.....	28,175
6. Distribution works .....	476,087
7. Lai-chi-kok water-boat dock.....	520,446
8. Miscellaneous waterworks .....	102,527
9. Sheng-mun waterworks to 30/6/29 .....	2,326,490
	\$5,551,550

(c) *Waterworks authorized and under construction:—*

	\$
1. Harbour pipe-line scheme.....	361,602
2. Kowloon bye-wash reservoir .....	600,000
3. Aberdeen scheme .....	2,702,000
	-----
	\$3,663,602
	-----

The grand total is, therefore, \$18,214,168. Upon this sum a charge of 2% *per annum* for depreciation and maintenance, *plus 6% per annum* as interest on capital outlay, would amount to \$1,457,133 *per annum*. There must be added to this figure the annually recurrent waterworks expenditure of this Government which, neglecting special storm damage and exclusive of upkeep of office and expenditure met from general votes, was in 1928 as follows:

Maintenance votes, Hong Kong island.....	\$296,434.47
Maintenance votes, mainland.....	82,957.82
Salaries of staff.....	131,454.00
	-----
	\$510,846.29
	-----

On the basis of this calculation a total sum of \$1,967,979 *per annum* would have to be collected as revenue by this Government, in order to pay for the cost of its waterworks. In point of fact, however, the income of this Government from waterworks during 1928 was as follows:—

2% rating tax .....	\$567,673.03
Excess water charges and meter rents .....	768,898.60
	\$1,336,571.63
	_____

Therefore, upon this estimate, our revenue from waterworks is \$631,408 less than it should be. Moreover, as I have already said, it is safe to predict that the Hong Kong Government will have to spend a further sum of about ten million dollars upon waterworks construction additional to that already sanctioned and now in progress. It is also quite certain that annually recurrent maintenance expenditure both on the island and the mainland will increase and that in future years the salaries of the waterworks staff will cost us more. Assuming then that our total capital outlay on waterworks will before very long amount to 28 million dollars and that our annually recurrent waterworks expenditure, when that time comes, may be (say) \$760,000, then on the basis above indicated we should have to collect an annual revenue of just three million dollars, in order to make our waterworks, not remunerative, but self-supporting.

There is another consideration which must be carefully weighed. I have said that it is the aim of the Hong Kong Government to give every house connected with the waterworks, both on the island and on the mainland, a full supply of filtered water throughout the year. But, if this is to be done, it is clearly necessary to take steps to impress upon all householders and residents in the Colony the civic duty of conserving, and not wasting, water. I can think of no better way of doing this than to make all who consume water pay by meter for what they consume. If that is to be our policy, then the so-called "free allowance" would have to be abolished. We should also have to abolish the 2% water rate: and, of course, the rider mains. Instead we should require all houses connected with the water-mains to instal meters, and the consumers of water to pay for their metered supplies in accordance with a sliding scale, which would be comparatively low for the first few gallons a day, but steadily increase for each gallon thereafter, in order to check excess consumption. It would also be desirable that water accounts should be rendered monthly, and not quarterly as at present. Such a change would, of course, involve a certain amount of extra work both at the Treasury and in the Waterworks Office. But the advantages quite outweigh this objection. With monthly accounts, high consumption is at once forcibly brought to the notice of consumers; the chances of bad debts or fraud are much diminished; and a large sum of money is brought into the Treasury several months earlier than under the quarterly account system.

It is evident, gentlemen, that we ought soon to reconsider both the methods by which we raise our waterworks revenue and also the rates which we charge. But I am reluctant to move in this matter until the waterworks now under construction have advanced to the stage at which we can give Hong Kong island and the mainland a full supply throughout the year, instead of the intermittent supply which has been only too common during recent years. No motion on this subject will, therefore, be brought before you in connection with next year's budget. But it is more than likely that, when the budget for 1931 is under consideration, you will be invited to give the question of waterworks finance your special attention. (Applause).

### **FINANCE COMMITTEE'S REPORT.**

THE COLONIAL SECRETARY, by command of H.E. The Governor, laid upon the table the report of the Finance Committee, No. 10, of 25th July, 1929, and moved that it be adopted.

THE COLONIAL TREASURER seconded and this was agreed to.

### **SHING MUN WATER SUPPLY SCHEME.**

THE COLONIAL SECRETARY:—Sir, In rising to move the next motion standing in my name I would ask Honourable Members to look at the two motions immediately following it and also to refer to Appendix VI in the printed Estimates which were laid on the table this afternoon. The remarks I wish to make on the first of these motions will apply in general to all three motions.

As Honourable Members are aware, the second portion of the Public Works (1927) Loan was raised at the end of last year. Up to that point our expenditure on loan works had been somewhat complicated though the various steps had been taken with the full concurrence of the Council. We commenced the works out of surplus balances and in 1927 we raised a portion of the loan, financing the works partly from loan, partly from surplus balances and partly from contributions from the Wharf and Godown Company and from the Imperial Government. On raising the second portion of the loan in 1928 we reimbursed our surplus balances and financed the work from Loan Funds and the contributions referred to so far as we could. We have now reached the stage when, pending the raising of a further loan, we are obliged to draw on our Surplus Balances again.

The question of the size and date of the future loan and of the currency in which it should be issued are at present under consideration.

