

22nd September, 1937.

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PRESENT:—

HIS EXCELLENCY THE OFFICER ADMINISTERING THE GOVERNMENT (MR. N. L. SMITH, C.M.G.).

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

THE COLONIAL SECRETARY (HON. MR. R. A. C. NORTH, *Acting*).

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

THE SECRETARY FOR CHINESE AFFAIRS (HON. MR. E. H. WILLIAMS, *Acting*).

THE FINANCIAL SECRETARY AND COLONIAL TREASURER (HON. MR. S. CAINE).

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

HON. MR. T. H. KING, (Inspector General of Police).

HON. COMMANDER J. B. NEWILL, D.S.O., R.N., (Retired) (Harbour Master, *Acting*).

HON. DR. D. J. VALENTINE, (Director of Medical Services, *Acting*).

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

HON. MR. J. J. PATERSON.

HON. MR. CHAU TSUN-NIN.

HON. MR. LO MAN-KAM.

HON. MR. LEO D'ALMADA E CASTRO, JNR.

HON. DR. LI SHU-FAN.

HON. MR. M. T. JOHNSON.

HON. MR. E. DAVIDSON.

MR. A. G. CLARKE, (Deputy Clerk of Councils).

MINUTES.

The minutes of the previous meeting were confirmed.

NEW MEMBERS.

The Hon. Mr. E. H. Williams (acting Secretary for Chinese Affairs) took the Oath of Allegiance, and assumed his seat as members of the Council.

PAPERS.

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

Notification relating to the cancellation of Notification No. 140 published in the *Gazette* of the 5th March, 1937, and Notification No. 201 published in the *Gazette* of the 25th March, 1937, dated 13th July, 1937.

Notification made by the Governor in Council under Section 73 (1) of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, relating to Hammer Hill Urn Cemetery, dated 13th July, 1937.

Amendments made by the Governor in Council under sections 25, 33 and 42 of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, to Table M in the Schedule to the said Ordinance, dated 19th July, 1937.

Amendment made by the Governor in Council under section 42 (1) (c) of the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, as enacted by the Merchant Shipping Amendment Ordinance, 1935, Ordinance No. 28 of 1935, to Table S in the Schedule to the said Ordinance, dated 19th July, 1937.

Notification made by the Governor in Council under section 73 of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, relating to Chai Wan Cemetery, dated 20th July, 1937.

Resolution made and passed by the Legislative Council on the 28th day of July, 1937, under section 49 (4) (b) of the Rating Ordinance, 1901, Ordinance No. 6 of 1901, (as enacted by section 2 of the Rating Amendment Ordinance, 1935, Ordinance No. 10 of 1935).

Regulations made by the Governor in Council under section 2 of the Emergency Regulations Ordinance, 1922, Ordinance No. 5

of 1922, regarding the Prevention and Mitigation of Cholera, dated 4th August, 1937.

Declaration made by the Urban Council, with the approval of the Governor in Council, under By-law 11 of the Domestic Cleanliness and Prevention of Disease By-laws in Schedule A to the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, relating to restrictions on the sale of certain foodstuffs, dated 3rd August, 1937.

Order made by the Governor in Council under section 12 of the Rope Company's Tramway Ordinance, 1901, Ordinance No. 21 of 1901, dated 10th August, 1937.

Regulation made by the Governor in Council under section 2 of the Emergency Regulations Ordinance, 1922, Ordinance No. 5 of 1922, concerning the Prevention and Mitigation of Cholera, dated 17th August, 1937.

Amendment made by the Governor in Council under section 10A of the Defences (Firing Areas) Ordinance, 1936, Ordinance No. 1 of 1936, as enacted by the Defences (Firing Areas) Amendment Ordinance, 1936, Ordinance No. 50 of 1936, to the First Schedule to that Ordinance, dated 21st August, 1937.

Amendments to Rule 1 of the Rules made by the Governor in Council under section 36 of the Tramway Ordinance, 1902, Ordinance No. 10 of 1902, dated 27th August, 1937.

Amendments to the Pensions Regulations A and B made by the Governor in Council, with the sanction of the Secretary of State, under section 3 (1) of the Pensions Ordinance, 1932, Ordinance No. 21 of 1932, as enacted by the Pensions Amendment Ordinance, 1934, Ordinance No. 12 of 1934, dated 27th August, 1937.

Amendment to Table M in the Schedule to the Merchant Shipping Ordinance, 1899, Ordinance No. 10 of 1899, made by the Governor in Council under section 42 (1) (c) of that Ordinance, dated 27th August, 1937.

Amendments to the Boarding-house rules made by the Governor in Council under section 44 (1) of the Asiatic Emigration Ordinance, 1915, Ordinance No. 30 of 1915, and section 3 of the Boarding-house Ordinance, 1917, Ordinance No. 23 of 1917, dated 27th August, 1937.

Regulation made by the Governor in Council under section 2 of the Emergency Regulations Ordinance, 1922, Ordinance No. 5 of 1922, concerning the Prevention and Mitigation of Cholera, dated 4th September, 1937.

Regulations made by the Governor in Council under the Pleasure Grounds and Bathing Places Regulation Ordinance, 1936, Ordinance No. 29 of 1936, dated 9th September, 1937.

Order made by the Colonial Secretary under section 75 (8) of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, for the removal of all graves in those portions of Sections B and C in Mount Caroline Cemetery in which bodies were buried during the year 1929, in that portion of Section A in which bodies were buried during the year 1930, and in that portion of Tung Wah Hospital, Eastern Extension, in which bodies were buried during the years 1929 and 1930, dated 4th September, 1937.

Order made by the Colonial Secretary under section 75 (8) of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, for the removal of all graves in those portions of Section A and Trenches in Kai Lung Wan East Cemetery in which bodies were buried during the year 1930, in that portion of Section C in which bodies were buried during the year 1929 and in that portion of the Chiu Chow Section in which bodies were buried during the year 1928, dated 7th September, 1937.

Order made by the Colonial Secretary under section 75 (8) of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, for the removal of all graves in that portion of Section A in Chai Wan Cemetery in which bodies were buried during the year 1930, and in those portions of Sections B and C in which bodies were buried during the year 1929, dated 7th September, 1937.

Order made by the Colonial Secretary under section 75 (8) of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, for the removal of all graves in those portions of Shum Wan Cemetery, Aberdeen, which are shown shaded black on a plan deposited in the Offices of the Urban Council in this Colony, dated 7th September, 1937.

Order made by the Colonial Secretary under section 75 (8) of the Public Health (Sanitation) Ordinance, 1935, Ordinance No. 15 of 1935, for the removal of all graves in the Tung Wah Hospital Cemetery at Kai Lung Wan in which bodies were buried during the year 1928, dated 7th September, 1937.

Amendment to the First Schedule of the Pleasure Grounds and Bathing Places Regulation Ordinance, 1936, Ordinance No. 29 of 1936, dated 9th September, 1937.

Proclamation No. 8.—Crown Rents (Apportionment) Ordinance, 1936, Ordinance No. 4 of 1936, to come into operation as regards certain lots on 6th August, 1937.

Administration Reports, 1936:—

Part I.—General Administration:—

Report on the Assessment for the year 1937-1938.

Report of the Superintendent of Imports and Exports.

Part II.—Law and Order:—

Report on the New Territories, Northern District.

Report of the Inspector General of Police.

Report of the Chief Officer, Fire Brigade.

Sessional Papers, 1937:—

No. 5.—Abstract showing the differences between the Approved Estimates of Expenditure for 1937 and the Estimates of Expenditure for 1938.

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. 6) dated 28th July, 1937, and moved that it be adopted.

THE FINANCIAL SECRETARY seconded, and this was agreed to.

URBAN COUNCIL BY-LAWS.

