

*6th October, 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. R. A. C. NORTH, (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.

Amendments made under section 3 of the Vehicles and Traffic Regulation Ordinance, 1912.

Notification under section 90 of the Public Health and Buildings Ordinance, 1903.

Notification under section 90 of the Public Health and Buildings Ordinance, 1903.

Order made by the Governor in Council under section 7 of the Rating Ordinance, 1901, on 25th September, 1932.

Rescission of the Order of the 3rd September, 1932, published in the Gazette of the 9th September, 1932, as Government Notification No. 571 declaring Kiungchow (Hoihow) to be an infected place.

Financial Returns for the year 1931.

Report of the Director of Colonial Audit on the Audit of the Accounts of Hong Kong 1931.

**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. 10 of 22nd September, 1932 and moved that it be adopted.

THE COLONIAL TREASURER seconded and this was agreed to.

**WATERWORKS AMENDMENT ORDINANCE, 1932.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Waterworks Ordinance, 1903." He said.—The object of this amending Bill is to put into effect the resolution of this Council carried on August 18th.

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. The object of this Ordinance is to delete from the principal Ordinance all the provisions relating to the system of supplying, in certain privileged districts, unmetered water to tenement houses by means of what were known as "rider mains," thus implementing the Resolution which was passed by the Legislative Council on the 18th August, 1932.

### **DANGEROUS DRUGS ORDINANCE, 1932.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend and consolidate the law relating to dangerous drugs." He said.—The necessity to amend this law is imposed on us by Geneva Convention Number Two of 1931. The opportunity is taken to consolidate various ordinances in the manner set out in the Table attached to the Bill. The principal clause (Number Five) sets out the names of dangerous drugs to which the Ordinance applies.

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. In 1931 a conference was held at Geneva for the purpose of supplementing the provisions of the International Opium Convention, known as "The Hague Convention," signed at the Hague on the 23rd January, 1912, and of the International Opium Convention, known as "The Geneva Convention (No. 1)," signed at Geneva on the 19th February, 1925.

2. As a result of the conference, a convention, for the purpose aforesaid and known as "The Geneva Convention (No. 2)," was signed at Geneva on behalf of His Majesty on the 13th July 1931.

3. By Article 11 of the Geneva Convention (No. 2) it is provided that in the event of the Health Committee of the League of Nations, after consulting the Permanent Committee of the Office International d'Hygiene Publique in Paris, deciding that any product obtained from any of the phenanthrene alkaloids of opium or from the ecgonine alkaloids of the coca leaf, (not being a product which was on the 13th July, 1931, being used for medical or scientific purposes) is, or can be converted into, a drug capable of producing addiction, the Health Committee should notify the Secretary-General of the League of Nations of their decision. The Secretary-General was required to communicate the decision to the parties to the Convention, who undertook to apply to that product the measures of control specified in the Convention.

4. Article 30 of the Geneva Convention (No. 2) provides that the Convention shall not come into force until ninety days after the Secretary-General has received the number of ratifications or accessions therein specified.

5. The existing law of the Colony relating to dangerous drugs is contained mainly in the Pharmacy and Poisons Ordinance No. 9 of 1916, and the Regulations thereunder and in the Dangerous Drugs Ordinances, No. 22 of 1923 and No. 4 of 1928, and the Regulations thereunder.

6. As a result of the Geneva Convention (No. 2) it became necessary in England to pass, on the 24th March this year, the Dangerous Drugs Act, 1932, amending the Dangerous Drugs Act, 1920, the Dangerous Drugs and Poisons (Amendment) Act, 1923, the Dangerous Drugs Act, 1925, on which the local legislation is mainly founded.

7. Consequently it becomes necessary to amend the two local Dangerous Drugs Ordinances. This Ordinance therefore consolidates Ordinances No. 22 of 1923 and No. 4 of 1928 with amendments suggested by the Dangerous Drugs Act, 1932, and by the Secretary of State's Circular Despatch of the 22nd July, 1932.

### **THE BUDGET.**

THE COLONIAL SECRETARY moved the second reading of "A Bill to apply a sum not exceeding Twenty-seven million five hundred and eighty-five thousand one hundred and forty-two Dollars to the Public Service of the year 1933."

THE COLONIAL TREASURER seconded the motion.

THE HON. SIR HENRY POLLOCK.—Sir,—The speech, which I am about to deliver, represents the unanimous views of my Unofficial colleagues and myself on the Government programme for 1933.

The Estimates contain little contentious matter, and we are satisfied that the finances of the Colony, in spite of the temporary depression, are in a sound condition.

For the sake of convenience of reference, the points made by the Hon. Colonial Secretary, in his able and comprehensive speech, at the last meeting of this Council, are dealt with, so far as possible, in the same order as he dealt with them.

At the outset we have to congratulate the Government upon having, at long last, made provision in the Budget for 1933, for a commencement with the new Government Civil Hospital and the new Gaol and the new Central British School.

It is satisfactory that the Colony's 1933 programme can be carried through without imposing any additional taxation, and we desire to express our thanks to the Hon. Colonial Treasurer for having once again presented us with an illuminating and interesting Memorandum upon the financial position of the Colony.

We should like, however, to enquire of that Official whether it will not be possible to effect a considerable saving of revenue by paying off our 6% Public Works Loan of \$5,000,000 and re-borrowing locally at from four to four and a half per cent.

We much appreciate the Memorandum of the Hon. Director of Public Works on Public Works Extraordinary.

The Hon. Colonial Secretary, early in his speech, refers to the Government having made a selection of Works to be included in the Estimates for 1933 "from a preliminary list several times as long."

We may add that it would be of assistance to Unofficial members if the Government would let us have a peep behind the Official curtain at those Innocents which have been massacred in the process of whittling down the Estimates, and we hope that this suggestion may be borne in mind before Estimates for future years are presented.

We are glad to find that, so far as possible, the Estimates for next year show the cost of the Staff of each Department under the heading of that Department, though we quite appreciate the point which has been made by the Colonial Secretary as to such classification not being absolutely up to date, owing to the circumstances which he mentions.

We are surprised that, even allowing for forthcoming retirements from the Civil Service, it is necessary to send out more Cadets, having regard to the fact that so many have been sent out during the last 5 or 6 years, and I would refer on this point to what was said by the Hon. Sir Shouson Chow, on behalf of all the Unofficials, during last year's Budget debate (see 1931 Hansard, at top of page 155). The necessity for any such increase is still harder to appreciate, seeing that the Hon. Colonial Secretary pointed out, in his Budget speech this year, that 6 clerical officers were now being substituted for Cadets, namely, two in the Secretariat, two in the Treasury and two at the Magistracies respectively.

Generally we approve of the proposed changes in the Senior Clerical and Accounting Staff and of the scheme of promotions from the Junior Service.

We also approve of the appointment of the Second Assistant Assessor, to attend to the proper rating of tenements, and also of the Inspector of Tenements and the Senior Clerical Officer who are to assist him in his task.

As regards the considerable increases in Personnel in the Police Department, we have no objections to offer, as we believe that an adequate Police Force is very essential in this rapidly growing Colony and we trust that the desirability of increased Police protection in the outlying districts of Taipo, Fanling, Sheung Shui and Kwan Ti will be borne in mind.

As regards increases in the Personnel of the Medical Department, we fully agree that the suggested increases are necessary, but we would add that we consider that anti-malarial measures are most important and we should be glad to have an assurance from the Honourable Director of Medical and Sanitary Services that, in his opinion, his anti-malarial Staff is sufficient, and, if he does not consider it sufficient, we should like to know in what respects he considers it to be insufficient.

We hope that, in the new Government Civil Hospital, provision is being made for the open-air treatment of tuberculosis, and we should like to see a sanatorium built for tuberculosis cases. We approve of the recent anti-spitting regulations, and we consider that propaganda as to the dangers of spitting should be extensively circulated by the Government both by means of printed leaflets in the Chinese language and by street speakers.

We shall watch with interest the experiment of substituting Asiatic for European Inspectors, and we hope that, with the course of training mentioned in the Hon. Colonial Secretary's speech, it will prove to be a success.

We approve of the training of four students for teaching as provided for in the Budget.

I pass on now to the Memorandum of the Hon. Director of Public Works on Public Works Extraordinary, upon which the Unofficial members desire to make the following comments:

In regard to item Eleven, new road between Causeway Bay and Ming Yuen, we have already approved of the Government proposal to reduce the width of that road for the time being and as a temporary measure to 75 feet, because we understand that such reduction will enable the whole length of the road which is a main artery to be put through and got into operation quicker than if the original width was adhered to, as we gather that the extra widening from the 75 foot mark to the 100 foot mark would entail dealing with a great deal of rock which would be both slow and expensive work. At the same time the original scheme of a 100 foot road should, in our opinion, remain on the Government's town-planning map, as a project to be carried out in the near future.

As regards road-widening we regret that the Queen's Garden link between May Road and Conduit Road has not been included in the Estimates.

As regards Kowloon, no doubt individual members will deal with the subject at greater length. The Unofficial members are, however, of opinion that the weight of their unanimous representations should be brought to the notice of the Government in respect of three matters which they think require immediate attention. I will refer to them in their order of importance. First, the subject of the Kowloon Hospital Extension. In this connexion we would like to thank Your Excellency for the recent opportunity afforded to us to discuss the matter with the assistance of the Medical Authorities and of the Officials of the Public Works Department jointly. We cannot refrain from expressing our disappointment at the diverting of the Maternity Block from the original use for which it was designed, even though that diversion may be only a temporary measure defended on the ground of expediency. The result is that, at present no maternity case, however urgent, can be treated in the Kowloon hospital for lack of accommodation, and we, therefore, welcome the inclusion in the Estimates for 1933 of a block of Nurses' Quarters, which will provide the Hospital Nursing Staff with the better and quieter accommodation, which they deserve, and which should, we consider, release the Maternity Block wholly for maternity cases.

Whilst approving also of the projected additional Medical Officers' Quarters and of a new General Ward Block for 3rd class patients, the Unofficial members desire specially to urge upon Your Excellency's notice the necessity for erecting a new Block capable of treating out-patients, who flock daily in large numbers to the Kowloon Hospital for medical attention, and we hope that, if possible a Supplementary Vote will be taken later for the erection of this Block, which is on the Government's hospital planning map as a desirable project and which is urgently needed.

The second urgent matter, relating to Kowloon, is the new Post Office, in regard to which the Hon. Colonial Secretary stated that in the near future a large building will be required which will include an ample Post Office. May we inquire if plans for such a comprehensive building have been drawn up and if not how soon will they be ready? The Unofficial members will appreciate an opportunity of considering these plans.

There is a third subject, affecting Kowloon, which the Unofficial members consider of importance, namely, the decision to retain the central valley of the Kowloon Peninsula for public cemeteries. At the time when the decision was taken to convert that valley into a burial ground no forecast could have contemplated that the growth of Kowloon would have attained that rapidity and

importance to which it has reached. We submit that the foregoing decision ought now to be reversed in the interests of the future expansion of Kowloon.

Having now dealt with the Memorandum of the Hon. Director of Public Works and with the special needs of Kowloon, we desire to call attention to various scattered items in the Estimates for 1933:

1. On page 34, under Head 10, Harbour Department and Air Services, subheading "Government Slipway, Yaumati," we notice that the Personal emoluments for 1933 amount to \$33,313 as against \$19,223 for 1932, and we would inquire why this considerable increase should occur at this slipway where only the smallest of Government Floating Craft can be berthed, and we would further inquire from the Hon. Harbour Master whether it is not bad economy for the Government, in view of numerous other berthing and repairing facilities available in this Colony, to maintain this slipway in use.