The position as it now stands with regard to Loan Works is set out in Appendices VI. and VIa. of the Draft Estimates for 1930, and this and the two following motions are for the purpose of clarifying the position and of obtaining the Council's formal approval

of the allocation of the sums set out in the schedule and in particular the Council's approval of the expenditure of the sums required from surplus balances during the current year and during 1930. Of the works themselves I think it is hardly necessary for me to speak, for they have all been explained fully to the Council from time to time and have received the Council's approval. The Waterworks, with which alone the first resolution is concerned, have, moreover, been fully dealt with by Your Excellency in your address this afternoon. It will be seen from the table which forms Appendix VI that we do not require to draw on our Surplus Balances for the Shing Mun Scheme until next year.

I now move:

"(a) That this Council approves the construction of the works connected with the Shing Mun Valley Water Supply Scheme as set out in Appendix VI (a), Head 1, Sub-Head 1, of the Draft Estimates of Expenditure for 1930 at an estimated cost of \$4,158,509.40.

(b) That this Council approves of a sum of \$3,500,000 out of said sum of \$4,158,509.40 being charged to the Public Works (1927) Loan, and further sanctions the expenditure of \$2,221,876.42 actually incurred up to the 31st December, 1928, the expenditure of \$1,182,274.19 estimated to be incurred during the financial year 1929 and the expenditure of \$95,849.39 estimated to be incurred during the financial year 1930, which three last mentioned sums amount in all to the aforesaid sum of \$3,500,000.

(c) That this Council approves the expenditure of a further sum of \$579,150.61 on the said Shing Mun Valley Water Supply Scheme during the financial year 1930, which sum shall be met from a further loan and shall meanwhile be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded.

HON. SIR HENRY POLLOCK.—I beg leave to move that further consideration of this motion be postponed until the next meeting.

HON. MR. W. E. L. SHENTON seconded.

H.E. THE GOVERNOR.—On what grounds does the Honourable Member wish the motion deferred?

HON. SIR HENRY POLLOCK.—On the ground that I wish to obtain the views of the Unofficial members.

H.E. THE GOVERNOR.—The Honourable Member is aware there is nothing contained in this motion that has not already received the approval of this Council: but I have no objection to the motion

being deferred. I take it that the unofficial replies to the motion will be made when the Council next meets.

HON. SIR HENRY POLLOCK.—Yes.

The motion was deferred until the next meeting of Council.

### **HARBOUR DEVELOPMENT.**

THE COLONIAL SECRETARY.—I beg to move, Sir,

"That this Council approves the expenditure of a sum of \$419,771.26 on Harbour Development as set out in Appendix VI (a), Head 2, Sub-Head 1, of the Draft Estimates of Expenditure for the year 1930 and authorizes this sum to be charged to the Public Works (1927) Loan, and further sanctions the expenditure out of this sum of the sum of \$403,729.68 actually incurred to the 31st December, 1928, and of the sum of \$16,041.58 estimated to be incurred in the financial year 1929."

With regard to this motion, Sir, I might inform the Council that the contemplated Harbour Development is now completed. It consisted, as Honourable Members will remember, of the dredging of certain areas for the double purpose of improving the Harbour and of providing filling for the Kai Tak reclamation.

THE COLONIAL TREASURER seconded.

HON. SIR HENRY POLLOCK.—I propose that this motion should also stand over until the next meeting.

HON. MR. W. E. L. SHENTON seconded.

H.E. THE GOVERNOR.—I have no objection.

The motion was deferred until the next meeting of the Council.

### **KAI TAK AERODROME.**

THE COLONIAL SECRETARY.—I move, Sir,

"(a) That this Council approves the construction of the Kai Tak Aerodrome at an estimated total cost of \$1,689,467, exclusive of contributions from His Majesty's Government, as set out in Appendix VI (a), Head 2, Sub-head 2, of the Draft Estimates of Expenditure of the year 1930.

(b) That this Council authorizes the sum of \$1,080,228.74 out of the said sum of \$1,689,467 to be charged to the Public Works (1927) Loan and sanctions the expenditure of this sum of \$1,080,228.74 from loan funds during the financial year 1928.



(c) That this Council authorizes in respect of this work an advance from the surplus balances of the Colony of the sum of \$78,114.17 in the financial year 1928, of the sum of \$466,000.00 in the financial year 1929, and of the sum of \$249,500.00 in the financial year 1930, of which sums \$297,000.00 is due to be recovered from His Majesty's Government and the balance shall be met from a future loan."

As regards the Aerodrome I regret to have to inform the Council that this Government has been unable to persuade the Imperial Government to increase its contribution beyond the £100,000 already promised. The greater part of the cost of the Aerodrome therefore falls to be borne by Colonial funds and the amount originally provided in the Loan in the expectation of a larger contribution from H.M. Government has proved inadequate. The completion of the Aerodrome, which will ultimately involve buildings of considerable extent if air services develop as we expect them to develop, will be a liability on the future loan. Meanwhile we are completing the reclamation and proceeding cautiously as regards any buildings, but even so it is necessary to ask for this Council's approval of an expenditure of \$466,000 this year and \$249,500 next year from the surplus balances of the Colony to be reimbursed from a loan to be raised at a future date.

I might add that from information received to-day the Government has reason to hope that the Air Ministry will co-operate in the building of a hangar, and although it will not actually save this Government any money it will enable a more satisfactory building to be erected at an early date.