THE ATTORNEY GENERAL.—I rise to move that the amendment made by the Urban Council under section 4 (xvi) of the Public Health (Sanitation) Ordinance, 1935, to the by-laws under the heading "Conservancy," on the 17th day of August, 1937, be approved. This by-law repeals the old by-law of the corresponding number and re-enacts it with certain revisions. The by-law provides for the Urban Council arranging departmentally or through contractors for conservancy in certain districts. The districts in question now covered are the whole of the island of Hong Kong, Aplichau, Old Kowloon and part of New Kowloon. The old by-law was much the same except that certain portions of Hong Kong were mentioned instead of the whole of Hong Kong.

THE COLONIAL SECRETARY seconded, and this was agreed to.

THE BUDGET.

THE COLONIAL SECRETARY.—I rise by Your Excellency's command to move the first reading of a Bill intituled "An Ordinance to apply a sum not exceeding \$26,327,343 to the Public Service of the year 1938."

My task of introducing and explaining the Estimates which are now before you has been much lightened by the provision of the

three memoranda which are in your hands and I need not at this stage weary you with a repetition of the numerous details which are fully set out in these documents.

As you will see, the budget has again been prepared in anticipation of a deficit. In normal circumstances such a deficit, large as it appears at first sight, need not be taken very seriously. Estimates of revenue are naturally on a conservative basis. Just as naturally, estimates of expenditure are prepared on the assumption that it will not be necessary to exceed them. It is quite legitimate to proceed on the assumption that most of the very numerous sub-heads of expenditure will at the end of the year prove to be more or less underspent and that, barring accidents, some at least of the heads of revenue will be found to have exceeded the estimate. 1936, and, there is good reason to hope, 1937, are cases in point. But, in the present unhappy state of the world, who can venture to prophesy what will happen in 1938? We can only carry on and hope that we may yet escape the worst.

With such uncertainty ahead the Government feel that it will be unwise to enter upon any large commitments which can reasonably be postponed, and that, if by any means it can be avoided, no additional taxation should be imposed.

As far as can be foreseen, although I admit that is not at the moment very far ahead—it will not be necessary to look for new sources of revenue in 1938. At the same time it is not so easy, as is sometimes glibly suggested, to cut down expenditure in times of depression and to launch out again when conditions improve. Expansion can of course be curtailed or postponed but the normal work of administration must go on. It may even increase during a slump as the records of Police, Prisons and Magistracies show. Actual reduction of Expenditure which is to have immediate effect must generally be at the expense of Public Works, recurrent or extraordinary. Even this is not always possible. The policy which was perforce adopted in 1936 of reducing maintenance votes has left its legacy in deterioration of roads and buildings and it would be false economy to try to starve these services any longer. It is necessary in fact in order to escape very heavy expenditure in the near future to do something to make up lost ground. The vote for Public Works Recurrent has accordingly been increased from \$1,486,500 in 1937 to \$1,600,200 in 1938 and no attempt has been made to reduce unduly those items under Public Works Extraordinary which are of a recurrent nature. The sum provided for Public Works Extraordinary has on the other hand been considerably reduced. The only major commitment carried forward from 1937 is the Government Store, the construction of which has been shown clearly to be a measure of economy. There are, however, certain other items which have been postponed from year to year until their urgency can no longer be disputed. Provision for a beginning in the case of two of the most pressing will be found included. These are a new Mental Hospital and a new Ward Block for the Kowloon Hospital. However uncertain the future may be I feel that Honourable members

will agree that the time has at last come when these works can no longer be safely postponed.

Even more urgent if that were possible is a further extension of waterworks. The position has been very fully and clearly set out in a Sessional Paper printed this year and members have already agreed to the expenditure involved. This is so large that the inclusion of the work among the items the cost of which is to be met from revenue would either have meant the exclusion of everything else or the imposition of fresh taxation if the expected deficit was not to be swelled to an unacceptable size. The Government consider that this and similar expenditure, which can be shown to be remunerative, can properly be met from a new loan. The position is set out in the Financial Secretary's memorandum and I trust that the proposal, which, while safeguarding our cash balances, enables new construction to be financed very cheaply, will commend itself to this Council.

Before I sit down I should like to invite attention to certain items of interest and to a few points not explained in the Memoranda.

The Finance Committee of this Council agreed recently to a proposal whereby as from January 1st, 1938, the number of posts in the various classes of the Junior Clerical Service should bear a certain proportion to the total number of officers in that service. This means an increase in 1938 of the numbers in the higher classes and so involves increased expenditure estimated to amount to about \$7,000. The increase cannot however be shown in the Estimates because it will not be known until the end of the year what individuals will receive promotion under this scheme.

The new scales of salaries, popularly known as the African Scales, appear for the first time in the Estimates. These scales have so far been applied only in the case of new recruits to the Service.

Under Colonial Secretary's Office, it is proposed to recruit two new Cadet Officers in 1938. Since these officers have to undergo a long period of training they will not be ready to take up their duties until the autumn of 1941 and it is necessary to make provision early for possible retirements or transfers.

Under the Head Secretariat for Chinese Affairs will be found provision for one Lady Assistant and three additional female inspectors. These appointments are being made in accordance with the recommendations of the Muitsai Commission and with resolutions adopted by the League of Nations Conference at Bandoeng in 1937. There is a compensating reduction of one Cadet Officer and his interpreter. The reduction is, actually, more apparent than real because it has been necessary, for many years past, to deprive the Secretary for Chinese Affairs of his Third Assistant except during a few months in the winter when the return of officers from leave made it possible to spare one for the post.

Proposals for the re-organization of the Treasury will shortly be put before this Council. They involve, briefly, the transfer of the Financial Secretary to an office at the Colonial Secretariat, and the creation of a post of Accountant General for the supervision of the Treasury work proper. I shall not attempt to go into any detail at the moment because the matter is still under discussion. I may say however that the proposals do not involve any additional expenditure. On the contrary there will probably be a net saving.

The Air Mail payment and subsidy again appear under the Post Office. Of the sums under Sub-heads 2 and 3 £4,250 represents the subsidy at present payable in respect of the service from Hong Kong to Penang. The other figures represent Hong Kong's contribution to what is called the "all-up" service under which all first class mail for destinations within the Empire will be carried by air at ordinary rates. A beginning has already been made elsewhere and we expect that the system will be extended to Hong Kong early next year.

Under Imports and Exports Department will be found provision for the payment of a personal allowance, already approved by the Finance Committee and by the Secretary of State, to Mr. H. A. Taylor in recognition of the value of his services, to the Colony; also, for the salary of an Assistant Monopoly Analyst. The title is somewhat misleading, since the opium monopoly, whatever may have been the case in the past, is now of little importance. On the other hand, the control of liquor and tobacco, both very important sources of revenue, requires technical knowledge not usually possessed by a purely administrative officer. More important still, there is the menace of the traffic in dangerous drugs.

The Finance Committee has agreed to this appointment and steps are being taken to recruit a suitable officer.

I should perhaps say a word about the two large items of Special Expenditure under Harbour Department. The new launch is of course required by the Sanitary Department for towing refuse lighters. The present S.D. 2 is quite unseaworthy and cannot economically be repaired. The diaphone for Waglan will replace the existing apparatus which is out of date and cannot satisfactorily be kept in repair; it is regarded as essential for the safety of shipping approaching Hong Kong.

Air Services show a large increase, inevitable when we consider the sudden and rapid growth of Services using the Air Port.

Provision will be found under Public Works Extraordinary for the construction of a third court at the Central Magistracy. The number of cases heard at this Magistracy has risen to about 40,000 per annum, a greater number than can be dealt with satisfactorily by two Magistrates. The opening of the third court will necessitate some increase in staff.

There is some increase in Police personnel. Provision has been made for ten additional Cantonese Sub-Inspectors—with a corresponding reduction in the number of European Lance Sergeants. It is too early yet to express an opinion regarding this experiment.