2. As regards item 20, on page 92, Harbour surveying \$20,000, and the foot-note "considered sufficient," we would ask the Hon. Harbour Master whether this sum of \$20,000 is sufficient to complete the re-survey, as a preliminary to the effective dredging, of the Harbour. On this point I would quote from the speech of the Hon. Mr. Gordon Mackie during the Budget debate of last year (Hansard, 1931, page 163):

"I consider that a matter requiring much more urgent attention (than the vehicular ferry scheme) is the re-survey of the Harbour so that the long overdue work of dredging can be taken in hand without further delay. I understand that one officer has been detailed for this special service. There has been no extensive dredging done since 1928 and had it not been for the reclamation at Kai Tack that work might possibly not have been carried out even now."

3. Our third additional query, arises under item 30 on page 92 of the Estimates "Steam-roller, 12 tons, \$20,000," with the foot-note "heavy roller required for roads for heavy traffic" and we would ask the Hon. Director of Public Works whether such a roller could not be made locally.

4. As regards the suggested Government Bungalow at Fanling (item 104 on page 105 of the Estimates), we understand that it is the intention of the Government to abandon Mountain Lodge as a place of residence for the Governor, and, at our request, the Hon. Mr. Shenton will deal specially with this matter and also with aviation questions, and will also as Chairman of the Society for the Protection of Children make an appeal to the Government that the proposed increased grant by the Government to that Society may be yet further increased, in view of the magnitude of the work.

Before leaving the subject of Public Works, we desire to recommend to the Government that, instead of maintenance contracts relating to Public Works being let for the calendar year from the 1st January to the 31st December, the contracts for such works for next year be let from 1st January to the 30th September, and, thereafter the 1st October, 1933 to the 30th September, 1934, and for similar periods in the succeeding years.

Our object in making this recommendation is to avoid the shifting over of contracts to a new Contractor in the very middle of our dry season, which is the most favourable climatic period for carrying on with maintenance continuously and without any break.

We hope that the Government will be able to adopt this suggestion.

The last Item of Public Works, which is referred to in the Hon. Colonial Secretary's speech is the new big dam at Shing Mun.

The prompt commencement of this work is of such very vital importance to this Colony that the Unofficial members of this Council feel that notwithstanding the statement of the Hon. Colonial Secretary to the effect that "the Government is satisfied that the Consulting Engineers are fully aware of the situation, and will make a beginning in time to ensure that the opportunities afforded by the coming dry weather are not wasted," they, the Unofficial members, would be guilty of a breach of duty to the Public if they did not urge the Government to send a telegram to the Consulting Engineers upon this subject.

In business matters it is customary to emphasize the extreme importance attached to urgency by sending one or more hurry-up telegrams, and, if there ever was a subject on which a S.O.S. message is desirable it is the promptest commencement with the erection of the Shing Mun dam.

Whatever reluctance Government may have hitherto entertained to the sending of such a telegram, we cannot understand the continuance of such reluctance, having regard to the fact that the dry season is just upon us and that the Colony is even now still without any information as to when we may expect the plans for the new dam from England.

Until we get those plans, obviously no progress towards the the erection of the dam can be made.

We, therefore, unanimously, urge that the following telegram be now sent to the Consulting Engineers by the Government, namely

"The Unofficial Members of Council strongly press for information as to when the plans of the new Shing Mun dam may be expected to arrive out here, because they regard the promptest commencement with work on such dam as vitally important to the welfare of this Colony." (Applause).

THE HON. MR. W. E. L. SHENTON.—Your Excellency,—Time passes with ever increasing rapidity, and it is by the return of a well known landmark, that one realises that another year has passed.

Year after year with the regularity of the seasons the Budget day comes round and one becomes cognisant of the fact that the Government annual cycle has again been completed.

We are apt to forget that each year our Government Officers approach nearer their time for retirement and it is only when we see an official announcement such as "A number of retirements in the senior ranks of the Cadet Service are expected during the next year or two," that we realise we shall soon be saying good-bye to several with whom we have for years worked and whom we regard almost as part of our constitution—all too soon shall we bid them farewell, men with whom we may not at all times have been in accord but whom we have nevertheless respected, because of their disinterestedness, and their desire to deal honourably with us.

The Estimates which we are debating to-day have been described as "colourless" not only by the Hon. Colonial Secretary himself but by the Press generally. I fail to understand the denomination "colourless" unless it is meant to denote something which does not lend itself to undue adverse criticism—if that is a fair interpretation, then I agree.

For several years we Unofficial members have asked for the commencement of numerous public works, which we regard as absolutely essential to the welfare and future development of this Colony. We now rejoice to find some of the most important of them in the Estimates before us.

On the 9th May, 1930, H.E. Sir William Peel, our then newly appointed Governor, was presented with a public address, which was the work of a large and representative Committee. In this document of welcome appeared a list of the various public works and matters of policy which that Committee regarded as fit subjects for the consideration of His Excellency during his term of Governorship. Some ridicule was cast at the time at the length of the list, and the wide field covered.

I have recently read over that portion of the address, and I fail to find a single item which has not received the attention of His Excellency—much has now been completed, some matters are

already in hand, and the remainder are still under consideration —this is a record which certainly calls for appreciation and will probably be recorded in the history of this Colony as the most constructive Governorship within our memory.

When viewing the Estimates we must take a broad survey of the general situation—we find the world as a whole, in a state of financial and economic chaos—every country is embarrassed, some more than others, but wherever one looks one sees reconstruction and transition—what banker or business man in this Colony is prepared to say that returning prosperity is yet in sight—all trade figures are down—true the security which this Colony afford has attracted substantial sums of money but it largely lies dormant and unproductive—land sales are shrinking and will probably go lower in the coming year—our revenue has increased by one-third in ten years but this has been accomplished by an all round increase to taxation and we desire no further burden in the immediate future—who under these circumstances will cavil at the Government's declared intention to keep a surplus balance of \$10,000,000—any other policy would be contrary to the best interests of this Colony—a drop in the sterling value of our dollar of a few pence would place a very different complexion on the Estimates which we have before us to-day. It is only a matter of two or three years ago that we were facing a large deficit and tapping all possible sources of revenue to make our Budget balance—who can say what the future has in store for us in these difficult times?

I will not refer to our Water problem, the new Gaol, the new Government Civil Hospital, the Kowloon Hospital, the Central British School or the Vehicular Ferry, as they are being dealt with exhaustively by other honourable members except to say that they have my hearty support.

Before passing I should like to draw attention to the fact that the new Female Gaol has been completed, thus erasing a blot on our escutcheon. I am also of opinion that the new Central British School will not brook delay and that we badly need a Government Second-Queen's College.

Demands will probably be made for new and attractive roads but I hope our efforts will be directed to the early completion of the new North Point 75 foot road, that great arterial highway, and the putting into a proper state of repair of our existing roads in the Colony which have been neglected during the period of stress, just past.

It is satisfactory to feel that the mode of payment for our water is being put on a more satisfactory basis but the problem will not in my opinion be solved, until we get it on to a commercial basis.

What should be regarded as the outstanding events of the past year? First I think the decision of the Government to leave our currency system alone and allow it to find its natural level, guided by the laws of supply and demand. Secondly the publication of the Retrenchment Committee's Report representing nine months exhaustive work by three of our prominent citizens. Some of their findings may not be practical or desirable but it has had the result of bringing under close scrutiny the whole of our Government undertaking and has already resulted in many far reaching economies and reforms. The thanks of the Colony are due to these gentlemen and Mr. Breen and I am inclined to think the public have not sufficiently realised or appreciated their monumental work, possibly due to the fact, that its publication came so late in the day. Thirdly the Report of the Honourable Director of Medical and Sanitary Services on Public Health in Hong Kong. This Report we know is receiving the careful consideration of the Government and other public bodies interested, and it is to be hoped that before long a concrete and far reaching scheme will be placed before us, retaining I hope, the entity of our present Sanitary Board, but with wider functions.

I should now like to dwell for a few minutes on our air communications which I am inclined to put in the front rank for consideration. For too many years have we been inclined to rest on the fortunate advantages of our Harbour. Times are changing, and changing fast, and if we wish to continue to hold that premier position in the Far East which we have hitherto done we must be sure that we are not being passed by while we sleep. Now, are the present facilities at Kai Tack adequate, possibly for the moment yes, but what will the position be in five years time? Let us for a few moments study recent developments. Commercial aviation has great possibilities in the Far East, and unless we take time by the forelock and provide facilities for what we know is coming, we shall be left far behind.

The provision of an Air Mail Service to the Far East is no new idea, already a service exists as far as French Indo-China, and we know that the French Authorities hope to start a service to Hong Kong shortly. What is being done in British interests? I am led to believe that a subsidy of \$60,000 spread over three years has been offered but I am informed that this is quite inadequate. Are the Home Authorities moving in this matter and if so what are they doing? Perhaps one day we shall come to our senses and find that Hong Kong, this Colony of which we are so proud, has been left in the lurch, due to our own apathy and want of appreciation. What is the accommodation at Kai Tack? At the moment we have a Hangar 250 feet over all by 120 feet in breadth, it is divided in two, one-half occupied by the Air Ministry and the other half used for civil aviation. Civil aviation thus gets 125 feet by 120 feet which equals 15,000 square feet,

this 125 feet in length is flanked on either side by a strip 21 feet broad used for office accommodation.

During the month of January last the portion of the Hangar used for civil aviation was daily occupied by four machines taking up a floor space of about 3,500 square feet, which gradually increased until August when the daily average number of machines rose to ten occupying a floor space of between nine and ten thousand square feet out of our total of 15,000 square feet. In another six months at the same rate we shall be crowded out. What will be the position when the Air Mails arrive? What will be the position if the Air Ministry come along and take the whole of the present Hangar?

We ought in my opinion to at once proceed to put up another Hangar with a minimum floor space of 30,000 square feet.

I cannot leave this subject without recording a protest in the strongest terms at the apparent want of consideration which has been shown by the Home Authorities to our Flying Club. If it is desired to sell British machines in the Far East then every facility must be given for instruction in such machines. Unfortunately there appears to be an unexplainable disregard of this very elementary principle.

The desire to encourage locally recruited officers in the Government service whether foreign or local Chinese is in accord with the best traditions of our Colonial policy—the more the Colony is able to subsist on its local material the more self supporting will it become.

I note with interest that Mr. N. L. Smith will shortly assume the position of Director of Education. Here is a vast field for research, if one studies at all closely the recommendations of the Retrenchment Committee on this subject. I should have thought that this position should have been reserved for a technical man, with a life long study of the subject in this period of transition of the Colony's development. This principle, of course, applies equally to some of the legal positions, not forgetting the Police and a variety of other posts. May this appointment not prove a dead end to this able officer and may I yet find him occupying the position to which I think, he should in time rightfully succeed.

Turning now to the Public Works Department, I have a few comments to make. We have some large undertakings before us and I presume the Government has carefully considered the desirability or otherwise of contracting out some of the more pressing ones such as the Government Civil Hospital and works of a like nature. To fulfil our programme within the not distant future, will I think strain our Public Works Department almost to breaking point, it will also necessitate the maintenance of a large permanent staff, and many pensionable officers.

The proposed new Crown Leases Ordinance when it comes finally before the Legislative Council, may be less expensive, and not nearly so portentous as it at present appears. The Hong Kong Law Society are working on a scheme by which the Government will I think, obtain its main objects with far less expense to the Colony, and without interfering with the rights of private contract.