THE COLONIAL TREASURER seconded.

HON. SIR HENRY POLLOCK.—I propose that this motion also stand over.

HON. MR. W. E. L. SHENTON seconded.

The motion was deferred until the next meeting of the Council.

#### **ABERDEEN WATER SCHEME.**

THE COLONIAL SECRETARY.—Hon. Members will no doubt remember that on 2nd May last they approved the undertaking of the Aberdeen Water Scheme at an estimated cost of \$2,702,000 and the expenditure of a sum of \$550,000 during the current year. The work is in progress and I have now to ask the Council to approve the appropriation of a further sum of \$1,000,000 to continue the work next year. The scheme is well known to all Hon. Members and needs, I think, no further explanation from me.

I therefore move:

"That with reference to the resolution passed on the 2nd May, 1929, this Council approves the expenditure of a sum of \$1,000,000 during the financial year 1930 on the Aberdeen Water Scheme, the cost to be met from a future loan, and meanwhile to be charged as an advance from the surplus balances of the Colony."

THE COLONIAL TREASURER seconded.

HON. SIR HENRY POLLOCK.—I propose that this motion also stand over.

HON. MR. W. E. L. SHENTON seconded.

The motion was deferred until the next meeting of the Council.

### **OFFENCES AGAINST THE PERSON AMENDMENT ORDINANCE.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Offences against the Person Ordinance, 1865." He said: The main provision of the Bill, and the chief reason for its introduction, is contained in clause 3. It proposes to insert a new section 45A in the principal Ordinance. That new section is an attempt to deal with the evil popularly known as the sale of children. The section avoids the use of that term because I think that term suggests two things, first of all, a transaction which can and does confer rights, and, secondly, a transaction which is recognised as a proper one by the Government. A transaction which purports to convey control and possession of a child for money confers, in English law, no rights whatever. Accordingly the section refers to transactions the objects of which are to transfer the possession or control of a minor for valuable consideration. This section makes such transactions illegal except in two cases, in the case where the transaction is *bona fide* and solely for the purpose of a proposed marriage, and in the case where it is *bona fide* and solely for the purpose of a proposed adoption, in each case according to Chinese custom. One knows that money does pass on these occasions—whether as a consideration for the transfer of the control of the individual or not is another matter, but money does pass, and one does not wish to interfere in any way with regular and unobjectionable customs observed by a large part of the population of the Colony. Therefore, these two cases are expressly excepted. With these two exceptions it will be an offence, when this section is enacted, to take any part, or attempt to take any part, in any transaction one of the objects of which is to transfer the possession, custody or control of any minor under 18 years of age for any valuable consideration.

The section also provides, in order to facilitate proof of offences, that the magistrate before whom the case comes is to be entitled to

form his own opinion of the age of the minor whether definite evidence of age be given or not. It also provides that it shall be no defence to a charge under the section that the minor consented to the transaction, or that the minor received the consideration or any part thereof, because an individual of that age is not actually of a sufficient age to form a just judgment of a transaction of that kind. It also provides it shall be no defence to a charge under the section that the accused believed or had reasonable ground to believe that the minor was not under the age of 18.

There is one more provision in the section which is inserted by way of abundant precaution and to emphasise the view of English law that money payments never can confer rights of control over human beings. Sub-section (6) provides that nothing in this section shall be construed as recognising in any way whatsoever the possibility that rights of possession, custody or control over any person can be transferred or conferred for valuable consideration for any purpose.

It often happens that when one has to amend an Ordinance there are other minor points in the Ordinance which call for alteration and one takes the opportunity of dealing with them. This Bill seizes such an opportunity in the case of section 45 of the principal Ordinance. That section deals with the kidnapping of children under 14. Such children may live with their parents or natural guardians, they may live with adoptive guardians, they may be living with employers as *mui tsai* or some other kind of servant. In all these cases a child is liable to be kidnapped by some individual who takes the child away for his own purposes of gain, possibly takes it out of the Colony where it can no longer be looked after in any way by the authorities, and sells the child, perhaps into another family, perhaps into service or even into a worse fate. Naturally, of course, we wish to prevent that and to punish the kidnapper if he is discovered. In certain cases where the kidnapped child has been a *mui tsai* we have been met by the defence that the kidnapper cannot be said in the words of the section to be depriving any person of the lawful care of the child because the employer of the *mui tsai* has no right to possession of the child. It is perfectly true that the employer of a *mui tsai* has no right to retain possession of the child as against the child herself. Similarly the adoptive parent has no legal right to detain a child under English law as against the natural parents. But that does not make the actual *de facto* care of the child unlawful. They may have no right to insist on possession, but they may still exercise a lawful care over the child, such as providing food, clothing, and shelter, in some cases receiving service in return. The defence, however, has been raised that the possession by an employer or an adoptive parent is not a lawful care and therefore the accused, who may have no merits whatever, should be acquitted. That defence has never actually been upheld by the Courts so far as I know. On the other hand it has never actually

been negated. The cases in which it has been raised have gone off on some other ground, and the impression appears to exist among certain persons that it is a good defence. There is a danger, therefore, that officers of the Government may refrain from prosecuting in the belief that the defence is a good one. It is also perhaps just as well to place the legal position beyond all doubt. It is accordingly proposed to amend section 45 of the principal Ordinance so as to provide that the adoptive parent or employer shall be deemed for the purposes of this section—that is, for the purposes of prosecuting and punishing the kidnapper—to have the lawful care or charge of the kidnapped child. It is, however, provided that nothing in this section shall be construed as interfering with any rights possessed by the Secretary for Chinese Affairs, and nothing shall be construed as conferring upon any adoptive parent or employer any rights of possession of the child as against the child's parents or guardians.