A sum of \$5,000 has been included under sub-head 60 of the Medical Department Estimates for the purchase of radium. This sum should be regarded at present as a token. An offer has been received from the Trustees of the Matilda Hospital to sell to the Government the whole or part of the Radium owned by that institution. It has however been thought advisable to defer consideration of the offer until the return from leave of the Radiologist, Dr. Farr. When his advice has been received and considered the recommendations of the Government will be brought in due course before this Council.

Head 27 D appears for the first time.

It is thought desirable that funds should be available for the organization of what would perhaps be better described as Passive Defence, that is to say the protection of the civilian population in case of attack from the air or otherwise. No decision has yet been reached as to the way in which this sum will be expended.

Under Miscellaneous Services there has been a redistribution of grants to certain Home Institutions. A grant to the War Memorial Nursing Home appears in the Estimates for the first time, and a sum of \$20,000 has been provisionally included in view of the possibility that the Pacific Scientific Congress may be held in Hong Kong in 1938. \$25,000 has been provided for a new edition—now somewhat overdue—of the Ordinances and Regulations. Under Charitable Services the grant to the General Chinese Charities Fund has been increased by \$30,000 at the request of the Committee which administers the Fund. The Tung Wah and Associated Hospitals which are the principal beneficiaries have suffered much in recent years through the general fall in income from house property and mortgage interest while their expenses, owing to the high cost of efficiency and to a large increase in the number of patients treated, have swelled from year to year. I should like to take this opportunity to urge those charitable persons and organizations whose contributions hitherto have maintained this splendid institution not to relax their efforts in the future. The Tung Wah Hospital is famous throughout the East, and it would be nothing less than a calamity if it were forced through lack of adequate support to choose between insolvency and coming on the rates.

I have already made a passing reference to Public Works both Recurrent and Extraordinary. Proposals with regard to the latter will be found with full explanations in the memorandum prepared by the Director of Public Works. The only other matter which I think requires mention at this stage is the transfer of Wireless from Public Works Department to Post Office. Under that Department you will find an addition in the person of a Wireless Engineer, and under Electrical

Department, Public Works Department, you will find an addition of one Electrical Engineer. These additions and alterations are consequent on the retirement, in 1938, of Mr. L. H. King. I need not remind you of the splendid work done by Mr. King in connection with the development of wireless telegraphy and broadcasting in the Colony and I am sure you will all wish to associate yourselves with me in expressing our gratitude to him for his past services, and our hope that he will long enjoy the rest he has earned.

I should like on my own behalf to thank the staff of the Colonial Secretariat for their assistance in the preparation of these Estimates and in particular Mr. Clarke who has had to add this work to a day already sufficiently full. Normally the Colonial Secretary has four assistants, but this year we have been one short all through the summer, and this has thrown on the remainder, and on Mr. Davies, the Chief Clerk, a great deal of additional work. The troubles in China too have not made things easier. I hope therefore that, if you find any sins of omission or commission, you will remember these difficulties and look on them leniently.

I now move the first reading of the Bill. (Applause).

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

COLONIAL SECRETARY'S MEMORANDUM ON THE ESTIMATES FOR 1938.

Head 1. His Excellency the Governor.

Provision has been made under this Head for a Private Secretary who will replace the Cadet Officer now acting in that post.

Head 2. Colonial Secretary's Office and Legislature.

Provision has been made for two unpassed Cadets in training whom it is hoped to recruit shortly to relieve a serious shortage of Administrative Officers. A demand for Senior Clerical and Accounting Staff Clerks in other departments has necessitated the transfer of a Class III clerk elsewhere without replacement by another member of the cadre. Provision has been made under "Attached" for three new probationers who will ultimately replace existing and anticipated vacancies in the cadre of this service.

Head 3. Secretariat for Chinese Affairs.

1. The control of factories and workshops is being vested in the Urban Council from the 1st January, 1938, and the Assistant Inspector of Factories with one Class V clerk has accordingly been transferred to Head 23—Sanitary Department. The post of Inspector of Factories which has remained vacant since the death of Inspector Meade, has been abolished.

2. The acceptance of the Muitsai Commission Majority Report has rendered it necessary to make provision for a Lady Assistant and three additional Female Inspectors of Muitsai. The scale of salary proposed for the former is that provided for European mistresses in the Education Department and cannot be taken as final pending the selection of a suitable candidate for the post. Additional provision for Transport has also been made. It has been possible to decrease the existing staff by one Cadet Officer, whose duties will be taken over by the Lady Assistant, and by one clerk, whose duties as interpreter will be carried out by one of the Female Inspectors.

Head 4. Treasury.

1. It is proposed to purchase a new Cash Register to supplement the three existing machines which are in such constant use that not one can be spared for overhaul.

2. For some time past it has been necessary to engage temporary shroffs during busy periods and it is thought advisable to make specific provision for these henceforth.

Head 5. Audit Department.

Under this Head provision has been made for a Personal Pensionable Allowance of £60 per annum to Mr. B. E. Maughan, which has been approved by the Finance Committee.

Head 6. District Office, North.

The sum of \$50 has been provided under this Head for upkeep of the wireless loudspeaker at Taipo Market donated by Mr. W. H. Bell. It is proposed to pay part cost of upkeep and to use the apparatus for the dissemination of public health propaganda.

Head 7. District Office, South.

It has been necessary to provide under this Head for one extra clerk to deal with the extra work involved in the imposition of rates on the Tsun Wan and Cheung Chau areas. The remaining small increases are due to the town planning development in Tsun Wan.

Head 8. Post Office, Radio Traffic Office and Wireless.

A—Post Office.

1. Under Special Expenditure it has been necessary to provide a new Motor Mail Van for the increase of Air Mail traffic which may be expected when the proposed scheme for carriage of all first class matter by air comes into force. Electric clocks will be provided in the General and Kowloon Post Offices for the convenience of the public. Pillar Boxes will be installed at Queen Mary Hospital, Stanley Gaol and at two other points yet to be selected. Provision is made for more

up-to-date equipment in the Registration Branch of the General Post Office with a view to safeguarding against loss or theft of registered articles.

2. Some reductions have been made under various Sub-heads of Other Charges. It has however been necessary to increase the provision for Stamps to pay for the cost of new dies and plates for the expected new issues consequent on the accession of His Majesty King George VI.

3. Under Personal Emoluments, provision has been made for one additional Assistant Superintendent of Mails to take charge of Air Mail. Eight additional Postal Clerks have been provided to relieve a serious shortage of staff, overtime at present being the rule rather than the exception. Two extra Postmen have been provided for the Stanley area, where a kiosk has now been opened.

B—Radio Traffic Office.

There is a net reduction of two posts in the staff of Telegraphists under this Head, three further Telegraphists being replaced by Clerks.

C—Wireless.

1. This sub-department hitherto under the control of the Public Works Department will be transferred to the Post Office from the 1st January, 1938.

2. Under "Other Charges" the former Sub-head "Repairs, Stores and Current" has been divided into two new Sub-heads "Electric Current and Fuel" and "Repairs and Stores" in the interests of greater clarity. The total for these two Sub-heads is \$66,000 as compared with \$60,000 last year, the increase being due to rising prices.

3. Under Special Expenditure \$11,500 has been provided for the purchase of tools which will enable necessary plant to be manufactured locally; it is probable that resulting economies will amount to at least a similar total annually.

4. With the transfer of wireless to the Post Office, the post of Wireless Engineer, included in the 1936 Estimates but omitted last year has been revived, and a new scale of salary, commensurate with the responsibility of the position, has been allotted. Two additional Class II and two Class V Technicians have also been added to cope with the additional work which will result from the establishment of the Kai Tak Station. A number of workers formerly paid daily have been shown separately for the sake of greater accuracy.

Head 9. Imports and Exports Department.

1. The growth of the local heroin traffic made it necessary to provide an Assistant to the Monopoly Analyst this year, provision being made by Supplementary Vote, and this post now appears in the

Estimates for the first time. The long service of the present holder of the post of Monopoly Analyst and his lack of promotion prospects have been recognized by the grant to him of a personal pensionable allowance, already approved by the Finance Committee and by the Secretary of State. An increase in the establishment of one Junior Clerical Service clerk has been necessitated by the increase of work caused by the requirements of Imperial Preference legislation, and a temporary European Revenue Officer has been placed on the permanent establishment.

