

18th August, 1932.

PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT (HON. MR. W. T. SOUTHORN, 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. E. R. HALLIFAX, C.M.G., C.B.E.).

THE ATTORNEY GENERAL (HON. MR. C. G. ALABASTER, K.C., O.B.E.).

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. A. E. WOOD).

THE COLONIAL TREASURER (HON. MR. E. TAYLOR).

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, (Inspector General of Police).

HON. MR. R. M. HENDERSON, (Director of Public Works).

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

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

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

HON. MR. J. P. BRAGA.

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

HON. MR. T. N. CHAU.

HON. MR. W. H. BELL.

MR. H. R. BUTTERS (Deputy Clerk of Councils).

ABSENT:—

HON. MR. J. J. PATERSON.

MINUTES.

The minutes of the previous meeting of the Council were confirmed.

PAPERS.

The Colonial Secretary, by command of H.E. The Officer Administering the Government, laid upon the table the following papers:—

Brewery Regulations and Licence made under sections 34 and 88 of the Liquors Ordinance, 1931.

Declaration under the Merchant Shipping Ordinance, 1899— declaring Wuchow to be an infected place.

Additional by-laws made under section 16 of the Public Health and Buildings Ordinance, 1903.

Additional regulation made under section 5 of the Dangerous Goods Ordinance, 1873.

Order under section 92 (8) of the Public Health and Buildings Ordinance, 1903, on 5th August, 1932.

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FINANCE COMMITTEE'S REPORT.

THE COLONIAL SECRETARY, by command of H.E. the Officer Administering the Government, laid upon the table the report of the Finance Committee, No. 8 of 4th August 1932, and moved that it be adopted.

THE COLONIAL TREASURER seconded and this was agreed to.

LIQUORS ORDINANCE.

THE COLONIAL TREASURER.—This resolution imposes a duty on locally brewed beer at the rate of 60 cents per gallon, the same as the duty on imported beer, except that import duty is computed on the basis of the conventional dollar whereas this duty will be collected on a silver basis due regard being had to the gravity of the worts.

I, therefore, move:—

"In pursuance of the powers conferred by section 39 of the Liquor Ordinance, 1931, Ordinance No. 36 of 1931, as amended by the Liquors Amendment Ordinance, Ordinance No. 20 of 1932, the Legislative Council resolves that, notwithstanding anything contained in the Liquor Duties Resolution published by the Notification No. 354 in the Gazette of the 2nd June, 1932, the Liquor Duty to be paid on beer brewed or made in the Colony shall be assessed at 60 cents per gallon when the original gravity of the worts for such beer does not exceed 1055 degrees as measured by the 'Bates' standard saccharometer and at one additional cent per gallon for every degree in excess of an original gravity of 1055 degrees so measured."

THE COLONIAL SECRETARY seconded and the resolution was agreed to.

RIDER MAIN SYSTEM.

HON. SIR HENRY POLLOCK.—Sir, on behalf of the European Unofficial Members of this Council I beg leave to move an amendment to the Honourable Colonial Secretary's Motion for the abolition of the rider-main system, made at the last Meeting of this Council.

The amendment which I beg leave to propose runs as follows:—

That the principle of the abandonment of the rider-main system in this Colony be accepted, provided that the following conditions are complied with:—

1. That, in districts where the rider-mains have already been disconnected, those houses which are not at present supplied with meters be, at the earliest possible opportunity, (upon such application as hereafter in (3) referred to), and in priority to other houses, supplied therewith, and that the cost of installing such meters and the cost of connecting such houses with the mains be paid by the Government.

2. That the Government thereafter (upon such application as hereafter in (3) referred to), proceed to supply meters in rider-main

districts not yet disconnected, and on the same terms as to costs of installation and connection as set out in the above condition (1).

3. That, owners of houses in the rider-main districts, who desire to be supplied with meters upon the terms aforesaid, be required to send in applications for the same to the Water Authority, on or before the 31st day of October, 1932.

4. That a free supply of water be continued through the street fountains.

The European Unofficial Members accept the abolition of the rider-main system, because—

(i) They agree with the Hon. Colonial Secretary's remarks at our last Meeting to the effect that, considering the sums which the Government has paid for the maintenance of the rider-mains since they were first installed and the matter of wear and tear, the original contributors to the cost of the rider-mains have had "value for their money," and

(ii) Because they feel that, in view of the large sums which have been spent in the past (as detailed by Sir Cecil Clementi in Hansard of 1929 at pages 147-149), and in view of the further large sums which are now about to be spent upon reservoir construction, it is no longer advisable to continue the supply of free water through the rider-mains to some residents whilst others, who are metered, have to pay for excess consumption. In future those who want free water should, in our opinion, resort to the street fountains.

Whilst, however, I and those for whom I am speaking are of opinion that the rider-main system should be abolished, we are nevertheless of the opinion that, inasmuch as a privilege of long standing is being taken away, the Government ought to take every reasonable step in its power for the purpose of inducing those who have hitherto enjoyed the privilege of free water through the rider-mains, to come forward promptly and apply for meters, and it is with that end in view, that we have inserted the conditions as to the Government paying the costs of installation and connection as set out in conditions (1) and (2) of our amendment.

Condition (3) is inserted, because it is felt that the Government would naturally desire to know, at a fairly early date, how many meters are being applied for.