The Bill also makes some minor alterations in that same section which are explained in the Objects and Reasons. I beg to move the first reading.

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

### **Objects and Reasons.**

The "Objects and Reasons" for the Bill were stated as follows:—

1. Section 45 of the Offences against the Person Ordinance, 1865, Ordinance No. 2 of 1865, makes it an offence to take away a child under fourteen, by force or fraud, with intent to deprive any parent, guardian, or other person having the lawful care or charge of the child or of the possession of such child. In cases where a mui tsai has been enticed away from her employer, and where the authorities have been satisfied that the motive of the kidnapper was not a benevolent one but the desire of gain, the prosecution have sometimes been met by the argument that the section does not apply because the mistress of a mui tsai cannot be considered as having the lawful care or charge of the child. The Government has been advised that this argument is not sound, and that, though the employer of a mui tsai has no right whatever of retaining possession of the girl as against the girl's parents or as against the girl herself, yet her care and charge of the child is not unlawful and may be treated as a lawful care and charge for the purpose of proceeding against the kidnapper. Unfortunately, so far as is known, no decision has ever been given by the courts on the above argument, because the case has always gone off on some other ground. No apprehension is felt by the Government that the courts would hold the above defence to be a good one, but there appears to be an impression abroad that the defence is a good one, and some officers may be under the impression that it would be useless to prosecute in such a case. The position is much the same  
w i t h r e g a r d t o a d o p t e d

children. In order to dissipate this impression, and also to place the legal position beyond all possible doubt, it has been decided to amend the section so as to make the point clear. Accordingly, paragraph (e) of section 2 of this Ordinance provides that for the purpose of section 45 of the principal Ordinance, *i.e.*, for the purpose of proceeding against the kidnapper, the adoptive parent of a child under fourteen and the employer of a child under fourteen, including the employer of a *mui tsai* under that age, shall be deemed to have had the lawful care or charge of the child. The paragraph also provides (a) that nothing in the sub-section in question is to be construed as affecting any rights of guardianship vested in the Secretary for Chinese Affairs, and (b) that nothing in the sub-section in question shall be construed as conferring on any adoptive parent or employer any right of retaining possession of a child as against the child's parent or guardian or as against the child.

2. The opportunity is taken of making two other amendments of the same section. One of these two amendments is affected by paragraph (a) of section 2 of this Ordinance. Section 45 of the principal Ordinance at present reads "Every person who unlawfully, *either by force or fraud*, takes away any child." Some little difficulty has sometimes been felt about the words italicised above in the case of very young children where it can hardly be said that either force or fraud is necessary for the kidnapping. Accordingly paragraph (a) of section 2 of this Ordinance deletes the words "either by force or fraud" and substitutes the words "by any means."

3. The other amendment is made by paragraph (b) of section 2 of this Ordinance. Section 45 of the principal Ordinance at present provides that "no person who has claimed any right to the possession" of the child and no person who "has claimed to be the father of an illegitimate child," shall be liable to prosecution on the ground of having taken the child out of the lawful charge of some other person. No doubt these words refer to *bona fide* claims but it has been thought better to provide expressly that the claims must be *bona fide*.

4. Section 3 of this Ordinance is an attempt to legislate for a matter which has been discussed off and on for fifty years. The section makes it an offence to take any part in any transaction the object of which is to transfer the possession of any minor under eighteen for any valuable consideration, unless the accused can prove that the transaction was *bona fide* and solely for a purpose of a proposed marriage or adoption in accordance with Chinese custom. The section also makes it an offence to be in possession, without lawful authority or excuse, of any such minor who has been so dealt with after the commencement of this Ordinance, whether such minor was so dealt with within or without the Colony. An offender against the section may be sentenced to a fine not exceeding one thousand dollars or to imprisonment for any term not exceeding one year, or to both such fine and such imprisonment. No prosecution can be instituted without the consent of the Attorney General.

5. The section also contains three subsidiary provisions as follows:—
- (a) It empowers the magistrate to "find" the age of the minor whether evidence of age be given or not.
  - (b) It provides that it shall be no defence to a charge under the section that the minor consented to the transaction or that the minor received the consideration or any part thereof, or that the accused believed or had reasonable ground to believe that the minor was not under the age of eighteen.
  - (c) The section also provides that nothing in it is to be considered as recognising in any way whatsoever the possibility that rights of possession, custody or control over any person can be transferred or conferred for valuable consideration for any purpose.