2. It will not be necessary to purchase any raw opium in 1938 and no provision is accordingly made for "Purchase of Raw Opium, including Rewards for illicit opium". Provision of \$25,000 has been made under Sub-head 20 for "Rewards for illicit opium seizures."

3. It is hoped to replace some of the present Chinese Revenue Officers by a better class of officer with special aptitude for detective work. In order to attract suitable candidates it will be necessary to offer a higher scale of pay and provision for this has been made for the time being in the form of increased Detective Allowances. If the experiment should meet with success it is proposed to introduce a special scale of pay for Chinese Revenue Officers Grade I and to abolish the former system of Detective Allowances.

4. Small reductions have been made under a number of Sub-heads.

Head 10. Harbour Department and Air Services.

A—Harbour Department.

1. Increased prices are responsible for an increase in a number of Sub-heads under Other Charges, and the opening of the Hong Kong Prison has necessitated an increase in the amount provided for Coal for offices, the vote from which coal for all Government buildings is supplied.

2. In the interests of shipping provision is made under Special Expenditure for a new Diaphone for Waglan, the old apparatus being inefficient and liable to break down at any moment. The old S.D.2 launch has been condemned by a Board of Survey and must be replaced at an estimated cost of \$115,000. New electric batteries for Waglan and a new Flasher for Cape Collinson are necessary to replace old installations. Two Government Marine Surveyors will be trained in accordance with Board of Trade requirements next year and provision for their expenses has had to be made accordingly. In view of the increasing difficulty experienced in obtaining steel at short notice, it has been considered advisable to make provision for the purchase of a small quantity of Dalzo rust-resisting steel which will be kept in stock for emergencies.

3. A revised scheme of allowances to Police Boatmen and Seamen which has been brought into force has necessitated a small increase in

these items of Personal Emoluments. One Stoker and one Engineer have been added for the manning of the new fumigation launch, formerly No. 1 Police Launch. The Sub-Inspector of Lighthouses has been granted an accelerated increment in return for his forfeiture of certain privileges granted to him on appointment which are considered inappropriate.

B—Air Services.

1. The increasing importance of the Colony as an Airport has caused a large increase in the total under this Head. Under Special Expenditure provision has been made for the purchase of three rubber buoys for mooring flying boats and for an auxiliary control launch. The duties of this launch will be to clear the landing area for flying boats, roughen the water sufficiently for taking off and act generally as tender to flying boats.

2. The provision of this launch and the increase in the wireless services have necessitated the addition of a crew and of Wireless Telegraphists and Technicians as shown under Airport Ground Staff and Wireless Telegraphy Staff on page 36. A European Marine Supervisor who will be in charge of the launch and will look after the flying boat side generally has also been provided. Six extra Groundsmen have been provided as the present staff of two is totally inadequate to keep the landing area in good condition.

3. The time has now arrived when an additional Assistant Superintendent of Aerodrome has become necessary. Work has increased to such an extent that the Superintendent and Assistant Superintendent have to work in shifts, and the departure of the existing Assistant Superintendent on leave early in 1938 renders the additional appointment imperative.

4. Under Other Charges the vote "Flying Fees for Staff" has had to be increased in view of the appointment of a new Assistant Superintendent of Aerodrome. "Equipment for Aeronautical Inspection Department" has been transferred from Special Expenditure as it appears likely that this vote will be recurrent for some years. Several Sub-heads have been amalgamated and a new item "Upkeep of Motor Boats" appears with the provision of launches.

Head 11. Royal Observatory.

The increase in the figure for the Royal Observatory is accounted for by the provision of an up to date Balloon Theodolite for upper air observations at Kai Tak and by the renovation of the existing Anemograph at the Observatory in order that wind velocities up to 200 miles per hour may be recorded. Recent tests have shown that wind velocities of more than 125 miles per hour are not accurately recorded. It is necessary to increase the staff by one Class V Computer for duty at Kai Tak Aerodrome in connection with weather forecasting for aviation.

Head 12. Fire Brigade.

1. A reduction in the total for Personal Emoluments under this Head is due to the retirement of the Superintendent of the Fire Brigade. Provision has been made for filling the vacancy by promotion. The title and post of Fourth Officer have been substituted by an additional Station Officer. By re-organization of work the number of Assistant Station Officers has been reduced by one. Two posts for Class VIB Telephone Clerks have been abolished with the centralization of the Kowloon Fire Brigade, the holders of these posts having been transferred to the Queen Mary Hospital for duty as telephone clerks. With the disposal of No. 3 Fire Float, it has been possible to dispense with one Class III Engineer and one Class II Seaman. It has been found necessary to provide one extra sailmaker. Somewhat higher scales of salary have been allotted to the posts of Mechanical Engineer and Assistant Mechanical Engineer in view of the responsible duties performed by these officers.

2. An increase in the total for Other Charges is largely caused by the rent payable for the new Fire Station which combines the old Mong Kok and Shamshuipo Stations. Incidentally, the new Fire Station provides two additional married quarters and saves two European rent allowances. More replacements of hose, heavier repairs to Motor Engines and Plant and higher prices account for the remainder of the increase.

3. Two items of Special Expenditure call for special mention. The new ambulance is to replace an existing Albion Ambulance which is worn out and is constantly under repair. The provision of a Motor Turntable Fire Engine Chassis is in one respect something of an economy. Hitherto there have been used in Kowloon a steel fire-escape, purchased in 1934, mounted on a chassis purchased in 1922, and a Merryweather Fire Engine purchased in 1915. The 1922 chassis has recently proved unequal to the strain of the heavy steel ladders and has had to be put out of commission as unsafe. It is now proposed to purchase a new chassis which will carry these ladders as well as a fire pump. If this proposal is approved, it will be unnecessary to replace the 1915 Merryweather Fire Engine which would otherwise have to be replaced at an estimated cost of \$50,000 in another year.

4. The usual provision is made for the progressive replacement of underground hydrants by pedestal hydrants. Two sets of apparatus for chemical fire fighting in Kowloon, at present without such appliances, have been included.

Head 13. Supreme Court.

1. A redistribution of the staff of this department involving some changes of status and title has been made under this Head, but no increase is made in the total establishment.

2. An increase has been made in the Library vote for the purchase of some essential new books over and above normal requirements. A safe is being provided for the use of the Puisne Judge.

Head 14. Attorney General.

Provision has been made under this Head for one temporary stenographer who has been recruited in connection with the revision of the Laws and Ordinances of Hong Kong now in progress.

Head 15. Crown Solicitor.

The only changes under this Head are those due to the introduction of the new scales of salaries applicable to members of the Colonial Legal Service and to the substitution of a fixed salary of £1,350 for the Crown Solicitor in place of the old scale of £1,150 to £1,400 by £50 annually.

Head 16. Official Receiver.

The scale of salary of £1,000 to £1,150 by £50 annually with Residential Allowance has been approved for the new holder of the post of Official Receiver in place of the former scale of £1,000 to £1,200 by £50 annually without allowance.

Head 17. Land Office.

The Land Officer has been provided with a stenographer on the usual scale to enable him to deal with the great amount of routine matter connected with the preparation of Crown leases.

Head 18. Magistracy, Hong Kong.

It has been decided to make the necessary provision under this Head for a third court at the Central Magistracy to cope with the progressively increasing number of cases. Two Class VIB clerks, one messenger, and one coolie additional have accordingly been included, and extra provision has been made under Electric Fans and Light and Uniform for Messengers. The change will it is hoped come into effect on the 1st July, 1938, and the increases have been calculated only on a six months basis with the exception of the two Class VIB clerks, who will be taken on the establishment as from 1st January, 1938, owing to increased clerical work in connection with committal cases.