As regards His Excellency the Governor's proposed retreat in the New Territories, I heartily support it, especially as it is bound up with the abandonment of Mountain Lodge and the building of a new official Residence on the Island. Mountain Lodge has been distasteful to numerous Governors, as it cuts them off from the Colony's administration. To those who have to attend on His Excellency during the summer months it takes up a large part of a business day. The present Government House is fast falling into decay and the report on the state of the roof of the ball room when it was found to be in a very dangerous condition, is still fresh in our memory. I have called for the figures to show what Government money has been spent in recent years on Mountain Lodge and Government House and I am informed that since 1928 \$35,532 has been spent on Mountain Lodge and \$190,887 on Government House. I think everyone will agree with me that the foregoing shows that these two buildings are not to-day economic propositions. I am also informed that extensive repairs are again being carried out at Government House. The Governor, in my opinion, needs a retreat from the cares and worries of his official position in addition to which our New Territories are assuming every year a greater and greater importance and the presence of His Excellency there will I feel sure be not only much appreciated, but also of benefit to the Colony.

I do not know where the new Government House will be, but I hope it will be easily accessible at all times of the year. In any event I would suggest that the new City Hall, the building of which, I hope will be commenced without delay, be so constructed that the King's Birthday celebrations and other official functions can be held there.

It is pleasant to note that the grant for broadcasting has been increased. There has been very substantial improvement in this service during the past year and many people probably do not realise that it is controlled by a Voluntary Committee, to whom our thanks are due. The grant should I think be still further increased.

As regards the Trade Loan, I notice there is about one and a quarter million dollars still outstanding and I would like to know why this has not been collected, also what interest the Government is getting on its fixed deposits and whether such money could not be more profitably invested.

I notice with regret in the Report of the Superintendent of Imports and Exports that although our Statistical Department was clamoured for, some few years ago, the demand locally remains rather meagre.

Before closing I would like to express appreciation of the services rendered by the St. John Ambulance Association, the New Territories Medical Benevolent Association, Society for the Protection of Children and other kindred voluntary concerns who do much beneficial work, which would otherwise have to be provided at the expense of the taxpayers. Money voted for these Associations is money well spent, and the grants should be still further increased.

This brings me to a conclusion, but before resuming my seat, may I express the hope that as far as the Government is concerned the dollar will not fall below 1/2 and that at the end of the coming year we shall find ourselves with a nice fat balance in hand, and with our public works well on the way to completion. (Applause).

THE HON. MR. R. H. KOTEWALL.—Sir,—In my experience as a member of this Council, which covers a period of nearly ten years, there has not been in that period a Budget which contained so few controversial items, or which was so well balanced as the Budget now before us. There is therefore very little for me to criticise. I have never been a carping critic, but have always held to the belief that praise should be given where praise is due.

The innovation—introduced two or three years ago and carried further this year—of leaving details as far as possible to footnotes and memoranda, and confining the introductory Budget speech to policy and important items, has evoked favourable comment all round. If I may be permitted to say so, the Hon. Colonial Secretary's speech on the present Budget has clearly and ably presented to the public the financial position of the Colony and the financial policy of the Government.

The form of the Estimates, too, is much better, even though that of the 1932 Estimates was itself a distinct improvement on its predecessors for some years. It is a matter of some satisfaction to myself that the suggestions made by me last year for improving the technical side of the Estimates have been carried out almost in their entirety. Breaking up the various 'omnibus' heads, and allocating the items thereunder to the different departments concerned, must have entailed on those responsible for the task a great deal of exacting work—work which, I find, has been done very well indeed.

Encouraged by the readiness of the Government to receive suggestions in this direction, I venture to offer a few more recommendations for improving still further the technical aspect of future Estimates.

As the Government has accepted the principle of showing under the same department all the items of expenditure appertaining thereto, I think that it would be better if launches—with their crews—not belonging to the Harbour Department, such as items 31, 32, 33 and 34 under Special Expenditure of the Harbour Department on page 29 of the Estimates, were inserted under the Department directly concerned, though the control of such craft could still be vested in the Hon. Harbour Master. That the Government recognises the merits of this principle is evidenced by the transfer of the crews of "P.D.D. No. 1" and P.W.D. Divers' Barge" from the Estimates of the Harbour Department to those of the Public Works Department—see page 32 of the Estimates. I submit that once that principle is accepted, it should be adopted throughout the Estimates.

The item 'Chain Cable for Moorings, \$22,960' under Other Charges of the Harbour Department (page 29) should, I think be more appropriately allocated to Special Expenditure of that Department because it is non-recurrent expenditure. To insert such items under "Other Charges" which covers, or should cover, annually-recurring disbursements, tends to make the figure for the annually recurrent estimates misleading.

I now pass on to a subject which has been the cause of considerable public interest—the scheme or experiment of employing local men to fill certain positions hitherto held by Europeans. It is gratifying to find that this policy which my honourable friend Mr. J. P. Braga and I have advocated for some years is at last to be adopted, though by way of experiment. In his speech introducing the Budget, the Hon. Colonial Secretary said: "Some expansion of the staff available for these clerical positions is inevitable, and it is merely a question of the nature of the expansion." These words foreshadow a further increase in staff, and connote an uncertainty as to whether local men or Europeans are to be employed for the new posts, if created. I hope that in these days of retrenchment such expansion may be rendered unnecessary by a careful redistribution of work; and that, if it should become an absolute necessity to expand, the posts may be given to local men.

It is my firm belief that there is adequate material to be found locally for at least some of the posts on the Senior Clerical and Accounting Staff; and that the proper type of men, who now eschew the Civil Service for its insufficient prospects, will be attracted to it, if promotion to these higher clerical positions of trust and responsibility were to be made by selection according to merit, instead of strictly by seniority. Heads of departments can help to make the scheme a success by carefully ascertaining the capabilities and aptitudes of individual members of their staff, and bringing—confidentially, if necessary—special cases deserving

of promotion to the notice of the Subordinate Staffs Board. Not only would promotions made on such a plan induce the right type of men to enter the Service, but they would also be an incentive to junior men to do better work. As time goes on I think that the local material available for such posts, and even for higher posts, will be both increased and improved on account of the increasing number of graduates from the University of Hong Kong. At present it is sad to see so many of the splendid products of our University unable to find employment justifying the standard of education they have received.

My friend the Hon. Mr. W. E. L. Shenton has expressed the view that money voted for the Society for the Protection of Children, and for certain other associations, was money well spent, and that the grants should be still further increased. With this sentiment I am in entire agreement. Speaking as a past Chairman of the Executive Committee of the Society named, I ask that the vote which the Government has so generously increased from \$3,000 to \$5,000 per annum with effect from 1st January next year (page 89), may be further increased to \$10,000. In this request I have the support of all my unofficial colleagues.

The work of the Society, which owes its existence as much to the Government as to the Chinese leaders of this Colony, has developed beyond all expectation. In its first full effective year it dealt with 333 cases, and in the first ten months of this, its second effective year, it has already rendered assistance to 702 new cases. Its work lies almost entirely among the children of the very poorest of the Colony's poor, and although by the nature of the Colony's population 95 per cent. of those receiving its help are Chinese, its policy is to aid all alike without distinction of race or nationality. In fact, some non-Chinese children have received benefits from the Society.

The Society's Inspectors give advice on hygiene and kindred matters to parents of sick and starving children, and the Society provides such children with medicine and food, and also maintains at its expense several children in certain charitable institutions. The cost of purchasing milk foods and medicines alone now amounts to \$1,000 a month. In the first ten months of the Society's present financial year its total expenditure has been \$16,680, and its receipts from various sources, including the Government grant of \$3,000, amount to only \$13,014.

Unless the Society's work is to be curtailed—and it cannot be curtailed without giving the Society a set-back—its expenditure is certain to exceed \$24,000 in the coming year; and even this figure allows nothing for the expansion which one would reasonably expect with an institution only just about entering the third year

of its effective life. There can be no doubt that the Society, by affording medical treatment to sick and starving children and by providing them with proper food, has saved and is saving many lives. I therefore beg Your Excellency to increase the annual grant to \$10,000 next year, so as to enable the Society to carry on, unhampered, work which is essential for the social well-being of the Colony.

On page 98 of the Estimates, Public Works Recurrent shows a total of \$1,692,500 as against \$1,521,800 for the current year. The Estimates for next year, though \$171,000 in excess of the previous approved estimate, is, I fear, still inadequate, for a reference to the Abstract of Expenditure on page 12 reveals the fact that for 1932 the revised estimate is \$1,800,000. If expenditure next year maintains the same level as the revised estimate for the present year—and I can conceive of no reason why it should be less—then the estimate seems to be short of about \$100,000, unless the Government intends to economise generally. But it has to be borne in mind that votes for Public Works Recurrent are in the nature of maintenance expenditure, and it seems to me to be false economy to stint the maintenance of public works; for roads, embankments and other constructions of such nature, if not properly maintained in good condition, must inevitably result in greater expenditure by reason of the large amount of money necessary for major repairs which timely maintenance would have obviated. If, however, the Government has no intention of economising in this direction, then it is bad estimating to provide in the Budget a less amount than is really needed, merely for the purpose of presenting a balanced Budget, and with the intention of applying for supplementary votes, as has been done during the last two or three years. It is to be hoped that in future Estimates an amount based on the actual expenditure of the previous year, and on careful estimating of future requirements, will be inserted.

I now come to a subject which, for the moment, is the most important to the community—the problem of the Colony's water supply. It is indeed a welcome assurance from the Hon. Colonial Secretary that should further funds for the new water-works be required, the Government will not hesitate to come to this Council and ask for them. My Chinese colleagues and I express the sincere hope that every dollar of the money provided for 1933 towards these works will be spent; and that, if possible, the programme of work for the coming year may be exceeded, so that the completion of these vitally necessary expansions of the water supply may be expedited. I have no hesitation in claiming to speak on behalf of all my unofficial colleagues when I say that if additional funds be asked for, approval will readily be accorded by us.

The honourable senior unofficial member has, on behalf of all the unofficials, asked that a telegram be sent to the Secretary of

State for the Colonies pressing for information as to when the plans of the new Shing Mun Dam may be expected to arrive in the Colony. I strongly support this request. A telegram despatched at this juncture should serve to stress the extreme urgency of the matter, and the need for an early commencement of construction work.

My Chinese colleagues and I desire to associate ourselves most heartily with the sentiments of the honourable senior unofficial member regarding the good work of the Police and Police Reserve. The disposition of these Forces made by the Hon. Inspector General of Police during the past few weeks of anxiety, deserves unstinted praise. The work was so efficiently and yet so quietly done that it effectively prevented any disorders: while it showed to potential evil-doers that the Government was fully prepared, it did not create the least feeling of uneasiness in the minds of the people, thus enabling them to pursue the even tenor of their daily life. In this good work the Police were ably supported by the Hon. Secretary for Chinese Affairs with his District Watch Force.

It is pleasing to note that the Government recognises "the extreme advisability of avoiding any additional taxation," to use the Hon. Colonial Secretary's own words. Last year the Hon. Sir Shouson Chow, as representing the joint views of the unofficial members of this Council, said that the Colony's taxable capacity had reached a point where any additional imposts would assuredly have an adverse effect on trade and on the economic life in general of the community. Trade conditions in the Colony to-day are worse than they were at this time last year; and they are ascribed by many—at least partially—to the wholesale introduction of new taxes last year, just at a time when trade needed to be nurtured with every care. Compared with other places, Hong Kong may appear to be more lightly taxed; but when we take into consideration the prevailing high cost of living, and the periodical disturbances to trade, as well as the adverse factor of the exchange question, the present burden is all that the Colony can bear; and it was therefore a wise policy on the part of the Government to intimate, as it did, that it was not its intention to increase the burden. I trust that it will not be found necessary at any time during the next few years to impose further taxation, so that the Colony may enjoy a period of recuperation.