Condition (4) requires no comment.

With these remarks, Sir, I beg to move this amendment.

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

HON. MR. R. H. KOTEWALL.—My Chinese colleagues and I desire first of all to thank the Government for having, at my request, prepared at much expenditure of time, and laid on the table, Sessional Paper No. 4 of 1932 giving the unvarnished facts which have enabled us to gain a proper conception of the difficult problem now under consideration.

We cannot, however, say that the Hon. Colonial Secretary's speech made at the last meeting of this Council is equally free from controversial statements, as I will presently show. The main burden of that speech is that the rider-main system is wasteful. So emphatic was he on this point that he said: "There can be no hesitation in stating definitely that there is very serious waste through the rider-mains, so much so indeed that experience has shown that restriction to anything more than 2 or perhaps 4 hours per day does not result in the conservation of water that is called for in times of scarcity. Eight hours supply or more in a day means as much use of water as a 24 hours supply."

We do not deny that immediately following upon the issue of a notice by the Government that a restriction would be imposed, the consumption of water through the rider-mains did go up somewhat, for people, as was natural, resorted to a certain amount of hoarding during the first day or two; but the consumption generally went down after the first week of restriction. The remark that 8 hours supply in a day means as much use of water as a 24 hours supply is no proof that the rider-main system itself is wasteful. It merely indicates that the people draw as much water in 8 hours as they do in 24 in order to meet their wants: it does not prove that there is waste.

The rider-main system was approved in 1903 after very careful consideration by the Secretary of State for the Colonies, by the local Government and by the Legislative Council, as Hansard of that year shows.

On the occasion of the first reading of the Bill to provide for the institution of the system, the then Colonial Secretary, the Hon. Mr. F. H. (afterwards Sir Henry) May, made these important observations: "The rider-main system can be equally well adapted to the prevention of waste, and it is for that purpose that it is now sought to be introduced—for the prevention of waste. It is simply, if I may so describe it in a few short words, a system of huge meters for blocks of buildings instead of separate meters for separate houses. The principle of the Bill was carefully considered by both Mr. Chadwick and Professor Simpson. It has been adopted and endorsed by both these experts ... I repeat again the object of the Bill, the object we all have before us, is the prevention of waste. The experts, especially Mr. Chadwick, are of opinion that the waste could be stopped by this system, the Government are strongly of that opinion, and our local advisers here are also of the same opinion."

At a subsequent meeting of the Council the Attorney-General, the Hon. Sir Henry Berkeley, said: "The reasons why the Government introduce this Bill are that on further consideration it has appeared that all the objects aimed at by the Bill of 1902, principal among which is the supply of a sufficient quantity of water to the town of Victoria with the least possible waste, may be effected without incurring the hardships which the Bill of 1902 would be inevitably inflicting on a certain section of the community using water...Rider-mains are a means by which the supply of water can be regulated to blocks of houses as effectively as it can be by meters in the case of single houses."

From these quotations from Hansard it is clear that the principal object of the rider-main system was to detect and prevent waste. That object was iterated and reiterated by the Colonial Secretary and the Attorney-General of that day. After 26 years' operation no evidence has been adduced to prove that the system has failed of that object. It stands to reason that a system which is subject, as the rider-main system is, to severe restrictions for long periods at a time, almost annually, cannot but conserve materially our water supply.

It is very well to say, as it has been said by some, that there is bound to be waste in a system which supplies water free, for people are apt to be careless in the use of a thing for which they have not to pay. The matter is too important to the tens of thousands of the poorer classes for it to be disposed of with a time-worn dictum. Incontrovertible facts are necessary.

What are the facts that the Government has produced? To strengthen his assertion that the rider-main system was wasteful, the Hon. Colonial Secretary informed us that a comparison had been made by the Government of the water consumption on the Island and in Kowloon, which revealed the fact that the former was consistently some 30% higher per head; and he went on to say that "this comparison made it impossible to avoid the further conclusion that the rider-main system could not be absolved from the charge of wastefulness."

We say that that conclusion is founded on wrong premises. It has been pointed out to us that in making the comparison, the Government did not take into account the considerable quantity of water supplied by Hong Kong to the large number of Kowloon residents who come over here daily during business hours to pursue their vocations, as well as to the even larger number of visitors from the New Territories and Cheung Chau, from Canton and Macao and from other adjacent ports.

However, we do not entirely rely upon this fact, important though it is, to show the unfairness of the comparison. The Government itself has only a few days ago, and unintentionally,

furnished an argument in refutation of its own inference. In last week's Press were published the figures of the Colony's water supply for the month of July. These figures show that the consumption in the city and Hill District during the month of July was 344.38 million gallons; and this, on an estimated population of 383,500, works out at 29 gallons per head per day. The consumption in Kowloon was 177 million gallons, which works out at 18.9 gallons per head per day, on an estimated population of 302,250.

The comparison does establish the fact that the consumption in Hong Kong is considerably higher—about 53 per cent. higher —than that in Kowloon; but how are we to account for this vast difference? Whatever the causes, the rider-mains were not one of them, for during the whole of July they were completely closed! This, then, demolishes the point, of which the Government and others have made so much, that the higher consumption on the Island should be laid at the door of the rider-main users.