Head 19. Magistracy, Kowloon.

Provision has been made under this Head for one additional Class VIB clerk in view of the increase in the number of cases, especially committal cases.

Head 20. Police Force.

1. Personal Emoluments under this Head remain almost unchanged despite many changes. Three new Probationers are to be recruited to fill vacancies and anticipated vacancies in the administrative staff, there being a net increase of one post. Two additional Class VIB clerks have been provided to meet deficiencies of staff in the Traffic Office, Kowloon, and in No. 2 Police Station, respectively.

2. A reduction of nine in the number of European Lance Sergeants is offset by an increase of ten Cantonese Sub-Inspectors in accordance with the policy of gradual Asiaticization. One additional Cantonese Lance Sergeant has been provided for Kowloon City and sixteen Cantonese constables for duty as follows:—

- (a) Six for Shamshuipo, a growing district where crime is very prevalent.
- (b) Two for Shing Mun, formerly paid from Loan Funds; it is considered advisable to maintain the Police Station here in view of local conditions.
- (c) One for Kowloon Magistracy, necessitated by additional Court work.
- (d) One detective for Gough Hill Station.
- (e) Two for Upper Levels Station, now without a detective staff.
- (f) One for Pokfulam Station now manned only by Indians. This district has assumed greater importance with residential development and the completion of the Queen Mary Hospital.
- (g) One for Mong Kok Tsui Station.
- (h) One for Stanley Station, also in a rapidly developing district.
- (i) One for the Central Magistracy, in view of the proposed third Court.

3. In the Indian Contingent one post of Probationary Sub-Inspector has been abolished. Two additional sergeants have been provided for Shing Mun and for Kowloon Magistracy respectively and four additional constables for Shing Mun. These Shing Mun posts which now appear in the Estimates for the first time were formerly provided for under Loan Funds.

4. An increase of two Telegraphists is necessitated by the fitting of No. 2 Police Launch with wireless.

5. The increase in the establishment of Anti-Piracy Guards has been made at the request of the shipping companies and the expense will not fall on Government. The Northern Chinese division of Anti-Piracy Guards has been divided into 1st and 2nd Class Constables to correspond with the regular Police.

6. One additional driver is provided for the small van mentioned in paragraph 10.
7. The two Female Probation Officers under Remand Home, Juvenile Offenders, have been placed on the same scale of salary.
8. Under "Other Charges" increases are mainly due to increased prices and to expansion. The increase in the amount provided for ammunition is however due to the fact that owing to the fall in exchange at the end of 1935 it was necessary to cancel the indent for the whole of the ammunition required in 1936, with the result that the reserve supply is seriously depleted. A public telephone is being provided for the Headquarters Traffic Office for the convenience of the public.
9. Under Special Expenditure, some small items designed to secure greater efficiency are explained in the footnotes. More replacements of arms are necessary, and provision for Anti-Gas Equipment is again made, this year's vote not having been spent pending improvements in apparatus.
10. Two new Motor Vehicles are provided for under Sub-head 40; one small patrol van is required for the Shamshuipo Division and one car is required to replace the present Police Car 804 which has been unfavourably reported on by a Board of Survey.
11. Provision for the annual Safety First Campaign has again been inserted under Special Expenditure.

Head 21. Prison Department.

1. Some increases under various Sub-heads of "Other Charges" have been necessitated by the increase in the number of prisoners and by the continued maintenance of Victoria Gaol in addition to the Hong Kong Prison. Should Victoria Gaol be closed, it is expected there will be considerable savings. One post of Chief Warder has been abolished with the closing of Laichikok Prison. Five additional Wardresses have been provided as the average daily number of female prisoners at Laichikok is now over 200, whereas the existing staff was based on an average of 100.
2. The Principal Printing Officer has been granted a slightly higher scale of salary commensurate with his increased responsibilities consequent on the greater amount of Government printing now carried out at Stanley.
3. Some reshuffling of the Indian Staff involving no increase in the establishment will result in greater efficiency and a small saving.

Head 22. Medical Department.

1. Another increase has to be shown in the total of Personal Emoluments under this Head, mainly due to an increase of staff for

the Queen Mary Hospital. Some months' experience of the running of this institution has shown that the present staff is inadequate. The Queen Mary Hospital contains 500 beds as compared with a total of 318 beds for the Victoria and Government Civil Hospitals combined.

2. Under I. Administrative Staff, there is a net increase of one Senior Clerical and Accounting Staff (Local Section) clerk and one Junior Clerical Staff Class VIB clerk. Both these clerks are required to cope with the increasing work; the former in the Births and Deaths Registration Office and the latter part time in Central Medical Store and part time in Head Office.

3. Under III. Hospital Division, General, provision has been made for one additional House Officer for the Queen Mary Hospital. It is considered that one of the House Officers at the Queen Mary Hospital should have a salary commensurate with his responsibilities somewhat higher than the others, and provision has been made for this.

4. Provision for a temporary Storekeeper for nine months under "Drugs and Dispensing", and for a temporary Steward for ten months under "Stewards" has had to be made as the substantive holders of these posts are due for leave in 1938.

5. Under Nursing Staff (General) twenty additional Probationer Nurses are provided for the Queen Mary Hospital. As against this it has been possible to abolish five posts for Probationer Dressers. The appellations "Matrons (Grade I)" and "Matrons (Grade II)" are new, having been substituted for "Matrons" and "Senior Sisters" respectively.

6. Three Class VIB clerks have been added under Junior Clerical Staff (Hospitals). Two of these clerks, who were formerly employed by the Fire Brigade in Kowloon, replace two Telephone Boys under "Queen Mary Hospital" on page 68. The third, who has already been employed during the cholera epidemic, will be required to cope with the increasing work at the same Hospital.

7. Under "School Hygiene" appears a Class VIB clerk formerly paid by the Education Department who will, with the transfer of the office of the Health Officer for Schools to the Violet Peel Health Centre, appear in future under this Head.

8. An Infant Welfare Nurse has been substituted for an Interpreter and Assistant under "Maternity and Child Welfare". The latter has been transferred to "Chinese Hospitals" under which division there is also provided an additional Midwife who has been transferred from the division "New Territories" on page 63, and a new post of Tutor Sister. This post has been included with a view to securing a higher standard of training for nurses in the Chinese Hospitals, as it is felt that the present methods leave something to be desired.

9. Three additional Inspectors are provided for in the Malaria Bureau to deal with a much extended programme of work.

10. Under "Chemical Division", one Assistant Analyst, who is a locally recruited officer, has been placed on a dollar instead of a sterling scale. One Laboratory Attendant has been granted a somewhat higher scale of salary as his responsibilities are higher than those of the ordinary Laboratory Attendant.

11. Provision for the Government Civil Hospital and the Victoria Hospital disappears with the closing of these institutions. In the Mental Hospital the post of Wardmaster is abolished, and an extra Probationer Dresser is provided to perform the duties of this post.

12. One extra House Officer and one extra amah have been provided for the Tsan Yuk Maternity Hospital, now devoted entirely to maternity cases, gynæcological cases being all sent to the Queen Mary Hospital.

13. A full time Electrician is provided to look after the many and varied electrical installations at the Queen Mary Hospital, and for this institution four additional Ward Boys, ten additional coolies, and one extra Cook are considered essential.

14. Under "Other Charges" some increases have had to be made on several Sub-heads to provide for the running of the Queen Mary Hospital for a full twelve months as against only nine months provision in 1937 and because of the general increase in prices. The increase of the provision for "Dental and other Special Treatment" is due to the fact that arrangements have been made to secure the services of a Dental Surgeon for one afternoon a week for the Queen Mary Hospital to give free dental treatment for poor patients. Three Sub-heads have been amalgamated into one under Bacteriological Institute.

15. A large increase has been made in the vote for Anti-Malarial Field Work. This increase is partly due to increased work and partly to the fact that in future, coolies employed by the Malaria Bureau will be paid for from this vote and will not as hitherto be paid by the Sanitary Department.