If, however, further sources of revenue are to be looked for at some future date, then it seems to me that there is one item in the imposts which can still be increased: it is the item "Bets and Sweeps Tax" on page 8 of the Estimates. I advocated this tax in 1930, and am glad to see that it is estimated to yield \$340,000 in 1933, whereas some of my unofficial colleagues expressed the fear that the estimate of \$250,000 for the present year was too high. Not only do I consider this form of taxation justifiable, but I also consider that it is one which we should make the most

of. It is stated in paragraph 6 of the Hon. Colonial Treasurer's informative memorandum that a duty of 3% is charged on the takings of totalisators or parimutuels, and a duty of 5% on cash sweeps. In my opinion these percentages can easily be doubled. I realise that the increase may, to some extent, affect that revenue of the organisations concerned, but if people can afford to have a fling with their money, they should be able to contribute a little more to the well-being of the Colony.

In this connexion I have yet another suggestion to make for the consideration of the Council. I think that a substantial levy on winnings can fairly be introduced. Such a tax would probably be paid quite as readily as the percentages of prizes that often go to the vendors of lucky tickets, or as are the sums of money, sometimes quite substantial, that are spent on celebrating the occasion! Surely, it should be a matter of greater mental satisfaction to the lucky winner to feel that he has given some of his unearned gains towards—it may be—providing the masses of the Colony with some precious water in times of drought than that the same money has been spent, certainly unnecessarily, in champagne for just a few!

I offer these suggestions, not necessarily for immediate implementation, but for the Government to use as a first choice, if and when the necessity arises; for I fear that in balancing the Budget for next year, the Government has cut its estimates to such a fine point that there is left hardly any margin in case of unforeseen expenditure arising, such as a fall in exchange or other circumstances over which we can have no control.

By this advocacy of preparedness and of care in spending what we have, I hope I will not be considered unduly pessimistic. Indeed, I am not. I have unbounded faith in the Colony—in its ability to weather any storms, as well as in its future. Although we are, at this moment, passing through a rather serious period of trade depression, I have the firm belief that we will emerge unscathed from it, as we did from many similar depressions in the past. As long as the people have the blessings of peace and protection; as long as the Colony is governed with foresight and vision, and with that policy of broadmindedness and justice which characterises the present administration, I foretell for the future not only a full recovery of our former prosperity, but a prosperity even greater than the Colony has ever enjoyed. (Applause).

THE HON. MR. J. P. BRAGA.—Your Excellency, with the existence of a residents' association at Kowloon, it is more than doubtful if the title could be conceded to me of 'guardian of Kowloon's interests.' This much, however, I may claim for myself—a zeal and an enthusiasm for all that appertains to Kowloon that compel unmitigated interest in and unabated attention to the welfare of Kowloon's inhabitants, its unarrested development

and greater prosperity. It was for this reason that, for the past three years, on each occasion of the budget debate, my comments have been confined to Kowloon affairs and the programme of public works in connection therewith. My remarks on the present occasion are addressed within the same limitations.

I feel the obligation is imposed on me in the first place to express my thanks to the Government for the unfailing courtesy accorded to the several representations I have had the honour to make to Your Excellency on the numerous occasions that I felt it my duty to address the Government in the interests of my fellow-citizens. The results of those representations have invariably led to public improvements of existing, and the provision of new, amenities that contribute to the well-being of the community on the Peninsula.

Just a fortnight ago the Government enunciated its new economic policy, namely, that of maintaining a minimum surplus balance of \$10,000,000. None can cavil at a policy dictated by a measure of prudence, the more so when regard is had to the occasional disturbing influences that have given the Colony material for anxious thought. At the same time, reference may not inappropriately be made to what may be called an axiomatic principle, of suitable application to Hong Kong, relating to municipal economies, in the Model Settlement of Shanghai. The *North China Daily News* of that City moralised editorially that "economy without efficiency is dangerous. Economy which means stagnation is no less harmful."

Speaking of Kowloon, there should be really no well-founded fear on the part of the Government for its hesitancy in embarking on much-needed public works when confidence in the future of that part of the Colony is so well sustained by private enterprise. Instead of Government setting the example for individuals and public companies to follow, the latter lead the way in the numerous undertakings which are a striking example of the faith reposed in Kowloon by capitalists within the Colony and from abroad who initiate and develop industries that form the Colony's most valuable assets in more ways than one.

The growth of the erstwhile pigfarming districts of Shamshuipo and Kowloon City into important industrial centres; the founding of Homuntin as a salubrious settlement; the transformation of the deadly malarious swamps of Kowloon Tong into a well-ordered and picturesque Garden City, and the recent advent of a new scheme now intensively developing into an elevated residential area planned on approved lines, need only be mentioned for it to be realised how many millions of dollars' worth of capital are being invested in the confident belief of their absolute security and prospective profit. Forgetting, if it were

possible, for the moment such extensive establishments like the dockyards, the electricity power station, cement works and the oil installations, the recent erection of large rubber-shoe, electric-torch and clock and felt hat factories, the introduction of a prosperous silk industry on the muddy foreshore of Ma-Tau-Wei, and, lastly, projected fire-cracker factories that promise to change the future outlook of Ngau-Shi-Wan are striking evidences of the popular faith in the future of the Peninsula.

Beyond the confines of Kowloon proper brick and ceramic works on modern principles have found a foothold at Castle Peak and Lowu. Minor industries are scattered throughout the thriving districts of the New Territories with their thousands of contented farmers and simple country folks. Electricity will supply the motive power that is bound to assist in the development of existing, and foster the establishment of new, industries. With these outstanding examples of the length to which private enterprise is prepared to go, the timidity on the part of Government demonstrated in its declared policy of the maintenance of a minimum ten-million dollar balance is a little surprising, to say the least.

Government's selection of the most prominent public works required for Kowloon is one that has commended itself to the public, if the views expressed in the English newspapers in Hong Kong correctly reflect public opinion as they usually do. One important omission from that list, however, has been dealt with in his usual thorough manner by my honourable friend, the Senior Unofficial Member. The omission, relating to the absence of the provision of a sufficient sum for the commencement of a Post Office building in Kowloon, cannot be passed over without some supplemental comment from me. There was a time, not so long ago, when it was mooted that Government had contemplated a central administration building for the Peninsula. In fact, even the site for such a building had been indicated. It is fervently hoped that when plans are drawn for the new Post Office building it will cover an area sufficiently large in order to provide for a central building for the administration of Kowloon and its environs, adequate for the needs not only of the present but of future generations.

The present system for the making up of mails in Kowloon needs revising. Residents cannot see why Kowloon mails must be made up twelve or fifteen hours earlier than in Hong Kong when mail steamers are berthed at the Kowloon wharves. If an improvement can be effected in the existing system it will be appreciated. I must not leave the subject of the Post Office without a word of praise for the architectural office of the Public Works Department responsible for the artistic little pavilion on Kowloon City Road doing duty for a district Post Office. A similar type of building and as prettily designed and erected in a similar setting in the district of Kowloon Tong should be a boon to its residents.

There is the Government admission that the development of Kowloon is not without responsibility for the extra pressure by way of office accommodation. This official public admission that the time has come when Kowloon should be provided with at least branch offices where residents can do their Government business without coming across the harbour is of happy augury. In this respect private concerns, for years past, have shown how things can be done for Government's emulation. Take, for example, the Kowloon branch of the Hong Kong and Shanghai Banking Corporation, the various branches of the Chinese banks with their head offices on the Island, not to mention the outstanding Peninsula Hotel, La Salle College, Diocesan Boys' School, Ying Wah School, the new St. Mary's School, and a number of girls' schools which provide greater educational facilities for children of families residing on the Peninsula. The recital of this list is an indictment of the unjustifiable faint-heartedness displayed by the Government in embarking on public undertakings of any great magnitude.

Pleasing as the fact is that the projected additions to the Kowloon Hospital will mean the erection of three new Blocks, I desire to add emphatic support to the urgent representation of my Senior Unofficial colleague for a Ward for maternity cases. With more wards there must also be a larger staff of doctors, nurses and attendants. I have seen the figures of the numbers of in-patients and out-patients, respectively, treated in the Kowloon Hospital for the first nine months of the current year. The figures are largely in excess of those for past years. If this ratio of increase should be maintained the space now available in the Kowloon Hospital will have to be doubled in five years from now.

An extract from the second annual report of the Hong Kong Society for the Protection of Children gives force to the Unofficials' representation on the inadequacy of the existing Hospital accommodation. The paragraph in the report I refer to reads as follows:

"Your Committee were much concerned as to the inadequacy of the hospital accommodation available for the children of the Chinese poor on the Kowloon Peninsula. At the beginning of this year that accommodation was limited to a maximum of five beds in the Kowloon Hospital, and sixteen beds in the Kwong Wah Hospital, with the possibility of further accommodation in the adult wards dependent on the demand for beds for adults."

May I hope that the plea I now enter for our less-favoured Chinese brethren will not fall on deaf ears?

I must confess my disappointment in the matter of the sewerage at Homuntin. The position to-day is the same as it was when I raised the matter in the Legislative Council on 5th

September, 1929. Replying to a series of questions I then asked, the Government spokesman stated that the estimated cost of constructing a sewerage system to deal only with Homuntin and to discharge North of the Harbour of Refuge was \$50,000, and that a scheme embracing the whole of Mongkoktsui and Yaumati areas was already receiving consideration from the Public Works Department.

At that time proposals had not been sufficiently concrete to be submitted to the Government and much investigation, we were told, was necessary. That was three years ago. Need I remind the Government that residents of Homuntin pay precisely the same taxes as other residents of the Colony? It does not, therefore, appear equitable that they should be penalised to the extent of being still left without facilities for a water-carriage system which from an hygienic point of view is almost an indispensable necessity in these days of modern sanitary requirements. In the interests of the Crown lessees of the Homuntin area I appeal to Your Excellency to have their grievance redressed from the point of view of equity, if from no other consideration.

Residents, not only of Kowloon, but of Hong Kong as well, driving along the Castle Peak Road, had hoped that when the new Warders' Quarters at Lai Chi Kok were being erected, provision would have been made for widening the road at a dangerous corner. They cherished a vain hope, and the corner has been rendered more unsafe for motor traffic than it has been before; for not only was the roadwidth maintained but a wall has been erected on the edge of the road, shutting off what little vision there had been. That more serious accidents have not occurred at this point in the road—I believe there was one case recently—is a tribute to the skilful and careful driving of motorists.

The universal practice in road construction is, I believe, to widen the road at all bends, particularly when the gradient is steep, and to introduce super-elevation on the outside of the curve. Moreover, ample vision should be provided. I suggest that improvements at the first bend going up what is popularly known as Lai Chi Kok Hill are an urgent public necessity, and should be put in hand at once.

The Government is to be commended on the provision of \$10,000 for improving Waterloo Road from Nathan Road to the Railway Bridge. Is it to be assumed that the plan is simultaneously to form the road to the East of the existing Nullah in the same way that the road has been completed North of the bridge? When the development of the Homuntin area is completed traffic over this section of Waterloo Road will be very greatly increased.