Now, the Government is proposing to replace the rider-main system with the principle of compulsory meterage, a principle the economical quality of which has by no means been demonstrated. It may not be known to some honourable members that in 1923 the Government contemplated a similar change, with only this difference, that water was to be charged for from the first gallon consumed.

At a meeting of leading and representative members of the Chinese community, numbering about 40, convened by the Secretary for Chinese Affairs and held in his office on the 22nd June, 1923, the question was exhaustively discussed.

In order to justify the proposal of the Government to make a charge from the first gallon used, the Hon. Secretary for Chinese Affairs informed the meeting that certain test meterings made in the year 1921-22 in six houses chosen at random, had revealed considerable waste. This test conclusively proves that metering does not conduce to economy. It was submitted by several speakers at the meeting that it was exceedingly difficult for employers to control effectively their servants in the use of water, and that servants were more inclined to be extravagant when they did not have to carry the water from the street themselves.

Here, I may draw attention to an important remark of Mr. Osbert Chadwick, the expert sent out by the Secretary of State for the Colonies, to study and report on the water problem of the Colony in 1902. That remark is contained in para. 21 of Sessional Paper No. 4, and is this: "I maintain that the meter system is the only system of rating which is thoroughly efficient and equitable." It is significant that Mr. Chadwick used the word "rating," and did not say that the meter system was the most economical.

The proceedings of the meeting of the 22nd June, 1923, were reported to the Governor of that time, Sir Edward Stubbs; and a few days later the Colonial Secretary, Mr. A. G. M. (now Sir Murchison) Fletcher informed the Hon. Sir Shouson Chow and me that the proposal would be dropped, and that he advised the people in the rider-main districts to apply for meters which would be freely granted.

We thought at the time that, by following the Government's advice, the matter would end there. That that advice has been largely followed can be seen in the steadily increasing number of meters that have been applied for and installed since 1923. At this very moment, according to the reply given by the Hon. Director of Public Works to my question put at the meeting of this Council on the 4th August, 2,100 meters have been applied for but not yet installed in the rider-main districts. But for the difficulties which the people have, until quite recently, experienced in obtaining meters—a fact borne out by the 2,100 applications still awaiting attention—more applications would have been made for them.

Now the Government has revived the question—in fact, has actually taken some action, without having produced more arguments to justify it, except that the large number of meters that have been applied for in recent years has made it necessary to make the change, for, according to the Hon. Colonial Secretary, "each new meter tended to destroy the balance of the 1906 arrangement." It would seem from this that the adoption of the advice of the Government of 1923 is now having an opposite effect to what was intended.

The views of the present Government on this important question are also at variance with those of Mr. Osbert Chadwick. In paragraph 20 of Sessional Paper No. 4 certain remarks of Mr. Chadwick on the rider-main system are quoted. They are these: "Its effect will be three-fold. Firstly, it will mitigate the evils of the intermittent system; and, secondly, it will be a permanent improvement, inasmuch as it will facilitate the detection of waste. Thirdly, it will greatly facilitate the voluntary introduction of meters." These remarks, and the debates in Hansard of 1903, give us the impression, if not conviction, that the rider-main system which was to be a "permanent" arrangement, was to be allowed to abolish itself by the gradual installation of meters.

Many people in the rider-main districts have had meters installed, and many more will apply for them, because they find the meter system so much more convenient than the rider-main system which is subject to periodical restrictions, entailing much hardship on the poor.

From the point of view of minimising the hardship, the proposal of the Government has everything to recommend it; but the poor themselves desire no change. What is the reason? Thousands of the residents in the rider-main districts are of the working class who cannot afford to pay any charge for excess consumption of water when they find it already difficult to eke out a bare existence.

This is a hard fact which cannot be ignored. It is true that many people of this class have moved over to the Kowloon Peninsula which has no rider-mains; but those who have chosen to remain or to move into the rider-main districts, must have good reasons for so doing. Those reasons are that they have to be near their work or that they cannot afford the expense of a metered supply. Thus by the necessity of economic pressure these people have perforce to submit to the periodical inconvenience and hardship of having to obtain water from the street-fountains, with the consoling thought that they would have a direct house-supply for at least part of the year.

Several men have put to me what seemed to them a pertinent question. They solemnly asked: "Kowloon has no rider-mains; why should Hong Kong have them?" I offered them a counter-query. "Because Smith has not a house, should Jones, who has one to which he has a perfect title, be deprived of it?" Further arguments are unnecessary.

I have also heard it contended that, at any rate, the people have had their money's worth in the use of the rider-mains for 26 years, having paid only \$222,000 for laying the mains, and not having been called upon by the Government to pay for their maintenance. It should be pointed out that the question of upkeep never formed part of the scheme, for at a meeting of the Legislative Council held on the 17th September, 1903, the Hon. Colonial Secretary said that after the first cost was paid by the owners "there would be no further charge to them for the supervision and maintenance of the rider-mains which would be included in the general expenditure of the Colony."

In regard to the free use of water for 26 years, it should be remembered that against this privilege are offset the hardship and inconvenience which the people have had to undergo, almost annually, during that same period by reason of restrictions of varying severity having been imposed on them, and the amount of water which such restrictions have saved to the general public.