### **ACCESSORIES AND ABETTORS ORDINANCE, 1929.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the law relating to accessories to and abettors of indictable offences." He said: The present Accessories and Abettors Ordinance, 1865, deals with accessories to and abettors of felonies and misdemeanors made such by Ordinance. It contains no reference to offences made felonies and misdemeanors by Act of Parliament. Of course certain English Acts apply in this Colony, *e.g.* the Acts in force on the date when this Colony obtained a local legislature, *i.e.*, the 5th of April, 1843. They still apply unless they have been altered by local legislation since. Also certain English Acts passed since that date apply expressly to the Colony, and it is important that we should have the same power of dealing with accessories and abettors when offences are created by Act of Parliament as when they are created by Ordinance. One very important case is that of the felony of piracy with acts endangering life. That is a felony by an Act of 1837 and unfortunately it is an offence which is an important one for this particular part of the world. The present Bill proposes to re-enact the Ordinance of 1865 inserting references to Acts of Parliament as well as to our own Ordinances. It also omits from the Statute Book the section of the old Ordinance which dealt with the subject of attainder, because attainder has now been abolished. I beg to move the first reading.

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

### **Objects and Reasons.**

The "Objects and Reasons" for the Bill were stated as follows:—

1. This Ordinance amends the law relating to accessories to and abettors of indictable offences.

2. Sections 2, 3, 4, 5 and 7, are re-enactments of sections 2 to 5 inclusive and section 8 of Ordinance No. 3 of 1865, except that in each of these sections the words "Act or" are inserted before the word Ordinance. This amendment is important for such cases as that of piracy with acts endangering life, which is made a felony by 7 William IV and 1 Vict. c. 88.

3. As attainder has been abolished (*see* section 70 of Ordinance 9 of 1899), section 6 of Ordinance No. 3 of 1865 has not been re-enacted.

4. Section 6 of this Ordinance re-enacts section 7 of Ordinance No. 3 of 1865.

5. Section 13 repeals Ordinance No. 3 of 1865.

### THE BUDGET.

THE COLONIAL SECRETARY.—Before proceeding, Sir, to move the motion standing in my name, I would first direct the attention of Honourable Members of this Council to a small alteration in the motion as now appearing in the Order paper. I do not know whether Honourable Members may have noticed it but there is a difference of \$7,400 in the sum shown in the Order of Business for to-day as compared with the Order of Business as issued to members. Two small errors were discovered at the very last moment when the Estimates were going through the Press, and I took the opportunity of altering them on the agenda so as to save the time and convenience of the Council. If I have the leave of the Council to proceed, I will proceed with the agenda as now amended as though it had been correctly issued in the first instance. I may add that there is no question of principle whatsoever involved in these two small items.

Leave having been granted, the Colonial Secretary continued:

By Your Excellency's command I rise to move the first reading of a Bill intituled "An Ordinance to apply a sum not exceeding twenty-two million and thirty-eight thousand eight hundred and seventy-nine dollars to the Public Service of the year 1930."

It has been my practice, Sir, on the three occasions on which I have been privileged to be connected with the introduction of the annual Budget to preface my own or in one case the Acting Colonial Secretary's remarks with a review of the Colony's financial position and with a forecast of the probable position in the near future. This year I am relieved of this duty by an innovation which will, I trust, meet with the approval of Hon. Members. On Your Excellency's instructions the Hon. Treasurer has prepared a memorandum on the financial position of the Colony which includes a review of the revenue for 1928, a revised estimate of

revenue for the present year, an estimate of revenue for next year, and a forecast of the position as he foresees it at the beginning of the next financial year. It is sufficient therefore for me to say that the Government expects the present year's revenue to be slightly less than the expenditure with an estimated deficit of \$379,368 and that it anticipates a total surplus balance at the end of 1929 of \$7,712,265 of which \$6,224,977 is expected to be liquid and available for expenditure. The revenue for next year has been estimated at \$22,712,920, nearly the same figure as our revised estimate for the current year, and with our estimated liquid balance of \$6,224,977 will give a total sum of \$28,937,897 to meet the needs of the Colony during the year 1930. It will be seen that we take a reasonably optimistic view of the future revenue and financial position of the Colony, and I think the Colony is to be congratulated on having surmounted what was probably the most serious water famine in its history without a heavier strain on its finances. I should like to take this opportunity of placing on record in this Council the Government's very high appreciation of the services rendered alike by Unofficial Members of the community and by its own Government officers whereby the Colony was enabled to surmount a very serious crisis.

The surplus balances may seem high but we must not flatter ourselves too much on this apparently pleasing feature of our finances, for it has to be remembered that the balances have had restored to them just under two million dollars which had been advanced on loan works, while heavy special expenditure on Water Works, Harbour Dredging and the Kai Tak Aerodrome, works which, in former days, would have been met from revenue or surplus balances, has been charged to Loan Funds to an amount already exceeding the full amount of our recent \$5,000,000 loan.

As was foreshadowed when the Budget was introduced last year, the remaining \$2,000,000 of the Public Works (1927) Loan was raised in November last and the money was obtained on slightly more favourable terms than on the previous occasion. But as Hon. Members will have observed from the resolutions already put before them to-day the existing loan funds are more than fully allocated and the urgent necessity for increasing our water supply will compel the Government to raise a further loan in the near future. We are now again in the position of advancing money from surplus balances on Loan Works, the cost of which is to be recovered from a future loan and we have framed our Budget on the supposition that a further loan will, subject to the approval of the Secretary of State, be raised at a suitable opportunity next year, that our surplus balances will be relieved during next year of all liability for loan works, and that the full amount of our liquid balances will be available for other local needs of an urgent if less spectacular character. I do not think it necessary for me to make detailed reference to the loan works. They are set out



in the Appendices to the Draft Estimates of Expenditure and I have already dealt with them in some detail in the resolutions moved earlier in the present meeting to provide funds for their continuance during the coming year, while the Water Works have been made the special subject of Your Excellency's address this afternoon.