Touching on the question of roads, I am again driven to a reference to Sai Kung Road. I am aware that certain members of this Council do not share my view that the laying-out of money in

the construction of the first section of the Sai Kung Road to Ma Yue Tong is going to be a remunerative venture. With me it has become a conviction that no more profitable employment can be found in the Colony for ratepayers' money than the building of new roads that offer prospects for the opening up of new building sites. The road to Ma Yue Tong is just of that type that satisfies all the arguments in favour of its construction, *viz.*, access to sites unrivalled for the picturesqueness of their situation, superb scenery, easiness of levelling and forming, and the provision of a solution for the vexed bathing beaches problem. I am not alone in my advocacy of the Sai Kung Road as an extract from the speech of the President of the Hongkong Automobile Association on the 29th March last will show. Mr. L. C. F. Bellamy said:

"I should like to refer to the Sai Kung Road project in the New Territories. In his Budget speech on September 5th, 1929, the Colonial Secretary called attention to the proposed Circular Eastern Road. The wonderful possibilities of this enterprise have been stressed on many subsequent occasions.... All members of this Association earnestly hope that Government finances will soon render it possible to proceed with the Sai Kung Road scheme and your Committee is of opinion that any reasonable outlay in connexion with the proposed road will prove a sound Government investment."

Such then is the considered opinion of a group of business men.

The Kowloon Tsai Garden City Development, at an estimated total cost of \$403,300, is an experiment the success or failure of which will be watched with considerable interest. It should not be too early at this stage to request that, in this important and extensive development, people of small means should be considered and afforded opportunities to acquire small areas for the building of their own homes. The laying out of large lots only might preclude people with little savings from purchasing land. The moment is opportune for proposing the erection of a weather signalstation on some conspicuous position on the Kowloon Tsai Hills that should be clearly visible from Kowloon Tong and Kowloon City. Reservations for sports grounds are a necessity that should not be lost sight of.

The erection of the wireless station at Hunghom for the large transmitter for broadcasting is a step in the right direction. My honourable friend, Mr. Shenton, with his usual thoughtful regard for social service in the Colony, has spoken of the benefits which broadcasting has conferred. His remarks are certain to be accorded the reception which they deserve.

The same honourable member in his complete competence has dealt with the question of air-mail and passenger services. His remarks cannot fail to arouse general interest. The logical development of our magnificent aerodrome at Kai Tack will hasten the

extension of that district eastward. While workshops and offices will be built within the aerodrome itself a demand for houses for the Europeans having business with the future air service will lead to the neighbouring hills being explored for residences. The road to Ma Yue Tong will facilitate the selection of sites presenting a landscape rivalling even the Peak itself.

The Council is still in ignorance of the recommendations of the Road Passenger Transport Committee. The present occasion is opportune for bringing into greater prominence an apparently forgotten statement by the Chairman of the Hongkong Tramways, Ltd., when presiding at the annual meeting of shareholders on 17th February. He said:

"The Government, in June last, sanctioned a further increase in fares which was put into force on July 1st, and although our receipts improved, the number of passengers suffered a considerable decline. It is clear that the economic limit to which Kowloon fares can be raised has now been reached. Although receipts per bus-mile improved by 3.21 cents the expenses per bus-mile increased by 7.64 cents, of which 5.30 cents represents the increased cost per bus-mile for petrol."

It is a pertinent question whether the possibility of the introduction of trolley buses for Kowloon has been explored for the more economical operation of the passenger transport service. If the question has been gone into by the Transport Committee, will the Government inform the Council what decision has been arrived at?

Recent letters appearing in the senior morning newspaper suggest the possibility of the introduction of midget taxis into Kowloon. As no rickshaws have been licensed to ply for hire in the Homuntin and Kowloon Tong areas, a cheap taxi service such as is contemplated is bound to reduce travelling expenses in the case of those residents whose slender purses do not permit of the luxury of the ownership of a motor car.

My honourable friend, the Senior Chinese Unofficial Member, whose oratorical fluency is such a feature of the annual debate on the Budget, has adequately commented on the change of Government policy which is about to initiate a system admitting of promotions of a limited number of members of the subordinate staff to a new section of the clerical and accounting staff. Since I first had the honour of a seat at this Council table I have consistently and persistently advocated the claims of the local men to promotions and to a just recognition of their merits.

I am firmly convinced that if recruitment of local men and women were to be the more liberal practice in the filling of posts which their ability entitles them to hold, the heavy burden of

administrative expenditure, necessitating additional taxation in recent years, will be relieved of a substantial proportion of the charges on the Budget under the heading of Personal Emoluments. There should certainly be more dollar—and less sterling—paid posts with corresponding economy to the Colony. I should have felt happier if, with the proposal for the initiation of this new policy, an announcement could have been made concurrently of more generous leave privileges granted to the hard-working members of the subordinate staff in the Government service.

When I rose to address the Council this afternoon I spoke with some enthusiasm on the industrial expansion of Kowloon. I am jealous of the good name which Kowloon has earned as a place for safe investment and feel strongly that any attempt to besmirch its fair name cannot be condemned in too severe terms.

A tendency has grown up of late towards belittling at least one of our old-established industries and of a public utility concern on the other side of the harbour. In both have millions of dollars been invested and to both have the united efforts of zealous directorates, supported by shareholders' money, devoted time and thought to build their future on solid foundations.

After years of persevering labour, often thwarted by adverse circumstances, the future holds great promise for both these important undertakings; they form part of the Colony's substantial assets; they are very essential factors in the industrial life of Kowloon.

Were the criticisms I have just referred to dictated by honest motives and constructive in their purpose, no exception could be taken to them. Indeed, they would be most welcome. That is not, however, the spirit animating the critics. Theirs is a subtle, veiled thrust primarily designed to undermine confidence and, secondarily, to influence quotations on the Stock Exchange.

"Bear" tactics that stoop to a deliberate distortion of facts, calculated to create a stampede among genuine small holders of stock and so to depress certain shares by questionable reprehensible methods regardless of their mischievousness, cannot be too strongly deprecated.

In these times of world industrial depression, the Colony needs, for the success of its trade and commerce, all the help it can rally around itself. Untruthful statements can do a lot of harm and are discreditable to their authors.

If the dissemination of libellous rumours, damaging to the Colony's industries, should be persisted in to the detriment of its welfare, every endeavour should be made to effectively check this

form of abuse and put a stop to pernicious actions hurtful to businesses that have cost much money and taken long years of patience and toil to build up and that must be protected not only from "the slings and arrows of outrageous fortune," but also from enemies within our gates who seek their own selfish gain at the expense of the general good.

Kowloon is looked on by many as a "Promised Land" to be jealously guarded and conserved as the precious heritage of pioneer settlers whose descendants have in Kowloon their permanent home. (Applause).

THE HON. MR. S. W. T'SO:—Your Excellency, I desire to associate myself with the views which have been so fully and ably expressed by the Senior Unofficial Member Sir Henry Pollock, also by the Senior Chinese Member, the Hon. Dr. Kotewall on the Budget; and to congratulate the Government for presenting to this Council a Budget framed on the basis of safety and caution. I feel that so long as the value of the dollar is uncertain and while trade depression is still among us, a policy of caution is extremely wise and desirable.

The Chinese Community greatly appreciates that the estimates for the year 1933 were prepared with a view to avoiding additional taxation and it is earnestly hoped that no unforeseen circumstances will happen that may compel the Government to deviate from its policy. For, every fresh taxation means further burden on trade and increase to the cost of living. Although Hong Kong is said to have fared rather better than the rest of the world during the last two years, yet, with a constant recurrence of unrest in the Far East and with trade depression still hanging over the world, Hong Kong may not be able to escape the common fate. It is necessary therefore that, while our financial position is still sound, strict economy compatible with efficiency should be exercised. With co-operation between Government and people Hong Kong stands a good chance against any adverse circumstances that may happen.

As my Hon. Colleagues who spoke before me have already dealt fully with the Budget, there remains little for me to comment on. But I should like to add my voice to the appeal made by the Hon. Mr. Shenton and the Hon. Dr. Kotewall for an increased grant to the Society for the Protection of Children. The good work done by this Society and its financial position have been fully set out by the Hon. Dr. Kotewall in his speech. It only remains for me to emphasize its need of financial support and associate myself with the Hon. members in asking for an increased grant to this deserving institution.

In the Budget debate last year I urged the Government to give every encouragement to the farmers in the New Territories to increase their agricultural production. I am pleased to note that in the Estimates under Head No. 28, for miscellaneous services, the

Government has increased the grant, from \$1,000 to \$2,000, to the New Territories Agricultural Association. I trust the Government will keep a watchful eye on the progress of the New Territory farmers and afford them every facility that they may reasonably require.

The Empire Day Exhibition of British Empire goods this year has proved to be a great success and a great incentive to the New Territory farmers to exhibit their goods. I hope therefore that the Government will make this show an annual event lending to it as much as possible Official countenance.

Turning to the estimate under Head No. 25—Education Department—I find that the capitation grants have been increased from \$180,000 to \$217,500 for the coming year; but no increase has been made on subsidies to Urban Elementary Vernacular Schools in Hong Kong. Whatever may be said of these schools they do supply an elementary education to thousands of poor children. If the Government were to provide schools for these children it would cost the Colony an enormous sum of money. I consider it therefore an economy to encourage these schools.

The Normal School for women is being housed in rented premises which proved to be most unsuitable. The need of a building of its own is very urgent. The Hon. Colonial Secretary has, in his speech recognized its urgency but building operation is deferred to other more important works. As the cost for this building is not so large as compared with other large schemes, I would urge the Government to keep the matter in sight and sanction building operation at the earliest possible date. (Applause).

THE HON. MR. T. N. CHAU:—Sir,—I express complete concurrence in the views and sentiments of the honourable senior Chinese member and of the Hon. Dr. S. W. Ts'o. In expressing this general concurrence I desire to amplify one subject which the Hon. Dr. Kotewall has already dealt with rather fully, namely, the grant to the Society for the Protection of Children. I respectfully urge the request for an increased grant on Your Excellency's sympathetic notice. As Joint Honorary Secretary of the Society, I may add to the information given by the Hon. Dr. Kotewall that in 96 cases in the past ten months, the families concerned were without visible means; and in the whole of the 702 cases dealt with by the Society in that period, the average income worked out at a figure which allowed to each member of the family a monthly income of less than \$3 out of which to provide food, clothing and accommodation. In over 50% of the cases the family had no means to pay for a single room but occupied only a 'bed-space.'

Not only were the persons concerned miserably poor, but in more than 50% of the cases reported, the children were suffering from disease, and very frequently this was the direct result of insufficient food.

The figures of infantile mortality among Chinese children are abnormally high, and it must be overwhelmingly apparent to all that the contributory cause is poverty with the resultant bad accommodation and insufficient food.

The Society is just undertaking that kind of work which will, in time to come, effectively minimise this mortality rate; but it is handicapped by inadequacy of funds. I take this opportunity to appeal to the public for their support; and in the meantime I sincerely hope that Your Excellency will see your way to increasing the Government grant to \$10,000 a year so as to enable the Society to carry on work which, as the honourable senior Chinese member has said, is so essential for the social well-being of the Colony. (Applause).

THE HON. MR. W. H. BELL:—I would like to support what the Hon. Mr. Shenton has said as regards Aviation generally and, in particular, as regards the provision of an Air Mail service, which can be done by linking us up with some of the already established Main line Air Mail Services. We have always prided ourselves that Hong Kong has kept well abreast of the times and has been a progressive community. It is obvious, however, that we are falling behind in this most important matter. It is generally recognised that Governments have to take a leading part in initiating aviation enterprises. I would, therefore, urge upon this Government the adoption of a more progressive policy in this respect.

I am one of those who regularly enjoy the radio concerts broadcasted from our local Studio. I am disappointed at times however, to find that there is nothing but a Chinese programme for me to listen to, and unfortunately my musical education did not include Chinese music.