For the various reasons I have given, the people in the rider-main districts cannot see the necessity or justice of the Government's proposal. We have received strong representations, urging the retention of the system, from various institutions, including the Chinese General Chamber of Commerce, the Tung Wah

Hospital Committee, the Hong Kong and Kowloon Property Owners' Association, the Sugar Merchants' Association, the Chinese Medical Association, the Chinese Engineers Association, the Po Yick Commercial Association, the Chao-Chow Residents' Association, the Ling Tung Association and the Hong Kong Coolies' Guild, as well as from hundreds of individuals.

In addition to these we have received from the Chinese General Chamber of Commerce a letter addressed to them in the name of the Kai-fong, which bears several hundred chops of firms and shops. Never in our comparatively long careers as public men have we received so many letters, couched in such strong terms on any one subject.

It is maintained by many that the rider-main system was introduced in the nature of a bargain between the Government and the people, for the people had to pay the cost of laying the mains with the consent of the Government. Now, one party to that bargain desires to abrogate it and has, by its action, practically abrogated it, while the other prefers the bargain to stand.

I readily accept the Government's explanation that Sir Cecil Clementi's undertaking not to abolish the system without giving this Council an opportunity to discuss the question, was over-looked. Still, it is very unfortunate that in a matter of such importance to the people, the Government should have begun the work of abolition without giving the people any warning. It seems to us to be immaterial whether an undertaking to give an opportunity to the public to discuss the matter, had been given or not by a previous Governor. The present Government should have consulted the people before taking any action, as the Administration of 1923 did.

The Government, by its action in fixing meters to some of the rider-mains, has made it, to use the Hon. Colonial Secretary's words, "no longer possible to bring the sections concerned into use on the rider-main principle." There are some 2,600 houses affected in this way. It means that the occupants of these 2,600 houses, computed roughly at over 10,000 souls, have still to take water from the street-fountains when our reservoirs are full to overflowing, and when the other unmetered houses in the rider-main districts have had a direct supply restored to them since the 2nd August.

This precipitate action of the Government, with its attendant effects, is causing great dissatisfaction to the people directly concerned. We have received numerous letters of protest, which ask that the disconnected houses be accorded the same treatment as are the other more fortunate houses in the rider-main districts. We consider the protest justified, and the request only natural.

The Hon. Colonial Secretary in his speech said that "the transition was too far advanced for any calling back now, and there was nothing for it but to complete the installation of the meterage system." From this remark it is apparent that the Government has made up its mind to go on with its scheme, whatever the merits of the people's case. The discussion now being permitted to us is, it would seem, permitted merely for the purpose of fulfilling a forgotten promise—as a matter of form.

The Hon. Colonial Secretary also said that even at the time of Sir Cecil Clementi's promise, "the conclusion was foregone and the discussion could hardly have been more than a facing of the facts and an explanation." A reference to page 232 of Hansard of 1929 shows that when Sir Cecil Clementi gave his promise, he added these all-important words: "It will, of course, be impossible to discard the rider-main system until there is an assured supply of water available both on the island and on the mainland throughout the year." From this very definite expression of opinion of Sir Cecil Clementi it is clear that whatever might have been the contemplated policy of the Government at the time, it certainly could not have been its intention to abolish the rider-mains before "an assured supply of water is available both on the island and on the mainland throughout the year."

We are far from this happy state of things at present; and so it would not be unreasonable to ask the Government to accept Sir Cecil Clementi's view.

But after anxious and careful consideration of all aspects of the problem, we have decided to accept the principle of the resolution, but to ask that it may not be carried into effect for two years from this date. We realise that sooner or later the system has to go, not because it is wasteful or because universal meterage would conduce to economy—both of which we do not admit—but because a uniform system of water supply for all parts of the Colony has much to recommend it, and because the present intention of the Government will tend to accelerate applications for meters, thus gradually obliterating the rider-main system without undue haste or unnecessary compulsion.

The reason for our request for a two-year respite is that, in our view, the people should not be forced out of what, after all, is some sort of contract entered into between them and the Government, especially at the present time, when "an assured supply of water is not available throughout the year," when it is not really a case of stopping waste, when the rider-mains are still quite serviceable, and when, as we have it from Your Excellency, the proposed change is not a matter of revenue.

Our suggestion is in accord with Mr. Chadwick's idea that the rider-main system should be allowed to abolish itself by the gradual

installation of meters. That this object has to a large extent been fulfilled can be seen from the fact that while 831 meters were installed in the City of Victoria in 1906, the number went up to 5,329 in 1931; and there are now 2,100 applications awaiting attention.

It is most likely that the object would be completely attained in the course of the next two years, for there are now only 5,600 unmetered houses in the rider-main districts, and this number will be reduced to 3,500 after the wants of the 2,100 houses have been supplied.

As I have already pointed out, many more applications would have been made for meters but for the difficulties and delay experienced by the people in obtaining them in the past. By the gradual and natural process suggested by us the number of unmetered houses in the rider-main districts should, by the end of 1934, be so reduced that abolition would be attended with no difficulty.

To give effect to our request, I beg now to move the following amendment to the original resolution:—

"That in the opinion of this Council the time has come for the Colony to decide upon the abandonment, on the expiration of two years from this date, of the principle of the rider-main system, substituting therefor the principle of compulsory meterage to all house supplies to which the alternative shall be a free supply from street-fountains."