16. Under Special Expenditure in 1937, provision of \$35,000 was made for "Reserve of Medical Equipment". The total cost of this Reserve is \$70,000 and it was proposed to provide a further \$35,000 this year. It has however been considered advisable in view of the financial situation to spread the programme over three years and accordingly only \$17,500 is provided for 1938. A heavy item of expenditure proposed is the purchase of an X-Ray Therapy apparatus the need of which has been felt for many years. The sum provided for "Purchase of Radium" is in the nature of a token vote; negotiations

are in progress between the Government and the Trustees of the Matilda Hospital for the purchase from the latter of their complete stock of radium. The surgical equipment of the Queen Mary Hospital still leaves a great deal to be desired and \$2,000 has been provided for the addition of further essential items. Certain items of Chemical and Pharmaceutical Apparatus will be purchased to facilitate the training of dispensers.

Head 23. Sanitary Department.

1. Special Expenditure under this Head includes two Refuse Lorries needed to replace old vehicles. One Refuse Barge is necessary as a replacement.

2. Under Other Charges one item of \$2,000 has been inserted for the training of nine new Chinese Probationer Sanitary Inspectors. These new posts are in accordance with the policy of gradual Asiaticization and are offset by a reduction of two European Sanitary Inspectors and five Junior Clerical Service clerks.

3. The control of factories and workshops will be taken over by the Urban Council on the 1st January, 1938. The post of Inspector of Factories formerly under Head 3—Secretariat for Chinese Affairs, vacant since the death of Inspector Meade, has been abolished, and that of Assistant Inspector of Factories has been transferred to this Head, the holder being granted the status of Senior Sanitary Inspector in accordance with his existing scale of salary. One Class V clerk has also been transferred from the Secretariat for Chinese Affairs in this connection.

4. Additional work on the refuse dump at Kun Tong has necessitated an increase of fifty in the number of Scavenging Coolies. The actual increase is only twenty-five, as twenty-five were approved in April of this year, when a Supplementary Vote was taken for the purpose.

Head 24. Botanical and Forestry Department.

Provision of \$2,000 for the planting of flowering shrubs has again been made this year. Three mowing machines will be purchased, one for use at the Central British School and two for the Hong Kong Prison at Stanley. One Leading Gardener has been added to look after the grounds of the new prison.

Head 25. Education Department.

1. The capitation grants show an increase due to the restoration of the 10% economy cut made in this year's Estimates and also to the greater number of pupils now attending. The increase in the total of Grants to Urban Vernacular Schools in Hong Kong is due to the adoption of the capitation basis of payment which has been recommended by the Education Board. The figure of Subsidies to Schools in New

Territories has been increased partly because of the growing number of schools in that area, and partly because of a revised system of payment which has been approved by the Education Board.

2. The sum provided for "Tools and Equipment" under "Trade School" represents the final instalment for the purchase of the equipment necessary for this institution.

3. Under "Building Grants", sums of \$10,000 and \$8,650 for St. Mary's School, Kowloon, and for the Heep Yunn School, respectively, have been provided. These grants have been recommended by the Education Board in accordance with the provision of the Grant Code.

4. An increase is shown under Personal Emoluments. Staffing of the Trade School has necessitated some changes. Two posts, Chinese Assistant Instructors, have been abolished and replaced by a University Trained Master and by a Probationary Assistant Chinese Instructor. Additional posts of one European Instructor in Wireless Telegraphy and Electro-Technics, one Assistant Instructor, Building, one Senior Chinese Instructor in Engineering, and one Chinese Telegraphist, Class IV have been created, while one Class V Clerk and one Store Foreman are not now required.

5. In addition to the extra University Trained Master for the Trade School, eight more such posts have been provided as well as one University Trained Mistress (formerly described as a University Trained Master). As against this increase, there is a decrease of one Master, one Mistress and one Temporary Mistress in the British Staff, and a reduction of two Anglo-Chinese Masters. The apparent increase of staff is temporary, being due to the fact that the change in the University year brought about four years ago will have its effect in 1938, in which year no University Trained Masters will qualify.

6. Revised scales of salary have been introduced for new recruits to the British Staff. The 25% cut in the fees to lecturers at the Evening Institute was removed in 1937. The present rates are \$7 an hour for a class of less than 15 pupils and \$8 an hour for a class of more than 15. These rates are thought to be unduly low and provision has been made in 1938 for payment at a flat rate of \$9 an hour.

7. The development of Physical Training in Schools recommended in the Burney Report has necessitated further increases in staff. The three Chinese Temporary Physical Training Instructors have been increased to ten and provision is also made for two Chinese Female Physical Training Instructors. Scales of salary which are admittedly somewhat experimental have been attached to these posts. It was found necessary to offer a fairly generous scale of salary to attract a suitable candidate for the post of Physical Training Supervisor, the figure of £400 provided in this year's Estimates having proved unattractive. The same remarks, *mutatis mutandis*, apply to the post

of Chief Instructor, Junior Technical School, described in the 1937 Estimates as Pattern Maker.

8. Other Charges show few changes as compared with this year, apart from the items already referred to, increases in Conveyance Allowances, Transport and Uniforms being almost entirely due to the increase of the Physical Training Staff.

Head 26. Kowloon-Canton Railway.

1. Various alterations have been made in the duties and distribution of the Subordinate Staff in the interests of efficiency, new posts being more than offset by corresponding abolitions. The cost of the salaries of four Tube Cleaners and two Chippers will be more than offset by savings resulting from greater locomotive efficiency.

2. Under Special Expenditure it has been necessary to provide for new Locomotive Staff quarters at Hung Hom as the present building, over fifty years old, is considered dangerous by the Building Authority. It is proposed to improve Kowloon Station at a cost of \$7,100, mainly by the extension of one of the existing platforms; at present only one platform is sufficiently long to accommodate the through expresses. The installation of double wire signalling at Fanling Station at a cost of \$8,000 will not only expedite train crossings but will enable annual recurrent savings of more than 10 per cent. on the outlay to be made. Two coaches over twenty years old are to be reconditioned, and one locomotive boiler is to be replaced at the end of its efficient life. An arrangement has been made with the Kowloon Motor Bus Company, whereby the present bus service between Taipo Market and Fanling crossroads will be replaced by a railbus shuttle service, and provision for a railbus at a cost of \$8,000 has accordingly been made. The Yuen Long-Sheung Shui and the Shataukok-Fanling Railway Station bus services will be linked up by the former service being extended to Fanling Railway Station. It is proposed to purchase two new motor cars to replace two of the existing Morris 1926 models still in use on Government Service in Kowloon.

Head 27. Defence.

A—Volunteer Defence Corps.

1. An increase in the strength of the Corps has necessitated extra provision for Uniform under Other Charges and also additional equipment, rifles and motor cycles under Special Expenditure. The Bren machine-gun has now been adopted in the Army as standard in place of the Lewis gun, and it is considered essential that two such guns should be provided to maintain the efficiency of the Corps.

2. Provision is made for a new post of Armourer Staff Sergeant. Arms have hitherto been cared for by the Police Armourer when available, an unsatisfactory arrangement which has resulted in considerable expense due to heavy depreciation of arms from lack of

attention. It is expected that the new appointment will result in considerable savings under Sub-head 11, Equipment and Upkeep of Arms.

3. The new post of Assistant Storeman is considered necessary in view of the quantity and value of the store maintained.

4. The Causeway Bay stables will be kept up in future by the Public Works Department and the small vote provided for this purpose in former years under this Head is no longer required.

B—Hong Kong Naval Volunteer Force.

1. The total for Other Charges shows an increase mainly due to the provision of rations for Ratings attending drills. The present bounty of fifteen cents per man per drill hardly pays travelling expenses in most cases and it is hoped that a better attendance will result with this provision of rations in addition. An anticipated increase in the amount of training is reflected in the increase of the sum provided for Expenses of Mine-Sweeping and Exercising.