I come then, Sir, to the Estimates of Expenditure for the year 1930. The notes in the Draft Estimates, the usual annotated abstract of differences in expenditure and the memorandum of the Hon. Director of Public Works on the works provided for under Public Works Extraordinary will afford Hon. Members much information on points of detail and will, I hope, justify me in restricting myself to the broader aspects of the Budget.

Hon. Members will see that the total expenditure is estimated at \$27,268,515, of which \$1,787,650 is required for Public Works Recurrent and \$3,840,750 for Public Works Extraordinary, while I need hardly remind Hon. Members that the Bill now before them, in which the total expenditure is given as \$22,038,879 does not include the sums of \$3,865,560 for Military Contribution and \$1,364,076 for Public Debt Charges though these items are included in the printed Estimates of Expenditure.

There are increases under nearly every Head and in explanation of this I would observe that for the last few years owing to the necessity for severe economy departments have been working on a very narrow margin as regards personnel and normal recurrent expenditure. Though the Colony has since 1925 been passing through very difficult times the necessary activities and consequently the necessary expenditure of the Government have shown a tendency to increase as the Government accepts more and more responsibility for the Health, Sanitation, Education, Development and Protection of the Colony and its inhabitants. This increase is inevitable unless the Colony and its inhabitants. and to recede from its proud position as one of the most progressive and up to date Colonies of the British Empire, and the increase is reflected largely in the Personal Emoluments votes as the activities involve increases in the supervising, clerical and subordinate staffs. How long we can continue to finance this increase without recourse to increased taxation it is impossible to foretell; we are fortunate to be able to carry on for the present with no increase in our present comparatively light burden of taxation but it must not be forgotten that improvements whether in health or material works, whether in education or in social amenities cannot be had without the money to pay for them. It is the earnest hope of the Government that such improvements as are provided for in the present Budget will be considered to be more than worth the increased expenditure they involve. I might add that part of the increase in the dollar expenditure is explained by the fact that sterling expenditure other than salaries

has been converted into dollars at 1/10d instead of at 1/11d as in the estimates for 1929.

Hon. Members will notice that in spite of the considerable increase in the total estimated expenditure there is an increase of only \$421,145 in that very popular vote Public Works Extraordinary to which members of the public are inclined to turn first to see whether their own favourite schemes have been included. It might have been expected that with so large an expenditure there would be a large increase in expenditure on Public Works of the kind included under the heading of Public Works Extraordinary but, Sir, funds did not permit of this popular move. The Government, however, has not been content to adopt a waiting policy. The revenue has shown a remarkable stability throughout the recent difficult years and the Government has every confidence that the revenue will be maintained or even increased in future years provided no fresh political upheaval still further distracts our great but still sorely distracted neighbour the Republic of China.

The Government therefore has adopted a forward policy in its Budget for 1930, but it is a forward policy in services rather than in material works, always excepting of course the Loan Works and particularly the Water Works with which Your Excellency has dealt so ably and so exhaustively at an earlier stage of our proceedings this afternoon. I venture to think that the most striking features of the Budget are the introduction of entirely new activities represented by Heads 13.B, Air Services and 33.B. Hong Kong Royal Naval Volunteer Reserve, the restoration under Head 12 of one which had been discontinued, viz., the Statistical Branch of the Imports and Exports Department and the attempt which is to be made next year under the experienced direction of my Hon. friend the Director of Medical and Sanitary Services to deal with the too long neglected problems of sanitation, malaria and the prevention of disease generally.

Under Head 6, Hon. Members will notice the inclusion of a new post of Chinese Assistant to the Secretary for Chinese Affairs. The Government considers that the Senior Chinese staff of this very important office requires strengthening by this new post.

Hon. Members will also notice the introduction under Head 11 of special provision for the administrative side of the wireless telegraph service under the control of the Post Master General. The technical control will remain in the Public Works Department in the hands of the Electrical Engineer and due provision for that side of the work will be found under Heads 29, 30 and 31. The administration, however, is naturally one which has close connection with the Postal Service and it has been considered advisable to make definite allocation for this under the Head, Post Office at a cost of \$120,708 which consists largely of posts transferred from other departments and from daily paid labour.

The increase of \$112,690 under Imports and Exports is explained by the cost of establishing the Statistical Branch to which I have already referred. The abolition of the Statistical Department has been the subject of acute local controversy and I personally sympathize with those who regard it as a slur on our administration that we do not possess reasonably accurate statistics of the Colony's trade. I am not, however, with those who would take half-measures. If the Government undertakes this work it should do it properly and bring out complete statistics at monthly intervals and as quickly as possible after the end of each month. It is not work which can be done cheaply. It involves recurrent expenditure consisting largely of personal emoluments, but the Government feels that the time has come to resume the compilation of Trade Statistics and if possible on a more effective basis than before.

Under the Harbour Department an increase of \$214,000 is represented in part by a small increase in staff and partly by an increase under special expenditure, of which \$92,200 is in connection with a scheme for the gradual re-arrangement and relaying of commercial moorings throughout the greater part of the Harbour. The present scheme does not make the most economical use of the available space and the time has arrived when the whole scheme of moorings must be re-arranged to provide for the ever increasing size of the shipping using the Harbour. The total scheme is estimated to cost \$152,000 and is to be spread over two years. The sum of \$70,000 is provided for two new launches.