We have not forgotten that this amendment, if approved, would necessitate the restoration of the 2,600 disconnected houses to the rider-mains, and the removal of about 600 meters from these mains and connecting them to the principal mains, entailing some expense and trouble. But there is another side of the picture which should be kept more prominently before the public than it has been. It is that the rider-mains which were originally paid for by the people would, when the system is abolished, be utilised by the Government for the purpose of connecting meters to them.

Without these mains, the Government would have either to connect the meters to the principal mains, necessitating the cutting up of roads—a thing which the Government desires so much to avoid—or to construct new subsidiary mains for the purpose. Thus the rider-mains originally laid at the expense of the people, would be the means of saving considerable expenditure to the public.

We therefore express the earnest hope that Your Excellency will accept our amendment, not only as the best and most reasonable compromise in the circumstance, but also as an act of equity demanded by the occasion and in harmony with the traditional policy of the Government to accord to all communities considerate-ness and justice. (Applause).

HON. MR. S. W. TS'O.—Your Excellency,—I rise to second the amendment proposed by the Hon. Dr. Kotewall, Senior Chinese Member of Council, to the Motion before use to-day.

The amendment just proposed by my honourable colleague is not at variance with the Motion of the Hon. Colonial Secretary in principle, but merely asks to allow the rider main system to abolish itself, in 2 years' time by the gradual installation of meters. which, my Chinese colleagues and I consider, is the best mode of attaining the object, which the Government desires to effect, without causing the hardship and inconvenience to the people living in the rider main districts which immediate abolition would.

It is very unfortunate that the Government did not take the Chinese community into its confidence when it decided to abolish the rider main system in February last and took steps to disconnect certain houses from the rider main. If the Government had prepared a scheme beforehand showing the manner in which the Government proposed to convert the rider main system into a universal meterage system and let the Chinese go thoroughly into the matter, no doubt a *modus operandi* would have been found satisfactory to the Chinese who are chiefly concerned. As it is, the Chinese did not know what the Government had done or proposed to do until the subject was brought before the Council at its last Meeting and are consequently much concerned.

The Hon. Dr. Kotewall in his speech has fully and clearly stated the Chinese views on the subject. I do not propose therefore to adduce further arguments against the assumption that the rider main system is wasteful or that the meter system can prevent waste of water. But if the rider main system is a wasteful system, the Government can surely produce better proof than it has done. For so far as I know the system of water supply in this Colony is served by two means: metered or unmetered service. The quantity of water supplied by meters either for domestic use or for trade purposes is known and the balance of consumption must have been consumed by the rider main or by other uses known to the Government.

With regard to the monthly reports issued by the Water Authorities of the total water consumption in Hong Kong and in Kowloon and of the quantity of water consumed per head per day, I find that the consumption per head per day is calculated on an estimated population much lower than that given by the Census. According to Para. 29 of Sessional Paper No. 4 of 1932, the population of the Colony, excluding the New Territories, is estimated at 750,846, while the population estimated for the purposes of calculating the water consumption per head per day is on the average, 681,377. I made this out from the water consumption reports issued by the Water Authorities from January up to August, 1932, that is, for 8 months. It means a difference

of about 69,509 persons in the population estimated by the Census and that estimated by the Water Authorities and it makes a great difference in the computation of consumption of water per head per day. I mention this because by looking at the water consumption report one may be led to think that a good deal of water has been wasted. But as a matter of fact the high rate of consumption per head per day was due to an under-estimate of the population.

I trust therefore that the Government will see its way of conceding to this request of the Chinese Community by agreeing to this amendment.

HON. MR. T. N. CHAU.—As the motion now before Council is one which I think principally affects the interests of the Chinese community, or I should perhaps say the interests of the poorer classes of the community, I feel I would be failing in my duty if I did not venture to signify my entire agreement with the amendment introduced by the Hon. Dr. Kotewall.

My senior Chinese colleague has, to my mind, made out a very strong case on behalf of our constituents, and as he and the Hon. Dr. Tso have dealt so very fully with all the aspects of this difficult problem, I do not think there is much that I can usefully add.

However, in support of my senior colleague's contention, in refutation of the allegation made by the Hon. Colonial Secretary that the average daily consumption of water on the island is about 30% higher than that on the mainland, I would like to point out also that the Hon. Colonial Secretary when making the comparison, had omitted to take into consideration the important fact that the whole Peak district uses the water supply for flushing purposes, and I am inclined to think that the amount of consumption in that direction must be somewhat considerable.

That the rider main system will have to go one day, I think we are all of one mind; what we differ on is only the question of time for its abandonment, and in view of the convincing arguments advanced by my two senior Chinese colleagues, all of which I strongly endorse, I submit that the two years' extension asked for is not at all unreasonable, and which I hope will be conceded to.

With these few remarks, Sir, I beg to support the Hon. Dr. Kotewall's amendment.

THE COLONIAL SECRETARY.—The provisional acceptance by the Chinese members of the principle of the abolition of the rider main system might well make it unnecessary for me to make any further reference to the arguments brought forward by the Hon. Dr. Kotewall in the earlier parts of his speech for the retention of the system. It would be necessary only to deal with the possibility of postponing action for the abolition of the system for two years, but I would not like to pass over the earlier parts of

the speech without a tribute to the extreme care and laborious research which has been revealed and further to the labour of collecting and of representing so fully the views of all sections of the Chinese community. These views are so minutely set out that a justifiable inference is that there can be little if anything more to be said upon this side of the question.