2. It has been necessary to raise the salary for Officer Instructor to £600 in the hope of attracting a suitable candidate. The post is as yet unfilled.

3. It is hoped to attract a better class of seaman by raising the status to Class I on a slightly higher scale of salary as against Class II this year. The small additional expenditure is expected to result in greater efficiency.

D—Air Raid Precautions.

A sum of \$50,000 has been provided under this new Head to commence a programme of Defence measures. No definite allocations from this amount have yet been made.

Head 28. Miscellaneous Services.

1. The contribution from this Government to the Advisory Committee on Education in the Colonies has been increased from £128 to £170. Grants of £174 to the Imperial Agricultural Bureaux and Farnham House and £116 to the Imperial Economic and Imperial Shipping Committees replace the grants of £12 to Farnham House and £250 to the Imperial Economic, Imperial Shipping and Imperial Agricultural Bureaux for this year in accordance with instructions from the Secretary of State consequent on a reorganization of these institutions. The net increase in the two grants is £28.

2. The annual subsidy of \$15,000 to the War Memorial Nursing Home which has been agreed to by the Legislative Council and was provided by Supplementary Vote in 1937 appears in the Estimates for the first time. The sum provided is the maximum payable. An

endowment fund is being raised by the supporters of the Home and Government has agreed to pay each year a sum equivalent to 3% of the cash balance of the fund on the 31st December of the preceding year, subject to a maximum of \$15,000.

3. Provision for the Institution of Civil Engineers is not required for 1938 in view of the fact that the particular research which the grant was designed to facilitate has now concluded.

4. A proposal to hold the Pacific Scientific Congress in the Colony in 1938 is at present under consideration, and the Estimates include a sum of \$20,000 as a contribution to its expenses by Government, the Finance Committee having approved such a contribution being made in the event of the Congress being held here.

5. The grant to the Broadcasting Committee has been increased to \$70,000 to provide for payments in respect of Performing Rights in accordance with the contract concluded early in 1937.

6. Part of the increase in Rent Allowances is due to the condemnation of Queen's Gardens. A large increase in the vote for "Stationery, Prisons Department" is due to the greater volume of printing undertaken by the Printing Department and to increased prices.

Head 29. Charitable Services.

1. The provision for the grant to the Aberdeen Industrial School has been increased in view of the increased number of inmates. The grant consists of a fixed minimum with an addition varying with the number of inmates which is expected to reach its maximum of fifty in 1938.

2. The General Chinese Charities Fund will receive an additional grant of \$30,000. The grant has remained at \$110,000 since 1932 and of this sum \$91,000 is normally allotted to the three Chinese hospitals, the Tung Wah, the Tung Wah Eastern and the Kwong Wah. The number of patients has increased from 434,425 annually in 1932 to 579,523 in 1936, and the income from endowments has decreased. It is considered that an increase of approximately 33.1/3 per cent. in the grant from Government is justifiable, more particularly as many expensive improvements in equipment and working have been made on the initiative of the Medical Department.

3. The General Charities Organization has now been merged with the Hong Kong Benevolent Society and the votes have accordingly been combined. The small grant in previous years to the Victoria Home and Orphanage, now defunct, is provided in 1938 for the Rural Orphanage, Taipo.

Head 30. Charge on Account of Public Debt.

A decrease is shown under this Head due to the progressive redemption of outstanding bonds.

Head 32. Public Works Department.

1. The control of the wireless services is now vested in the Postmaster General and many Sub-heads of expenditure accordingly disappear from under this Head.

2. Under City Hall Library (and Museum) and additional sum of \$250 has been provided for the making of copies of the more important "finds" made during the recent excavations at Lamma and other islands. Under Electric Fans, Light and Gas, additional provision of \$1,000 has been necessitated by the fact that the new lighting contract with the Electric Company does not provide for the illumination of piers. The vote for Maintenance and Supply of Furniture has been increased as provision for previous years has proved insufficient.

3. There are few changes under Personal Emoluments. One new post appears on page 97. This post in the Crown Lands and Survey Office was filled by a Senior Clerical and Accounting Staff clerk in 1936. This year the post was left vacant, and it is now proposed to fill the vacancy with a Class III (Local Section) clerk. One Class VIB clerk has been transferred from the Colonial Secretary's Office in connection with the transfer to the Public Works Department of all indents on the Crown Agents. The forthcoming retirement of Mr. L. H. King, Chief Electrical Engineer, necessitates the recruitment of an Electrical Engineer and it has been considered desirable to make the appointment before the retirement takes effect to avoid slowing-up the work of the Sub-department. One draughtsman has been replaced by a computer on a lower scale. Motor Drivers and Lorry Drivers have been amalgamated into one class and one new post has been added as the number is insufficient for the 33 motor vehicles unless considerable overtime is worked.

4. Under Special Expenditure a number of replacements has been considered essential. A Recording Voltmeter is necessary for checking the supply of current to Government buildings, and more efficient working in Government quarries will be secured by the provision of an up to date Granulator which will do the work of two existing machines.

Head 33. Public Works Recurrent.

Provision under this Head has been substantially increased this year. The heavy reductions made in the totals allotted during 1936 and 1937 have meant that upkeep and repairs could not be carried out and deterioration has resulted. It is felt that it is essential to make an effort to catch up with the arrears in 1938.

**NAVAL ESTABLISHMENTS POLICE AMENDMENT
ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the Naval Establishments Police Ordinance, 1875." He said: This makes a few amendments in the principal Ordinance which are explained in the memorandum of Objects and Reasons.

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 powers of a member of the Royal Naval Establishments Police acting under section 2 of the principal Ordinance are restricted to the area within the Establishments, so that although he can arrest an offender within the Establishments he cannot pursue him outside the Establishments nor take him in custody to a police station or to a magistrate's court.

2. Clause 2 of this Bill remedies this defect by substituting a new section for section 2 (which it repeals) of the principal Ordinance.

3. The new section 2 also makes it clear that the Naval Establishments Police have the same powers on water within the Establishments as on land, and extends those powers to the waters of the harbour within 100 yards of the Establishments and to the Naval Anchorages.

4. In new section 2 the words "protection and privileges" which appeared in old section 2 have been omitted as unnecessary and possibly misleading. Members of the Naval Establishments Police are not also members of the police force of Hong Kong under Ordinance No. 37 of 1932, and the word "privileges" suggests pay, passages, pensions, allowances, quarters and other privileges which would normally be dealt with in the Commodore's regulations, and which might be very different from the "privileges" of "officers of police of corresponding rank".

5. Clause 3 of this Bill, by adding a new sub-section (1) to section 5 of the principal Ordinance, transfers to that section as more appropriate thereto the power contained in old section 2 of the principal Ordinance to make rules and regulations for the government of the Naval Establishments Police.

FACTORIES AND WORKSHOPS ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend the law relating to factories and

workshops and to the employment of women, young persons and children in certain industries." He said: The object of this Bill is to repeal the existing Factories and Workshops Ordinance and two amending Ordinances, and to consolidate them in a new ordinance, the principal point of which is that the control of these factories will be transferred from the Secretariat of Chinese Affairs to the Urban Council.

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 Bill is to transfer the office of Protector of Labour from the Secretary for Chinese Affairs to the Chairman of the Urban Council and to vest the control of factories, workshops and the employment of women, young persons and children in certain industries in the Urban Council.

2. Upon the enactment of the Factories and Workshops Ordinance, 1932, (No. 27 of 1932), it was considered desirable that the powers of the Protector of Labour under that Ordinance should be exercised by the Secretary for Chinese Affairs with the assistance of qualified Inspectors of Labour until the persons and industries affected should become accustomed to a measure of regulation.

3. With the passage of years the reasons for this arrangement have disappeared, and it is now proposed to effect the transfer above-mentioned.

4. This Bill is based upon the provisions of Ordinance No. 27 of 1932, which, with the Factories and Workshops Amendment Ordinance, 1936, (No. 30 of 1936), it repeals.