I would be the last to endeavour to deprive my Chinese fellow citizens of their enjoyment: indeed, I would like to see an increase and an improvement in the Chinese programmes.

Quite recently a new transmitter has been installed, and I would like to suggest that the old one be retained in use also. In my opinion it was perfectly satisfactory as a transmitter as far as Hong Kong was concerned, though I doubt if it is powerful enough to reach any great distance. By using the two transmitters we would be able to have two entire programmes—Chinese and European. I would like to see the use of radio encouraged amongst our Chinese friends, and I can well imagine that it would form a useful means of broadcasting occasional lectures on sanitation, public health, and other matters of public interest.

It would be useful also in times of trouble to broadcast instructions, reassuring information, etc., etc. It may be urged that our Chinese friends are not much interested in radio, but this attitude could doubtless be changed by giving them more and better programmes.

The continuance of the increased scale of light dues is a matter of concern to shipping companies which are passing through bad times and therefore feel the extra burden acutely. I earnestly hope that the Government may be able to give them some remission in this form of taxation, which was increased one hundred per cent. nearly two years ago. When that increase was made the Government stated that, in view of the depreciation of Silver, the increase was a reasonable one as a large number of the companies work on a sterling basis while the coastal companies had to a considerable extent increased their dollar rates. This unfortunately does not present the whole of the picture, as no account is taken of the heavy decline in the volume of trade, and as regards the coastal companies such increases in dollar rates as it has been possible to effect have been quite inadequate to meet the increased dollar equivalent of their Sterling commitments.

Some adjustment of the incidence of the burden as between various classes of shipping seems also to be called for. Figures have been submitted to the Government by the Chamber of Commerce showing that steamers which call here most frequently—in other words which render regular service to the Colony's trade whether that trade is good or bad—pay substantially more per call under our system of taxation than they do elsewhere. Special exception has already been made in respect of river steamers and some extension of the system seems highly desirable to meet the case of vessels which are in Hong Kong very frequently.

His Excellency The Governor expressed in Council on 20th October, 1930 his appreciation of the undesirability of burdening shipping in this port and left the way open for a review of such taxation at a later date, and in view of this assurance I suggest that the Government give the Shipping Committee of the Chamber of Commerce an opportunity of discussing this matter with them.

We are now about to begin on what I think the Hon. the Colonial Secretary described as one of the big engineering works of the world—the second section of the Shingmun Valley scheme. A firm of the highest repute has been retained as Consulting Engineers and I hope that the Government will call for tenders for the execution of the work from some of the big Contractors with world-wide experience.

I say this not that I have any doubts whatsoever as to the ability of our Public Works Department to complete the work satisfactorily, but because I feel that we should first ascertain the ideas of the big Contractors as regards price and that very important essential, time. It seems to me that they might be able to do the work quicker and for less cost owing to the favourable position in which they are placed. They have, for instance, special plant suitable for work of this description which they can lay down in Hong Kong and take away again for use elsewhere, whereas we would have to buy the plant and after the completion of the work sell it, possibly at scrap prices.

Another advantage would be that from one of the big Contractors we could get a fixed price for the greater part of the work. If the Contractor made a mistake in his cost calculations the Government would not be in the unfortunate position of having to revise their contract in order to enable him to complete the work.

It is quite unnecessary for me to stress the importance of time in this matter. Our water shortages are too frequent and too recent for us to forget what they mean. Therefore, if one of these big Contractors can guarantee to do the work in a shorter period than is estimated by our Public Works Department, that would be a strong argument in favour of giving the work out. Of course there would have to be a very substantial penalty clause.

I would, therefore, urge upon the Government the desirability of giving some of these big world Contractors the opportunity to quote. We are not bound to accept any of their tenders, and we will be in a position to do the work ourselves if we consider it would be to our advantage to do so. (Applause).

THE HARBOUR MASTER.—Sir,—There are three questions concerning the Harbour Department for me to answer. The first deals with Head 10, sub-head 2—Chain Cables for Mooring \$22,960.

When the re-organisation of the Harbour moorings was undertaken it was divided into three parts, each part being undertaken during one financial year. The third part was finished this year. Moorings remain down for three years and it is then necessary to raise, inspect, and renew worn parts. It will therefore be seen that during the years 1930, 1931 and 1932, no upkeep vote was required. This being the fourth year, upkeep is required. This now becomes a recurrent charge in order to keep spare parts available to renew moorings which have depreciated during their three years service.

The centralising of all repair work, stores, fuel, etc., and the placing of all launch crews on the general list for seniority and promotion has proved to be extremely easy in working and a great administrative improvement.

Under this system

(a) Stores can be obtained in bulk from the Crown Agents which is a great saving on "piecemeal" buying.

(b) Daily supervision is possible by the boatswain of Yaumati yard each morning to see that the launches and crew are in a clean and efficient state.

(c) Accurate check is kept on the consumption of all fuel and stores which are issued.

(1) Fuel has per consumption tests,

(2) Stores per scale.

(d) All ratings being on a general list gives equal chances to all for promotion the only exception to this being the water Police, who are under special conditions of service.

(e) The launches being directly under this department a uniform system of discipline is maintained.

(f) All defects are reported direct and are dealt with at once.

(g) All contracts for repairs, etc., being dealt with by central authority, it is much easier to estimate the cost.

I would point out that even if the launches are returned to their sub-departments this department will have to do all the supervision of repairs, stores, etc., with a greatly lessened control.

Thirdly the senior unofficial member questioned the economy of maintaining a Government slipway. It is only necessary, I think, to refer to the number of craft, 58 in all, excluding the Kausing, we have to deal with, entailing constant, small adjustments and repairs to realise that an establishment of this nature is necessary for this purpose alone. The comparative cost of work in the slipway and outside has been carefully examined by the Government, and the results show a considerable margin in favour of the yard.

THE DIRECTOR OF PUBLIC WORKS.—Sir, I propose to reply to the observations of hon. members which refer particularly to works under the control of the Public Works Department.

Where the Causeway Bay North Point Road has been reduced in width to 75 feet sufficient land is being reserved to allow of widening to 100 feet if and when the wider road is considered necessary. It is hoped that the reduction in width will save \$160,000 in the total cost.

The widening of May Road from Aigburth Hall to Conduit Road was considered in connection with the draft Estimates, but as it is at present impossible to fix the road line post Queen's Gardens this item had to be postponed.

The survey of the harbour is proceeding rapidly and about 40% has now been completed. It is anticipated that all sounding work will be completed by the end of 1934. Thereafter further work will be necessary on current observation and co-ordination of data then available.

No vital schemes of Harbour dredging are at present being held up owing to the non-completion of the Harbour Survey. The sum in the Estimates is considered sufficient to carry out the 1933 programme.

The progress on the Harbour Survey has been very satisfactory and much more rapid than was originally anticipated.

While I have no doubt that the manufacture of a heavy Road Roller is well within the compass of local works it cannot reasonably be expected that they could compete in design with Companies in England which have specialized in Roller manufacture and have many years of experience behind them.

The letting of certain maintenance contracts in the early Autumn instead of in January, as is the existing practice, has advantages and is being favourably considered in connection with the Contracts for 1933.

Plans for the new Government Civil Hospital at Pokfulam Road are now well in hand and it is proposed to lay them before the Public Works Committee before the end of this month, when the Hon. D. M. S. S. will be invited to be present.

As all the plant for the new Broadcasting Station with the exception of the masts, which are still on indent, is already in the Colony, it is hoped that this station at Hung Hom will be completed by June.

The broadcasting of English and Chinese programmes concurrently is engaging the attention of Government, and it is hoped that experiments in this direction may be carried out next year.

Nothing, however, can be done until the new Hung Hom Broadcasting Station is completed.

The position regarding the sewerage of Ho Mun Tin has not materially altered since questions regarding this matter were answered in this Council on 5th September 1929. The matter is further complicated by the suggestion now under consideration to reclaim the Harbour of Refuge at Mong Kok Tsui.

The question of the widening of the roadway at the new Warders' Quarters, Laichikok, is under consideration and it is hoped that an improvement can be effected at an early date.

Regarding the disposal of land at Kowloon Tsai, when this area is formed it is proposed to offer the land in plots to suit the convenience of both large and small purchasers.

The construction of the first section of the Saikung Road was considered in the draft Estimates but this work, like many others, had to give way to more pressing needs.

Suitable sites for a new Typhoon Signal Station to be visible from the Northern portion of the peninsula are being investigated, and in due course proposals will be submitted. It is hoped that the Kowloon Residents' Association may assist in this matter.

Government is fully alive to the necessity for expedition in all matters appertaining to the new Shing Mun second Section works, and is doing all in its power to push matters forward.

On the 27th September a telegram was despatched to the Secretary of State for the Colonies requesting an assurance that the work was being expedited in view of the approaching dry season and asking for the date of the arrival of Messrs. Sir Alexander Binnie Son & Deacon's engineer.

I have just been informed that a reply telegram has been received and that His Excellency will communicate the contents to Council this afternoon.

The position with regard to the Shing Mun Valley Gorge Dam is as follows:—

The world-wide known firm of Consulting Engineers Messrs. Sir Alexander Binnie Son & Deacon were engaged by the Secretary of State to visit Hong Kong and report on the proposed Shing Mun Extensions. Two of the partners of this firm, Mr. Binnie and Mr. Gourley, visited the Colony and examined the scheme and local conditions affecting construction. The Crown Agents for the Colonies advised that the works were too large to be undertaken by the present staff of the Public Works Department and Messrs. Sir Alexander Binnie Son & Deacon have since undertaken to carry out the scheme on agreed terms. They will be entirely responsible for carrying out the whole work, both design and construction, for a fixed fee, which the Government considers reasonable; the Colony to pay all costs including staff, the engagement of which is limited by agreed conditions.

The final agreement with the Consulting Engineers, containing the full conditions, is awaited from England.

Government is fully satisfied, after the most careful consideration, that the arrangements made are in the best interests of the Colony, both in the matter of the costs of the works and their early completion, and these arrangements have met with the approval of the Secretary of State.

THE COLONIAL TREASURER.—Sir,—The Hon. Sir Henry Pollock has raised the point as to converting the present Public Works Loans, 1927. This question has been receiving careful consideration for some time past, but Government is not yet in a position to make a statement on the matter.

The Hon Mr. W. E. L. Shenton raises two points in connection with finance. The first is as to the position of the Trade Loan. This is fully set out on pages 18 and 19 of the annual financial report for 1931. I would supplement this, however, by stating that the principal outstanding on 30th September was \$965,229.76. Every endeavour is being made to call in money outstanding but the difficulties in the way of obtaining repayment of interest and principal are obvious. Power of sale is exercised as favourable opportunities occur.

The hon. member's second point deals with interest on fixed deposits. Of the sum of \$1,828,999.92 shewn in the 1931 balance sheet as on fixed deposit, \$1,369,633.40 was earning 3½%; \$59,366.52, 3% and \$400,000, 2%. I do not consider that this money could have been more properly invested consistent with safety.

THE COLONIAL SECRETARY.—Sir,—It is very gratifying to note that the views of the unofficial members are so closely in accord (except that there seems to be a certain tendency to press the Government to further expenditure) with the proposals of the Government as set out in the Estimates; the more so that to-day's debate shows that the details have been carefully studied and that openings for criticism can hardly have been missed. It remains to do little more than to add the further explanations asked for, and the Colonial Treasurer and Director of Public Works and the Harbour Master have now dealt with the points of a more specialised nature. There are others of a general character to which answers are required if the picture is to be complete.