At the same time the Government is not prepared to let the implications of the statements in support of the rider main system go entirely unchallenged and it would be an error to allow it to appear on record that the Government accepted the interpretations put by Dr. Kotewall on various phases of the history. For instance the whole of the quotations dealing with the possibility of preventing waste through the rider main system turned on the supply of a master meter to each section. Such master meters never were in fact installed and it is very doubtful whether they could have been installed with success. It is only necessary to consider the feelings of the residents in any one section who were all cut off because there had been waste by some one or other of them, the only course that would have been open had waste been proved. Further, again, it is wrong, I submit, to consider the institution of the rider main system as a bargain in the way that the Senior Chinese Unofficial member interprets it. It was a compromise and an experiment, and it was a bargain in that the Chinese community paid for the original rider main system when the Government was not prepared to pay for the installation, by way of trying out its value, but there was not and could not be a bargain in the sense that the terms were unalterable. A fairer view and I submit the correct view is that the experiment has been tried out and the purchasers have received at least full value for the whole of their expenditure. We must not again forget that the abolition of the rider mains has been necessitated very largely by the pressure of the Chinese themselves for the installation of meters. Since the date in 1923 to which Dr. Kotewall refers the decision to grant meters freely to all applicants has been the primary cause of the existing condition of things, which inevitably leads to a complete abolition of the system as a whole.

I have already in moving the resolution apologised for the action of the Government in overlooking Sir Cecil Clementi's promise to allow an opportunity for a full discussion in Council before the rider main system was abolished. Dr. Kotewall is at pains to impress its offence upon the Government but it can be confidently stated that Sir Cecil Clementi himself would have had no hesitation in agreeing that the abolition of the system as a whole was already necessary provided he was in possession of the information which we have to-day. That information was not available in 1929 and in fact conditions which altered the whole aspect of the case had their origin no earlier than this year. Sir Cecil also stated that it would be impossible to discard the system until there was a full supply of water on the Island and on the Mainland. There again

I doubt whether we are justified in pinning him to a literal interpretation of his words. If taken too literally it might mean waiting indefinitely for the experience of Hong Kong has shown that growth of population usually outstrips any increase in the water supply. The full supply contemplated is now much nearer and may be regarded as a certainty in a few years' time. We have the choice between continuing and perhaps making even more confused the rather confused state of things which now exists and beginning to right it only after Shing Mun is complete or else of deliberately continuing a reasonable system which has already had its foundations laid and having it completed by the time that Shing Mun can give us more water. The Government has no hesitation in choosing the latter course and in believing that it is in the best interests of the community, rich and poor alike.

In passing, it may well occasion surprise that a system which is subject, as Dr. Kotewall admits, to severe restrictions for long periods at a time should be preferred to the proposed system which provides a much more equitable distribution throughout the Colony and at the same time may confidently be expected when completed to reduce the necessity for restriction at all. Further discussion on the wastefulness of the rider main system is I fear unprofitable for in the absence of the meters of which I have already spoken there is no satisfactory method of comparison. I must however accept the views of our water authorities whose general experience convinces them firmly that the system is wasteful of water.

It is gratifying to learn that the Chinese Unofficial Members are after all prepared to accept the principle of the resolution and it only remains to discuss the two years delay for which they apply. In the view of the Government it would be unwise to accept this suggestion. The position at the moment is confessedly confused and should be righted with the least possible delay. To allow it to drift in the manner implied would mean that the confusion would become worse, for the whole of two years there would be no orderly scheme for abolishing the rider main system and differences between those with meters and those without on any section would be accentuated and the work of the water department which must necessarily be exceedingly heavy for sometime to come would remain infinitely more difficult as it would be impossible to organize it.

The Government therefore regrets that it cannot accept the amendment proposed by the Senior Chinese Unofficial Member. The Government however readily accepts that part of the amendment moved by the Senior Unofficial Member which deals with the payment by the Government of the cost of installing meters and of connecting them in all rider main districts. We must be guarded against the view that this payment is anything in the nature of a right conceded but the Government is anxious that the important change now contemplated should be made with the least possible

friction. If this payment will tend to reduce such friction the Government is prepared to go to this Council in due course and to ask for a vote for the necessary funds.

The amendment moved by the Senior Unofficial Member is largely an elaboration of the Government's own resolution as explained in the speech introducing it last week and as such can be readily accepted. The addition that Government should pay for the new connections, being also accepted, the whole amendment may well stand in the place of the Government's original resolution if the Council so desires.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— The amendment before the Council is the amendment proposed by the Senior Unofficial Chinese Member:—

"That in the opinion of this Council, the time has come for the Colony to decide upon the abandonment at the expiration of two years from this date, of the principle of the rider-main system, substituting therefor the principle of compulsory meterage to all house supplies to which the alternative shall be a free supply from street fountains."