5. In this Bill, clause 5 of which gives the necessary powers of regulation to the Urban Council, and clause 4 a power of inspection to a select committee of that Council, the opportunity has been taken to effect certain amendments which experience has shown to be necessary and to revise and consolidate, in the form of by-laws, the regulations made under Ordinance No. 27 of 1932 and set out in the Schedule to that Ordinance and Government Notifications Nos. 660 of 1933 and 784 of 1936, published in the Government Gazette of 6th October, 1933 and 20th September, 1936, respectively.

6. By fixing 14 years as the minimum age for employment in industrial undertakings (Clause 2 (1) of the Bill and by-law 5 in the Schedule thereto) and increasing the period during which women and young persons may not be employed during the night in ordinary circumstances to 11 hours (by-law 8 in the Schedule), effect is given more fully to the International Labour Conventions fixing the minimum

age for admission of children to industrial employment and concerning the night work of women and young persons employed in industry which were adopted at Washington on 28th November, 1919, and communicated by the Secretary of State in his circular despatch of 13th August, 1921. The Conventions have in actual practice been adhered to by employers of labour in the Colony for some time, with the possible exception of the provisions regarding night work.

7. A Table of Correspondence is attached showing the variations between this Bill and the provisions of the Factories and Workshops Ordinance, 1932.

MAGISTRATES AMENDMENT ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to amend further the Magistrates Ordinance, 1932." He said: The object of this Bill is to give a magistrate discretion as to whether he will or will not grant bail in cases relating to dangerous drugs. It is important in some cases that bail should be refused where hitherto bail has been allowed if sufficient security has been put up. In some cases where it is felt that the prisoner might abscond the magistrate has fixed bail to such a large amount as to be prohibitive and amounting, in fact, to a denial of bail. It is thought better to amend the Ordinance so that he will now be able to refuse bail altogether instead of fixing it at a prohibitive amount. This amendment is confined to dangerous drugs.

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

Objects and Reasons.

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

1. Section 97 (2) of the Magistrates Ordinance, 1932, leaves the granting of bail to a person charged with felony or with certain serious indictable misdemeanors therein specified in the discretion of the magistrate. Offences against the Dangerous Drugs Ordinance, which are indictable misdemeanors, are not so specified.

2. Section 97 (3) of the Magistrates Ordinance, 1932, provides that a person charged with any indictable misdemeanor not specified in subsection (2) is entitled to be admitted to bail on producing such surety or sureties for his appearance as the magistrate thinks fit.

3. Recently there has been a great increase in the number of offences against the Dangerous Drugs Ordinance, 1935, and it is considered desirable that the granting of bail in these cases should be in the discretion of the magistrate instead of compulsory upon him on the requisite surety or sureties being produced.

4. The object of this Bill is, therefore, to add offences against the Dangerous Drugs Ordinance, 1935, to the indictable misdemeanors already specified in section 97 (2) of the Magistrates Ordinance, 1932, in order that the granting of bail, in the case of such offences, may henceforth be in the discretion of the magistrate.

**STORES PIER (NORTH POINT) AND ADDITIONAL PIPE LINES
ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the first reading of a Bill intituled "An Ordinance to authorise the construction of a Pier projecting from reclaimed Crown Land at North Point and two new Cross-Harbour Pipe Lines." He said: this is the first Bill enacted under the Public Reclamations Validations and Clauses Ordinance, 1936, which provides certain standard clauses for all buildings of this nature. By virtue of the original ordinance this new ordinance provides only two clauses, all others being deemed incorporated in it.

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. As stated in the preamble to this Bill, it was provided by Ordinance No. 40 of 1936 that the provisions of Part II of that Ordinance (relating to Notification, the hearing of objections, compensation where due, etc.) shall be deemed to be incorporated, unless expressly varied or expected, in any future Ordinance authorising any undertaking for reclamation or other works of a public nature over and upon unleased Crown foreshore and sea-bed, provisionally and subject to the definitive approval of the Governor in Council.

2. The object of this Bill is to give such provisional authorisation in the case of the undertakings described in the Schedule.

**ORDINANCES AND REGULATIONS OF HONG KONG
(1937 EDITION) AMENDMENT ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Ordinances and Regulations of Hong Kong (1937 edition) Ordinance, 1936."

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

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

Upon Council resuming,

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

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

**LIFE INSURANCE COMPANIES AMENDMENT
ORDINANCE, 1937.**

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Life Insurance Companies Ordinance, 1907."

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

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

Upon Council resuming,

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

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

FULL COURT ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Full Court Ordinance, 1933."

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

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

Upon Council resuming,

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

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

ADJOURNMENT.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— The second reading of the Finance Bill will not be taken for three weeks, but it is desired there should be another meeting next week to finish off certain second readings.

Council stands adjourned until Wednesday, 29th September.

FINANCE COMMITTEE.

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

Votes totalling \$230,628 under Estimates 1937, contained in Message No. 7 from H.E. The Officer Administering the Government were considered.

Item 48.—32, Public Works Department:—Special Expenditure. 24, Two Cars \$2,111.

HON. MR. D'ALMADA E CASTRO.—Is it not Government's policy to standardise? Here you have Ford and Morris cars. Would it not be better to stick to one make of car?

THE CHAIRMAN.—We have a small committee which advises on on these matters. I think it is possibly a question of size.

THE FINANCIAL SECRETARY.—I am on the Committee. I should imagine it is a question of having different sized cars for different kinds of work.

HON. MR. D'ALMADA E CASTRO.—There is hardly any difference between the two makes. I believe the Fords are "babies."

THE DIRECTOR OF PUBLIC WORKS.—There is a Committee which sits on all automobile matters. Originally I think, we asked for two cars and the recommendation was put before the Committee. It was thought these cars were better suited to the Colony, more so than English cars. We found there was more money available and thought it advisable to get small cars for use if only one man has to go out on a job. If two or three go out a full size car could be used. These Fords are Canadian-built 22 h.p. ones.

HON. MR. D'ALMADA E CASTRO.—I was under the impression they were small cars.

Item 53.—27, B.—Hong Kong Naval Volunteer Force:—Special Expenditure. Purchase of a new Motor Boat \$5,000.

HON. DR. LI.—I see the question of economy is emphasised. What fuel is it proposed to use on this boat because there is a terrific difference between crude oil and petrol?

THE COLONIAL SECRETARY.—I imagine it is not only the running expenses but keeping it in repair that makes the old boat so expensive to run. Speaking from memory, I think the boat is run on kerosene, but I could not be sure. Maybe it would be an economy because

the old engine would consume more fuel and is continually under repair. The old boat is unseaworthy. I think this is an urgent matter, otherwise it would have been put in the Estimates.

HON. DR. LI.—I think it is reasonable enough.

Item 62.—22, Medical Department:—Medicines, Surgical Appliances and Instruments, \$54,520.

HON. MR. LO.—Are the sales of cholera vaccine put into a separate account?

THE FINANCIAL SECRETARY.—They have been offset against the cost.

HON. MR. LO.—I know there are people who can get some supplies at cost.

THE FINANCIAL SECRETARY.—Allowance has been made for all receipts from sales.

HON. SIR HENRY POLLOCK.—As a matter of interest I should like to know if it is the official view that one inoculation is sufficient or whether two are required?

HON. DR. LI.—I have just been talking to Dr. Valentine and I said my own conviction was that two injections were certainly better than one. His own estimation is that one injection will confer as much as fifty per cent. immunity. I said that additional injections will provide additional protection. He agreed with that view.

HON. MR. PATERSON.—You might take that a step further and say three are better still. (Laughter).

THE COLONIAL SECRETARY.—There was a Chinese General who insisted on having three engines on a train because he thought they would go three times as fast as one. (Laughter). I have heard it said by other medical men that two injections are better than one.

HON. SIR HENRY POLLOCK.—Apparently the Director of Medical Services is of that opinion.

All the votes were approved.