I will begin with some questions on administrative matters that have been asked. In the first place I venture to think that the senior unofficial member must have misunderstood the proposals dealing with Cadets and Senior Clerical and Accounting Staff. In effect there is no expansion of the Cadet Service, but we have to be ready with trained officers against probable retirement in the near future. The age of retirement has recently been altered as hon. members are aware and may with permission be as low as 50; also, the training period for cadets has been lengthened by the addition of a course of one year at Home before coming to the Colony. These two changes obviously necessitate some extra provision during the transition period, and it remains to be seen in due course how recruiting requirements will settle themselves down in the future.

Government is satisfied that no excessive demands have been made in the Estimates now before you, in view of the retirements that can already be foreseen.

The creation of a new section in the Senior Clerical and Accounting Staff is quite a separate matter and is an experiment designed to meet an untenable position with a minimum of expense. You cannot man forty-one posts with a staff of forty nine if one fifth of their number are always on leave. It so happens that during the current year the number of cadet officers on leave has been much below the true proportion and it has been possible to mitigate the difficulties of the clerical position by placing cadet officers in the two clerical posts at the Magistracies. It is only at the Magistracies that cadet officers have been employed in clerical duties. But next year the disproportion of cadet leaves is in the other direction and we shall have great difficulty in manning the cadet posts if we are not to detain certain cadet officers in the Colony beyond their proper term.

The references to the post of the Director of Education are not altogether clear, but I take it, the meaning is that the hon. member who made the reference would like to see trained educational experts from Home in charge of the Department. The question is one that has been with us for a long time and is full of difficulties. It is obviously open to argument that acquaintance with the Chinese and their mentality is at least as essential a part of the equipment of the Director of Education as is the purely academic side of his training—and we are fortunate indeed when we can get both requirements satisfied as in the case of Mr. de Martin. Further, especially in a small service it is necessary to consider the effect of demanding specialisation in appointments. Unless we can be content with the wider kind of specialisation that deals with a knowledge of the Chinese, a watertight compartment will be called for, strengthened to allow for absences on sickness or on leave; no transfers between Departments will be possible and the expense of the personnel will be increased. It is a difficult choice, but the method the Government has chosen during all these years of appointing a selected cadet to be Director of Education cannot be called unsuccessful. It is further a practice which finds justification in the views of the Retrenchment Commission.

The same speaker suggested the comprehensive contracting out of the larger public works. In very large works requiring the highest specialised experience there is nothing to be said against this view; and the Gorge Valley Dam is a good instance where Government has at least gone a long way towards accepting it. But in less specialised works the problem is not the same. An analysis of the suggestion shows that it means alteration of existing departmental methods only to the extent of entrusting to outside firms the duties of designing and of overseeing. I wonder

if the work of the Public Works Department in designing our more important schemes is appreciated—and still more, whether any outside firm would stand for the worry and constant changes to which the Public Works Department is subject, and to which any Government scheme must be subject?

Official and unofficial views, technical and non-technical requirements, departmental suggestions have all to be dealt with and combined, only at the end sometimes to find that the money is short and that the work must be begun over again on a new foundation. Even where the money difficulty is absent, the problem remains; the plans of the Government Civil Hospital have run through the alphabet already to Letter J and finality is not yet in sight.

The Public Works Department might be glad enough to hand over all this trouble, but I doubt whether an outside firm would welcome it with the dovetailing of all the interests to be considered. It could be done of course, at a price; but private firms too have to allow in one way or another for salaries, passages, leave and something to take the place of pensions and it is difficult to attack the assertion that the Government Departmental method of Public Works Department work is the most economical.

The following summary of a report by Mr. Lowick of the Architectural Office, Public Works Department, is relevant; it is proposed to issue the whole report as a Sessional Paper in due course—

"Comparison of Executive Charges and Cost of Building by (a) Architectural Office and (b) Private Architects.

"Executive Charges for work actually executed by this Office during the period January 1921—June 1930 show that they are about half of what they would have been if executed by private architects. It must also be remembered that the work executed during this period, about half of which has been a time of retrenchment, consists mainly of comparatively small works where the percentage cost by this Office but not by Private Architects is greater than in the case of really large works.

"Executive charges by the Architectural Office for the two large works about to be commenced—the new gaol and the new Government Civil Hospital—would be little more than one third of those by private architects. The charge of 9% applied in the calculation of cost by private architects is based upon the scale of charges authorized by the Royal Institute of British Architects and includes the preparation of bills of quantities and other items.

"Actual cost of building as distinct from executive charges— the buildings considered cover the majority of those executed for

Government by private architects in the past and these are compared with similar buildings by the Architectural Office, they are divided under two heads—Police Stations and Government Quarters and show the following results:—

	Built by Architectural Office.	Built by Private Architects.
Police Stations (average cost per foot cube) .....	41 cents	53 cents
Government quarters (average cost per foot cube) .....	36½ cents	48 cents

"From the foregoing it will be seen that executive charges by the Architectural Office are a fraction only of those by private architects and that the actual cost of building has been substantially less.

"Other aspects of the case have also to be considered— convenience to Government, stores from home, presentation of reports, minor alterations and additions, quality of work, etc.

"The Public Works Department has, at various times, been criticised from the point of view of cost of staff as compared with value of work executed, and it can readily be seen that to take away just those works where the expenditure is large and executive charges a small percentage, is to place the Department in a position where this criticism can most easily be made."

In any case there are a thousand and one duties proper to the Public Works Department which it is not suggested should be so handed over—buildings and works of essential importance but of no spectacular value—and the staff must be maintained to cope with them. The occasional transfer of a big undertaking would make comparatively little difference to the regular staff it is necessary to maintain, and could hardly result in any economy unless in the case of *very* exceptional works.

The Government experience of outside Public Works on the few occasions where we have contracted out has always enhanced the reputation of our own officers, and I am glad of this opportunity to champion their cause. (Applause).

Their work may not be showy—they are forced to consider utility first—and its first cost may at times be high. But we have keen and efficient overseeing of all detail, and the reduction of upkeep amply restores the balance in the ultimate cost. I am glad of this opportunity to say a word on behalf of our Public Works Department whose work throughout is, I believe, acknowledged to be at least as good as any to be found in the Colony. (Applause).

There is one final consideration in this connection. The idea may be that contracting out would secure more rapid progress in any one building. Progress, however, is rather a matter of work that can be done in a limited area, but still more of the money provided. The Government purse is not unlimited, and the first calls are the many works that are little noticed but are essentially necessary, and no more funds in any year could be provided to an outside contractor than to the Public Works Department.

The question of aviation in Hong Kong has been prominent in the Debate. In such a new and untried subject I suggest that very close thought is required at the outset to find the fundamental principles that should guide us locally. Aviation is not a local concern—even a Training School and a Flying Club can exist only as parts of a wider whole. No large aviation enterprise has ever started—and few if any exist—without a subsidy of the kind that can only be provided by a National Government which is too big for a Colony like Hong Kong to consider and there are many considerations other than the subsidy—they need no reference—which make it necessary to rest any aviation scheme which is to be given a hope of success on national assistance. We can be sympathetic and ready to do our bit, but we cannot stand on our own feet alone and it is with this in mind that entries to foster aviation have been made in the Estimates.

The figures may almost be taken as token figures—an earnest of our sympathy which must be strong to find the sums promised in these times. The sums are as much as we can afford, and have comparatively little connexion with the requirements of any scheme, as these requirements cannot yet be estimated with reasonable accuracy. The money, however, is ready and will be available for any proposition which the Government is satisfied will offer a reasonable chance of success; but such a scheme must inevitably show a close connexion with wider schemes covering hemispheres. Our mite would be useful then and would be forthcoming. As shewing the difficulties of arriving at a decision in this matter, the Secretary of State has intimated that it will be necessary for him to be satisfied of the soundness of any scheme proposed before he can sanction the expenditure even of the sums entered in the Estimates.

I note in passing that the Hon. Mr. Shenton refers to an offer of \$60,000 spread over three years. I am not aware what this refers to. The amount provided in the Estimates is \$300,000 spread over five years.

We are not meanwhile delaying in providing accommodation at Kai Tak. A new commercial aviation hangar is under consideration, and the facts and figures you have heard to-day from the Hon. Mr. Shenton are being carefully weighed so that

the new hangar, when it is provided, shall as far as possible be sufficient for all needs. But the uncertainties of every phase of the subject of aviation make the question an exceedingly difficult one.

Turning to the Kowloon Post Office, I fear I have small satisfaction for hon. members if they were hoping that the plans and preliminaries were ready for an early start of the work. It is only recently that the scattered requirements of Kowloon were crystallised into the idea of a large building which would house a number of Departments and to some extent relieve Kowloon residents of the trouble of crossing to Hong Kong for Government work. Much has to be done before it is even possible to begin on the design, and no more can now be said than that the requirements of the various departments are being examined. One thing only is clear—that it would be uneconomic to design a Post Office only which might well have to be pulled down in the near future.

The Hon. Mr. W. H. Bell has referred to the question of Harbour dues. Reference to the Colony's Estimates will show that the expenditure on the Harbour is consistently greater than the Revenue, and perhaps the shipping interests are rather liable to forget such items as Water Police, the hydrographic survey, dredging charges, Praya walls and the upkeep of Harbour Department buildings. Any shortage has necessarily to be made good from the general revenue of the Colony, and the Government is not prepared to disturb to the further disadvantage of the general taxpayer the existing distribution of taxation.

The question of introducing a compounded fee has been carefully considered, but it is the Government's opinion that the fairest method of taxation is that based on the use made of the port. On this basis Hong Kong is a cheap port as compared with other ports offering the same facilities.

It should be noted that river steamers pay according to the number of entries per month. They are therefore no exception to the rule of payment according to use made of the port.

I am in this matter only repeating some of the conclusions reached in a detailed correspondence with the Chamber of Commerce of a few months ago. The bearings of the question were then fully considered, and in the view of the Government no sufficient reason has yet been shewn for varying the decisions then taken.

The Outpatients Department at the Kowloon Hospital is a suggestion with which the Government has every sympathy. It is too late for the Budget before you, but I am authorised by His

Excellency to state that the question will be reviewed as soon as may be in 1933 and that if the finances allow, a vote will be asked for to make a beginning with the work.

I take the opportunity here, in connection with several questions concerning the Medical Department, to say generally that the Director of Medical and Sanitary Services is engaged with the Law Officers in formulating his views for the re-organisation of the Medical and Sanitary work of the Colony. The task is an arduous one, but when complete will make it possible to view the whole suggestion in the simplest possible way as a comprehensive whole.

The Cemetery in the centre of Kowloon must undoubtedly go in the course of time; but as it still provides room for 5,000 burials a year, other accommodation must be found before it can be given up. Arrangements for other accommodation, on the Sha Tin hills, have been under discussion for some time, and it is hoped that a concrete scheme will soon be available. When that is so, it should be possible to remove this obstacle to the expansion of Kowloon.

A point with reference to the Yaumati Slipway, and to a question asked by the Senior Unofficial Member—The personal emoluments of the Yaumati Slipway do not amount to \$33,313 but to \$24,534, which includes \$5,041 in respect of clerical staff which last year was shown separately. The entries for acting pay and overtime allowances at the foot of the page are for the whole of the Harbour Department and are not confined to the Slipway staff.

Finally the Hon. Mr. Braga asked a question concerning the recommendations of the Road Passenger Transport Committee. Reference to the call for Tenders, which is very full and detailed, and accepts the recommendations made will I hope supply the information desired.