On a division the votes were recorded as follows:—

Noes:—Hon. Sir Henry Pollock, Hon. Mr. W. E. L. Shenton, Hon. Mr. J. P. Braga, Hon. Mr. W. H. Bell, H.E. the General Officer Commanding the Troops, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, Hon. Commander G. F. Hole, Hon. Dr. A. R. Wellington, Hon. Mr. T. H. King, Hon. Mr. R. M. Henderson.

Ayes:—Hon. Mr. R. H. Kotewall, Hon. Mr. S. W. Tso, Hon. Mr. T. N. Chau.

The amendment was therefore lost by thirteen votes to three.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— The motion now before the Council is that proposed by the Senior Unofficial Member. Does any member wish to address the Council?

HON. MR. R. H. KOTEWALL.—With Your Excellency's permission, I should like to say that the Chinese members of this Council have been requested by those directly concerned to ask the Government for certain concessions in the event of their request for the retention of the rider-main system not being granted. These concessions are summarised as follows:—

1. Cancellation of the 2% water rate now included in the 17% Assessed Taxes.
2. Lower rent for meters.

3. Reduced charges for excess consumption.
4. Computation of the water allowance on the basis of 25 cents instead of 40 cents per unit of 1,000 gallons.
5. Persons who have direct control over the use of water to be required to pay for excess consumption.
6. Installation of one meter on each floor of every tenement house.
7. Government to compel landlords to instal meters within what are now the rider-main districts.
8. Government to bear the cost of installing and connecting meters in the case of all unmetered houses in the rider-main districts, the meters themselves being paid for by the people in the form of rent as at present.

We have given these several matters our careful consideration, and have also discussed them with Your Excellency and with our European unofficial colleagues. We agree that it would be difficult for the Government to accede to the requests for cancelling the 2% water rate; for reducing the rent for meters and the charges for excess consumption of water; and for changing the basis for computing the water allowance, without having to find other sources of revenue to replace those which would be lost to the Government by these concessions.

The request that persons who have control over the use of water should be required to pay for excess consumption is, in our opinion, a matter that can best be settled between landlords and tenants.

The request that permission should be given for a separate meter for each floor, has been practically disposed of by the Government announcement at the last meeting of this Council that although the Government could not undertake the work, it had no objection to individual owners installing such separate meters themselves. We do not press this request on the Government, but will endeavour to persuade both landlords and tenants of tenement houses to come to a satisfactory arrangement whereby the distribution of water passing through the Government meter in each house may be properly determined.

To compel landlords to instal meters is a matter that is beset with many difficulties, as it concerns not only houses in the rider-main districts but also houses outside them, and it also affects existing unmetered houses as well as new houses that may be built in the future. While we have every sympathy for the poor who, without meters, would have to obtain their water solely from the

street-fountains, we find ourselves unable to support the request, as we need more time to go further into the question. Meanwhile, we commend the request to the sympathetic consideration of the Government.

The last concession asked for is that the Government should bear the cost of installing and connecting the meters in the case of all unmetered houses in the rider-main districts. We are glad that this concession has been proposed by the honourable senior unofficial member as representing all the European unofficals, and I desire to express our grateful thanks to them for having so readily consented to support this request from the Chinese, even though they were unable to support their other requests. I desire also to thank Your Excellency for the sympathetic manner in which you have received this proposal.

May I here say that, though we are grateful for the concession which the hon. senior unofficial member proposes to make to us in his amendment to the original resolution, the three Chinese members will abstain from voting on it because it accepts the principle of immediate abolition of the rider-main system.

THE COLONIAL SECRETARY.—Sir, The Council has already been informed that the Government is prepared to bear the cost of installing and connecting meters in the case of all unmetered houses in the rider-main districts, provided that all applications from these districts are received by the Water Authority before the 31st October, 1932. There must obviously be some limit set in this matter and it is considered this date will allow ample margin for all those who desire to have meters to apply for them.

The first four concessions for which the Senior Chinese Member appeals are connected with the payments for water. This is an exceedingly difficult question as it has long been admitted that the payments made for water supplied do not by any means approach the cost of supplying it and we have been continually advised to re-arrange our method to make the water scheme of the Colony financially self-supporting. Very much consideration and careful calculation will be necessary before we can arrange such a scheme satisfactorily and as it is not possible to attack it anyhow else than comprehensively we must for the moment rest content with the known fact that we are all getting our water for a great deal less than it costs the Government to produce it.

The hon. member's speech however can properly be accepted as a recommendation that the whole matter should be early considered and a promise can fairly be given that such consideration will be undertaken as soon as the costs of completing the large new supplies now in contemplation are known. He must not however take it for granted that such re-arrangement when made will necessarily reduce the cost of water per gallon, although

it will even the incidence of the payment. The remaining three concessions for which a request is made are of a peculiar nature. It is difficult for instance to compel landlords to instal meters in their houses. It would be reasonable to expect that the economic pressure as reflected in the rent would make them realise the desirability of such action and to that the Government must leave it for the time. The other concessions deal with the relations between the landlords and the tenants. It is admitted that tenants in this Colony are very difficult to handle from the Chinese landlords point of view, but that is no reason for passing the difficulty on to the shoulders of the Government. The Government can look only to the landlord and must leave him to arrange for the payment of excess consumption with those to whom he lets his premises, and so with the installation of meters on every floor of tenement houses the arrangement itself must be one between the landlord and his tenants. It requires very little reflection to see that this large work must at the best wait for it would be very difficult for the Government to deal direct with all the separate tenants of this large city. It must be remembered that some 40,000 extra meters would be required to supply all the floors of the Colony.