Immediately following the Harbour Department Estimates will be found a new Head, 13.B. Air Services which is under the control of the Harbour Master as Director of Air Services. It will be seen that provision is included for the subsidies without which Commercial Aviation and a Flying Club are impossible. Much public interest has been shown in both of these schemes and I trust that Hon. Members will agree with the Government that money must now be provided for the encouragement of aviation locally if Hong Kong is to take its proper place in the rapidly developing sphere of air travel.

Under Head 15, Fire Brigade, will be found provision of a sum of \$150,000 for a Motor Fire Float. At present there are only two Floats and the present provision gives effect to one of the recommendations of the Committee appointed in 1926 to consider suggestions for the improvement of the Fire Fighting Organisation of the Colony, for which it had not hitherto been found possible to provide funds.

The next increase of importance is to be found under Head 23. Police Force. An increase of about \$200,000 is explained in part by an increase in Personal Emoluments chiefly due to the rapid development of Kowloon, but for the most part by increases under Special Expenditure under which \$100,000 has been allocated for

the provision of a new cruising launch to replace an old one now reaching the end of its serviceable life. I invite Hon. Members' attention to a change in nomenclature which will be found under this Head. No increase in numbers or emoluments is involved but it has been thought advisable with the approval of the Secretary of State to introduce more convenient titles for the supervising officers of the Police Force and a bill to give legal sanction to the change will be introduced at an early date.

Under Head 24, Prisons Department, I would invite attention to the provision of separate staff for the Printing Shop and for the Hospital. The printing work done by the Gaol has been steadily increasing and has been controlled by the present Warder staff. With the provision of new and up-to-date printing machines it is considered that an actual economy can be effected by the detailing of specially qualified officers for this work and it is hoped that in time the Gaol printing shop will be able to take over practically the entire printing work of the Government.

On the advice of the Hon. Director of Medical and Sanitary Services provision has been made for a separate Gaol Hospital staff who will be specially trained. At the moment the Gaol hospital work is carried out by the existing Warder staff under the control of the Gaol Medical Officer and it is hoped that this long delayed reform will meet with the approval of the Council.

The re-organisation of the Medical Department undertaken by my Hon. friend the Director of Medical and Sanitary Services has necessitated an increase of \$100,000 in the personal emoluments of that department. A Secretary has been provided for to relieve the professional officers of some of the administrative work of the Department but the greater part of the increase is for the purpose of developing the preventive side of the Medical Department's work. It has long been felt that this side of the Department's work has been seriously neglected in the past especially in such matters as rural sanitation and prevention of malaria. It has been found impossible to procure a Malarial Research Officer at the salary offered and an increased salary is inserted for this officer under the title of Malariologist and provision has also been made for an assistant to the Malariologist. The Medical Officers of Health are to be renamed Health Officers with one post of Senior Health Officer. The salaries have been improved and provision is made for three additional Health Officers as a first step towards the organisation of a complete Health Service for the Colony.

Provision is also made for a Government Dental Surgeon as it is felt that the time has come when the care of the teeth should be undertaken as part of the normal functions of the Medical Department.

Under Special Expenditure will be found the very considerable sums necessary to bring up to date the equipment of the Electrical

Therapy and X-Ray branches of the Department, and provision has also been made for a Harbour Dispensary launch whereby the Government hopes to bring medical assistance within easy reach of the large floating population of the Harbour.

Under the Sanitary Department provision has been made to replace the launch S.D.3. which struck a rock and sank in May last, for the replacement of worn out barges and motor lorries and for the continuance of the policy of substituting motor transport for vehicles drawn by man-power or by bullocks.

There is an increase in the Personal Emoluments vote for the Education Department caused by the normal increments, by a slight expansion of activities and by provision for training probationer masters in England owing to the difficulty of attracting trained masters to Hong Kong. It has been found possible to increase the Building Grant vote to \$60,000.

Hon. Members will notice a relatively small increase in the cost of the Public Works Department, Head 29, which in view of the notes provided does not seem to call for special comment from me. The Government has thought it wise to make increased provision under Public Works Recurrent (Head 30) as it is only by efficient maintenance that the Colony can reap the full benefit of its past capital expenditure.

In view of the very full memorandum prepared by my Hon. friend the Director of Public Works, of which all Hon. Members have a copy, I do not think it necessary to speak at any length on Head 31, Public Works Extraordinary. I will merely invite the attention of Hon. Members to the following new works of special interest:—

Sub-Head 23—re-alignment of Yee Wo Street \$100,000. This is necessitated by private re-building operations. It is essential at once to lay out the streets on the new alignment to which re-building must conform.

Sub-Head 24—\$75,000—Widening May Road from Tram Station to Conduit Road. This provides much-needed motor access on the Mid-levels and constitutes the natural continuation of the road now in preparation from Garden Road to May Road.

Sub-Head 42—\$50,000—Part compensation for the existing Royal Naval Canteen. The Canteen has to be removed in pursuance of the scheme settled several years ago for road improvements at Arsenal Street corner. The matter has been the subject of complicated negotiations with the Naval Authorities but it is hoped that progress will be possible next year.