I am anxious before I sit down to tender to Unofficials our thanks for their courtesy and helpfulness in the work that the annual Budget involves. The fact that the wheels in Hong Kong run so smoothly is due not to the absence of difficulties, but very largely to the assistance afforded by the Unofficials in meeting them.

And finally a word of thanks to Mr. Grantham of our Cadet Service, round whom the Estimates have revolved from the first sittings of the Government Committee until to-day. It is rather heart breaking work but he has done it well and there was never a question I asked him but that he could find the answer at once, and perhaps even give it accurately from memory. And you will agree he earns a word of commendation when I tell you that I saw no single sign of depression in him throughout the whole period. (Applause).

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— Honourable Members of the Legislative Council: The very full replies made by my official colleagues to the criticisms of the unofficial members have left little for me to say apart from certain general observations on the trend of the debate.

The Government cannot but be gratified at the cordial reception given to the Budget and I associate myself very fully with the congratulations tendered to the Colonial Secretary on his able introductory speech. I desire to place on record my personal indebtedness to the Colonial Secretary and his staff and to the heads of the principal departments and in particular to the Treasurer and the Director of Public Works for their excellent work in the preparation of the Estimates and of the memoranda which accompanied them.

I am glad to find that our efforts to improve the form of the Budget and our adoption of the system of printed memoranda on finance and public works have again met with the approval of honourable members. The Senior Chinese Unofficial Member may rest assured that we welcome suggestions for improvement and that any suggestions made will receive full consideration.

The Budget as a whole involves large sums of revenue and expenditure, and while it is only to be expected that honourable members should feel some disappointment at the absence of works in which they are specially interested, I would venture to remind them that, large as the revenue is, we are bound by the limits of that revenue and as we must balance our budget new items of expenditure can only be inserted on one of two conditions, either works already inserted must be cut out or new taxation must be imposed to meet the additional cost. After listening to the Honourable Mr. Braga's appeal for a more progressive policy in Kowloon and to his accusation of timidity on the part of the Government, I feel it necessary, while fully acknowledging the propriety of his enthusiasm for our possessions on the mainland, to sound a note of warning. I am glad to find that our policy of keeping our reserve funds at not less than \$10,000,000 meets with general approval and that the honourable member has found no support for his theory that it represents a timid policy; and when it is realized that apart altogether from loan works and maintenance votes, we propose to spend no less than \$1,719,600 on Public Works Extraordinary in Kowloon and New Kowloon next year, I feel sure that his suggestion that we are pursuing a policy of economy amounting to harmful stagnation will meet with a similar lack of support.

Large revenue figures have their dangers for unofficial members no less than for heads of departments. It has been my

experience that the squandermania which such figures are said to encourage, if I may be permitted to use a word which comes readily to the lips of the critics of governments when funds run low, is more often due to unofficial pressure than to any other cause. I trust therefore that my unofficial friends will forgive the Government if it fails at times to respond to their blandishments and declines to undertake works which, however desirable in themselves, might tend to involve the Colony in future financial difficulties. Our present programme involves heavy future commitments and so far from extending the list, it will be necessary to proceed very cautiously until we are reasonably sure of our revenue for next year.

The Senior Chinese Unofficial member and the Honourable Mr. Shenton have both drawn attention to the unsatisfactory trade conditions at the present time and of this we have some indication in a falling off of our revenue below the estimates for the current year. We hope it is only a temporary phase. Should it prove otherwise the Government may be obliged to curtail its programme of works for next year in order to avoid the necessity for increasing taxation.

The natural anxiety of the Colony that there should be no delay in the building of the Gorge Valley Dam on the Shing Mun River is reflected in the speeches of several honourable members. Knowing this anxiety, which indeed the Government shares. I telegraphed to the Secretary of State on 27th September for the latest information on the subject. I am glad to be able to inform honourable members that a reply has reached me this morning. I am authorized to assure the Council that the work is being expedited with the least possible delay. The Resident Engineer expects to reach Hong Kong on 17th November and the majority of the staff to be sent from England should arrive before the end of the year. The Consulting Engineers have prepared detailed drawings of the location and probable extent of the foundations of the dam so that arrangements can be made for excavation to proceed at an early date and for the opening of quarries. The Crown Agents hope to invite tenders at an early date for excavating and quarrying plant.

In the circumstances I hope I am justified in assuming that the Honourable the Senior Unofficial member will not press his request for a further telegram.

I desire to associate myself with the unofficial recognition of the work of the Police Force during the past year. With the very able assistance of the Military and Naval Forces for which I tender our thanks to His Excellency the General Officer Commanding the Forces and to the Commodore, and of the Police Reserve and the District Watch Force, the Police Force has been

able to cope efficiently with the very considerable difficulties of the past year. (Applause).

The Government is glad to find that its efforts to introduce a larger element of local personnel into some of the higher ranks of the Government service meet with general approval in spite of a temporary increase in the personal emoluments votes during the transitional period. While on this subject I might correct an erroneous impression left by the Senior Chinese Unofficial Member's speech that promotion is made solely on the grounds of seniority. I can assure the honourable member that this is not the case.

The Honourable Mr. Shenton has referred to the proposed country residence for His Excellency the Governor in the New Territories. I am sure the support given by the Council to this proposal will be very gratifying to His Excellency Sir William Peel who has authorized me to say that when a new Government House, on a cooler site, is ready for occupation, as we hope it soon may be, for the present Government House, which was built in 1852, is seldom free from workmen, His Excellency is prepared to relinquish Mountain Lodge as a Governor's residence.

Honourable members will no doubt have noticed the omission from this year's estimates of the provision for the Chinese School at the University. This is due to the recommendations of the committee appointed to consider the teaching of Chinese at the University and not to any lack of sympathy on the part of the Government with the study of Chinese. It is hoped that the University will in future be able to provide the funds necessary to carry out the recommendations of the Committee and so relieve the Government of this recurrent charge.

Another item to which I wish to refer is the request, supported by all the unofficial members, for a larger subsidy for the Society for the Protection of Children. I rejoice to find the work of this Society so fully recognized and the Government's high appreciation of its work is acknowledged in the increase of the grant for next year from \$3,000 to \$5,000. It has been suggested that this grant be increased to \$10,000, but as at present advised I am unable to accede to that request.

With a Society of this kind which has a very definite claim to charitable support from the general public, it is necessary to preserve some balance between private subscription and Government grants, and while I am prepared to ask this Council to vote a subsidy on a dollar for dollar basis, or even higher, up to some definite limit, I do not feel able to support the Society to the extent of making it practically an unofficial Government Department. I would therefore ask honourable members to study the list of

subscribers in the last annual report of the Society and to consider whether this excellent Society is receiving its full measure of support from the general public. I should like to see a much larger list of annual subscribers and should then feel more justified in asking you to increase the subsidy from Government Funds.

I notice a curious omission from the Honourable Mr. Shenton's list of outstanding events of the year in the absence of any mention of the Empire Products Fair, to which the Honourable Or. Ts'o has made a passing reference. The omission is doubtless due to a feeling of modesty but I should be failing in my duty if I did not insert it in the list and make public acknowledgment of our indebtedness to the Honourable Mr. Shenton and the Honourable Mr. Braga for all they did to make the Fair a success. (Applause). It rests largely with British merchants here and elsewhere to see that a permanent benefit accrues to Empire Trade as the result of the Fair which brought prominently before the public the excellence and abundance of local and other British products.

Before I close my remarks I should like to associate myself with the Honourable Mr. Shenton in his graceful tribute to the work of His Excellency the Governor. There is probably no one who knows better than myself the care which His Excellency devotes to everything connected with the progress and development of this Colony. We look forward to welcoming His Excellency and Lady Peel on their return to the Colony in the middle of November next.

Honourable members, I thank you for the careful scrutiny you have given to the Estimates, for the helpful suggestions you have put forward and for your continued co-operation with the Government in all matters which make for the welfare and prosperity of Hong Kong. (Applause).

The motion for the second reading was put and agreed to.

The Bill was read a second time.

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

Upon Council resuming,

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

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

### RESOLUTIONS.

THE COLONIAL SECRETARY.—The six resolutions dealing with expenditure from Loan Funds, standing in my name have been left to the last to allow opportunity for criticism during the Budget debate. No query has been raised, and I may assume that the explanations set out in the memoranda of the Colonial Treasurer and the Director of Public Works have satisfied the Council and that it is now only necessary to move the resolutions formally.

I move that this Council approves of the expenditure of \$66,398 on the Shing Mun Valley Water Supply Scheme (First Section) during the financial year 1933 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony.

THE COLONIAL TREASURER seconded, and the resolution was agreed to.

THE COLONIAL SECRETARY.—I move that this Council approves of the expenditure of \$263,000 on the Aberdeen Valley Water Scheme during the financial year 1933 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony.

THE COLONIAL TREASURER seconded.

THE HON. SIR HENRY POLLOCK.—Is this mainly for catch-waters?

THE DIRECTOR OF PUBLIC WORKS.—It is in connection with catch-waters, and for the completion of the tower dam.

The resolution was agreed to.

THE COLONIAL SECRETARY.—I move that this Council approves the expenditure of \$50,000 on the Shing Mun Valley Scheme (Second Section) Preliminary Works, of which \$30,399.17 was expended in 1931, \$9,600.83 in 1932, and the balance \$10,000 is to be expended in 1933, which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony.

THE COLONIAL TREASURER seconded and the resolution was agreed to.

THE COLONIAL SECRETARY.—I move that this Council approves of the expenditure of \$1,525,000 on the Shing Mun Valley Water Supply Scheme (Second Section), Gorge Dam, during the financial year 1933, which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony.

THE COLONIAL TREASURER seconded.

THE HON. SIR HENRY POLLOCK.—We are not quite clear how far this expenditure will carry us in the construction of the dam.

THE DIRECTOR OF PUBLIC WORKS.—The figure is that given to us by the Consulting Engineers as the amount of money they expected to spend during the first year after they started. I think it is rather doubtful whether they will be able to spend it but it is the figure given by the Consulting Engineers. It was never stated what the money was for but it is obviously for plants and excavation work, the opening up of quarries and so forth.

THE HON. SIR HENRY POLLOCK.—May I ask, Sir, whether the Director of Public Works can tell us whether all the necessary information has been sent home to the Consulting Engineers?

THE DIRECTOR OF PUBLIC WORKS.—Yes. They are in possession of all the information asked for.

The resolution was agreed to.

THE COLONIAL SECRETARY.—I move that this Council approves of the expenditure of \$170,000 on the Vehicular Ferry during the financial year 1933 which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony.

THE COLONIAL TREASURER seconded.

THE HON. SIR HENRY POLLOCK.—Can the Director of Public Works tell us when the work is likely to be completed?

THE DIRECTOR OF PUBLIC WORKS.—The completion of the Works depends on (1) the completion of the ferry boats and (2) the completion of the ferry piers. I can only speak of the piers. The work will be finished at the latest by the end of January— possibly earlier.

The resolution was agreed to.

THE COLONIAL SECRETARY.—I move that this Council approves of the expenditure of \$500,000 on the New Gaol at Wong Ma Kok during the financial year 1933, which sum shall be met from a future loan and shall meanwhile be charged as an advance from the surplus balances of the Colony.

THE COLONIAL TREASURER seconded.

THE HON. SIR HENRY POLLOCK.—This is a vote I presume on the structure of the gaol and nothing to do with the approach. Can the Director of Public Works answer that?

THE DIRECTOR OF PUBLIC WORKS.—The money is to be used partly for the approach road, partly for site formation and partly for indents for materials.

The resolution was agreed to.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— The Council stands adjourned until October 20th.

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