No. 7 concession asking the Government to compel landlords to instal meters strengthens the impression that there are landlords who put difficulties in the way of supplying their tenants with this necessary fitting: if that is true it would appear to show a serious want of the sense of civic duty, and Government feels that it is justified in asking for more assistance than this from those who make a profit out of property in the Colony, in their efforts to improve the cleanliness and the health of the Colony generally.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— Honourable Members of the Legislative Council, In view of the Colonial Secretary's full explanation of the Government's position, I feel that there is little left for me to say. I would however emphasize the point that the Government believes the change to be in the best interests of the community as a whole. It will introduce a uniform method of distribution and payment equitable to all classes alike and whether it tends to prevent waste, as the Government hopes and believes, or whether it fails to do this, as the Honourable the Senior Chinese unofficial member believes, it will at least ensure that the premises at which water is wasted will be charged for such waste. This fact alone will, we believe, check the waste of water and in so far as it does not do so will tend to increase the revenue, and very legitimately so. The Honourable the Senior Chinese unofficial member is correct in assuming that the present change from a rider-main system to a metered system is not, as he put it, a matter of revenue; its object is to obtain a more equitable and we hope less wasteful system of distribution. But I venture to remind honourable members that Sir Cecil Clementi, whose remarks have been so freely quoted,

also foresaw that the time would come when the whole question of waterworks finance would have to be reconsidered, and said, "I cannot however hold out any hope to this Council, or to the Colony, that it will be possible to complete the very large and very expensive schemes for waterworks development, which are now under construction and in contemplation, without increasing the price paid by residents in this Colony for their water supply." (Hansard for 1929, page 232).

The Colonial Secretary has already alluded to this question of waterworks finance in his reply, and when the time arrives for the question to be taken up the fact that universal meterage has been introduced will greatly facilitate the consideration of the problem.

The motion was put to the Council and passed *men. con.*, Hon. Mr. Kotewall, Hon. Mr. T'so and Hon. Mr. Chau abstaining from voting.

CHARGES OF THE YEAR 1931.

THE COLONIAL TREASURER moved the second reading of a Bill intituled "A Bill to authorize the Appropriation of a Supplementary Sum of One million eight hundred and eighteen thousand three hundred and seven Dollars and seventy-eight Cents to defray the Charges of the year 1931."

THE ATTORNEY GENERAL seconded, and the Bill was read a second time.

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

Upon Council resuming,

THE COLONIAL TREASURER reported that the Bill had passed through Committee without amendment, and moved the third reading.

THE ATTORNEY GENERAL seconded, and the Bill was read a third time and passed.

FORESHORES AND SEA BED AMENDMENT ORDINANCE, 1932.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Foreshores and Sea Bed Ordinance, 1901."

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

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

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through the Committee without amendment and moved the third reading.

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

FACTORIES AND WORKSHOPS ORDINANCE, 1932.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend and consolidate the law relating to Factories and Workshops and to the employment of Women, Young Persons and Children in certain industries."

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

Council went into Committee to consider the bill clause by clause.

Clause 4:

THE ATTORNEY GENERAL.—I move the amendment, notice of which I gave at the last meeting, namely:—

"That paragraph (*k*) be changed to paragraph (*l*) and immediately before, the following paragraph be inserted.—"*k*) prescribing the precautions to be taken against fire in factories and workshops;"

Clause 6:

THE ATTORNEY GENERAL moved the insertion of a marginal note: "Registration necessary before opening or use."

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through Committee with one amendment, notice of which had been given and with one immaterial amendment.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— I hold that the amendments are not material.

THE ATTORNEY GENERAL moved the third reading of the Bill.

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

MINIMUM WAGE ORDINANCE, 1932.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to make provision for fixing minimum wages in occupations where the wages paid are unreasonably low."

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

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

Upon Council resuming,

THE ATTORNEY GENERAL reported that the Bill had passed through Committee without amendment and moved the third reading.

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

ADJOURNMENT.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— Council stands adjourned *sine die*.

FINANCE COMMITTEE.

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

Votes totalling \$57,060, contained in Message No. 9 from H.E. the Officer Administering the Government, were considered.

Items 50 and 51:

THE CHAIRMAN.—I ask for permission to withdraw these votes. We hope to be able to find some means of reducing the smoke nuisance so it may be unnecessary to place these votes before this Council. We will do the best we can. The smoke nuisance may be not as bad as it has been made to appear.

HON. SIR HENRY POLLOCK.—Or an alternative site for the incinerator?

THE CHAIRMAN.—We will try.

Item 63:

HON. MR. KOTEWALL.—The note is not very comprehensive. Can you tell me the nature of the work these officers are doing, and whether the work is productive of revenue?

THE CHAIRMAN.—These are appointments we should have had to make independently but for the negotiations with Imperial and International Communications Ltd. The compromise here shewn fulfils our minimum requirements.

HON. SIR HENRY POLLOCK.—What do we understand by the words "pension fund contributions" to which contributions are necessary?

THE CHAIRMAN.—The Company has a pension fund of its own and it is necessary for the Government to meet the contributions.

All the votes were approved.