Sub-Head 110—Circular Eastern Road—\$200,000. This provides for the first section of a road from Kowloon via Sai Kung to Shatin

which has long been considered necessary for the purpose of opening up a portion of the New Territories which is at present practically inaccessible except by water or on foot. It is hoped to complete the road by sections in future years.

Under Kowloon-Canton Railway the large sum of \$330,000 has been provided for eight new passenger coaches. These are required not only to keep pace with our own share of the improving traffic and to enable the older coaches now deteriorating to be kept in a proper state of repair, but also because the Chinese Section is not providing its fair share of coaching stock. Hire is recovered for use on the Chinese Section but the capital expenditure falls wholly on the British Section. It is, however, necessary to proceed with the work if the traffic requirements are to be met.

Provision is also made for fencing the line from the terminus to the South face of the tunnel for the protection of the public. The erection of permanent shops for the sale of refreshments and small articles at stations in place of the present temporary sheds is a much needed improvement and provision is included for this work.

Under Defence, Military Contribution, formerly Head 33B. has been renumbered Head 33C. and a special Head has been inserted, Head 33B., Hong Kong Royal Naval Volunteer Reserve. It will be remembered that provision for a Royal Naval Volunteer Reserve was first inserted in the Estimates for 1927 but in view of the financial situation the Secretary of State directed that the scheme should be deferred. It has since been taken up again and there seems every prospect that it can now be successfully started. The Government considers that the Colony is now in a position to accept this increased responsibility and provision has been made accordingly.

Under Miscellaneous Services will be found an item of \$3,000 as a contribution to the Society for the Prevention of Cruelty to Children which the Government hopes to see established at an early date.

An item of \$5,000 has been inserted under Charitable Services as a contribution to that very excellent Institution the Tsan Yuk Maternity Hospital.

Hon. Members will see that the Government has left unallocated a sum of \$1,669,382 from the total sum available for expenditure. Now, Sir, as Hon. Members are aware a Salaries Commission under the Chairmanship of His Honour the Chief Justice has been engaged for some months in an investigation into the emoluments of the members of the Government Service, from the highest to the lowest. That report reached the Government only a few days ago and has been laid on the table of the Council this afternoon. It has not yet received the full consideration of this Government much less the approval of the Secretary of State and it was therefore not possible to invite Hon. Members to provide in this Budget any sum for carrying out the recommendations of the Commission. But

from its knowledge of the public confidence enjoyed by the distinguished members of the Commission the Government has little doubt but that the recommendations of the Commission will be such as to commend themselves to this Council; and subject to such amendments, if any, as may appear necessary to this Government and to the Secretary of State, and to the Secretary of State's covering approval, the Government hopes to be in a position at a later date to invite this Council to make provision from the unallocated funds to which I have already alluded of a sum sufficient to carry out the recommendations of the Commission as from the 1st January next. It has not been possible in the time available to work out the figures with any degree of accuracy but a rough estimate seems to show that the additional cost of the recommendations will be in the neighbourhood of \$1,300,000 per annum, with exchange for salary purposes reckoned at 1/10d., which is the rate adopted for the calculation of other sterling expenditure throughout the Estimates. Should exchange remain at its present rate the additional cost should work out at a considerably lower figure.

Before closing my remarks I should like to express my indebtedness to my Staff at the Secretariat and particularly to the Second Assistant Colonial Secretary for their untiring assistance in the preparation of the Budget.

The Government, Sir, relies once more on that whole-hearted co-operation which past experience has led it to expect from this Council in all matters affecting the public weal and in now moving the First Reading of a Bill intituled "An Ordinance to apply a sum not exceeding twenty-two million and thirty-eight thousand eight hundred and seventy-nine dollars to the Public Service of the year 1930," I do so with complete confidence that Hon. Members will approach their important duty of scrutinizing the Budget proposals with a full recognition of the Government's and particularly of Your Excellency's single-minded devotion to the welfare of this Colony and its people. (Applause).

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

#### **ADJOURNMENT.**

H.E. THE GOVERNOR.—The Council will adjourn until Thursday, the 19th of September.

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#### **FINANCE COMMITTEE.**

Following the Council, a meeting of the Finance Committee was held, the Colonial Secretary presiding.

Votes totalling \$369,648, contained in Message No. 11 from H.E. The Governor, were considered.

Item No. 69: Public Works, Extraordinary, Government House Alterations and Improvements, \$104,000.

HON. MR. B. D. F. BEITH.—With regard to the improvements being carried out at Government House, I should like to ask whether all the work is being done by Government architects or whether any outside architects or contractors are being employed?

THE CHAIRMAN.—There are some outside contractors but no outside architects. There is a Shanghai firm doing the interior decorations.

THE DIRECTOR OF PUBLIC WORKS.—Messrs. Arts and Crafts of Shanghai are doing the interior decorations.

HON. SIR HENRY POLLOCK.—Is their account included in this item?

THE CHAIRMAN.—Yes.

Item No. 73: Public Works, Extraordinary:—Communications, New Territories, Circular Road, Ngau Tau Kok to Shatin *via* Sai Kung, Preliminary Works, \$5,000.

HON. MR. W. E. L. SHENTON.—I should like to ask that this item be adjourned for a fortnight.

THE CHAIRMAN.—I have no objection.

Item No. 73 was deferred for further consideration until the next meeting.

All the other items were approved.

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