

13th October, 1937.

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.

PAPERS.

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

Amendments made by the Governor in Council under sections 3, 4 and 8 of the Pleasure Grounds and Bathing Places Regulation Ordinance, 1936, Ordinance No. 29 of 1936, to the First and Second Schedules to that Ordinance, dated 22nd September, 1937.

ANNOUNCEMENT.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.—I think it is proper that this Council should be informed of an important decision which has recently been made by the Secretary of State for the Colonies. The operations of the Exchange Fund which was established nearly two years ago have hitherto been conducted in strict secrecy, but it has now been decided on the recommendation of the local Exchange Fund Advisory Committee that six-monthly statements of the exact position of the Fund may be made public. In order not to disclose the Fund's current activities these will be issued about three months in arrear, that is in April and October.

The Gazette to be published on Friday of this week will accordingly contain a statement of the backing of the currency of this Colony as it stood on 30th June, 1937, and similar statements will be published as a routine at six-monthly intervals thereafter.

I do not propose to foreshadow the figures that will be disclosed in two days' time except to say that I have every confidence that those figures will appear highly satisfactory to all members of the community who very naturally wish to know what security exists for the bank notes which are now, since the 1935 Currency reform, the principal legal tender of the Colony.

I think it will be agreed that Gazette notice as a routine is preferable to announcement in Legislative Council in view of the intervals that occasionally occur between Meetings of this Council.

MOTIONS.

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT. — With the permission of the Council I shall reverse the order of the two second readings which are on the agenda to-day. The Motion standing in the name of the Hon. Attorney General.

MERCHANT SHIPPING AMENDMENT ORDINANCE, 1937.

THE ATTORNEY GENERAL moved the second reading of a Bill intituled "An Ordinance to amend the Merchant Shipping (No. 2) Amendment Ordinance, 1934, and the Merchant Shipping Ordinance, 1899, as amended by the Merchant Shipping Amendment Ordinance, 1935."

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.

BUDGET DEBATE.

THE COLONIAL SECRETARY moved the second reading of a Bill intituled "An Ordinance to apply a sum not exceeding Twenty-six million three hundred and twenty-seven thousand three hundred and forty-three Dollars to the Public Service of the year 1938."

THE FINANCIAL SECRETARY seconded.

HON. SIR HENRY POLLOCK.—Your Excellency,—As the Senior Unofficial Member I desire to make the following remarks upon the Budget for 1938, on behalf of my Unofficial colleagues as well as myself.

For convenience I will, so far as possible, deal with various items in the Estimates in the same order as they were dealt with by the Honourable Colonial Secretary in his Budget speech. We thank him for his lucid explanations of Government policy, and for his memorandum on the Estimates. We also thank the Financial Secretary, of whose appointment we heartily approve, for his memorandum on the Colony's financial position for the years 1936, 1937 and 1938, and we thank the Director of Public Works for his notes on Public Works Extraordinary for 1938.

We regret that there is no Auditor's report.

It is reassuring to learn that estimates of revenue for 1938 have been taken upon a conservative basis.

We applaud the Government's decision not to impose additional taxation at a time like the present, when the costs of living are rising.

We deplore the fact that our Budget for Public Works Extraordinary for 1938 has been reduced to so low a limit, because we consider that a modern hospital for infectious diseases, and a new Volunteer Headquarters are urgently required. The last-named building is a disgrace to a first-class Colony, and we suggest that (whilst preserving the present Volunteer parade-ground) a new Headquarters and a second parade-ground ought to be provided by the Government. We suggest that the cost of these two buildings can properly be met out of Loan Account, just as appropriately as the cost of the new Central Market.

We hope that the recent complaints by the Kowloon Residents Association in regard to the Kowloon Mortuary will receive attention, and we should like to be informed how far the scheme for a new leper settlement and a clinic in connection therewith has progressed.

Whilst agreeing in the necessity for a new Mental Hospital, we hope that the expensive plans which have been prepared in the past will be abandoned.

We are glad to note that early next year air-mail will probably be carried at ordinary rates, though at a considerable expense to the Colony in subsidies.

Passing on to the Imports and Exports Department, we are struck by various disquieting features which are revealed in the Report of the Superintendent of Imports and Exports for 1936. For instance, paragraph 19 speaks of "the over-whelming growth of the menace of heroin pills," whilst paragraph 35 states that during 1936 "in 526 cases, 3,606,707 pills and 771 ounces of heroin were seized, a large majority of which were found in pill factories." Paragraph 42 estimates the number of heroin divans in this Colony as being in the neighbourhood of 2,000, whilst paragraph 49 shows that this disgraceful traffic has invaded the New Territories, with main centres at Un Long, Sheung Shui and Taipo.

We are therefore, glad to learn that the Government has in hand new legislation to cope with heroin divans and pill factories, which will, in due course, be submitted to this Council for consideration.

We would urge, in this connection, that the keeping of a heroin divan ought to be added to the list of offences which are punishable by flogging. In China we believe that purveyors of noxious drugs and persistent drug addicts are shot.

We view the proposals for the construction of a third Court at the Central Magistracy with mixed feelings, because we consider that the number of cases tried by the Magistrates or, to put the matter in another way, the considerable increase in various forms of crime is due to a great extent to the somewhat too luxurious accommodation for prisoners which is provided in the new four million dollar gaol at

Stanley, where the inmates enjoy comfortable lodging, too liberal a scale of food, regular exercise, and free medical attendance.

We concede that the modern humanitarian treatment of prisoners in Britain is a success, but, having regard to the everyday conditions unfortunately prevailing amongst the poorer classes in Hong Kong, entirely different considerations apply here.

In fact in this Colony we ought to make prison condition harder, and we trust that the Government will give its earnest consideration to this aspect of the problem.

We approve of the increases in Police personnel, and we desire to take this opportunity of congratulating the Inspector General of Police and the Force under him on the admirable order which has been preserved during the recent unfortunate disputes between the Chinese and Japanese Governments.

Much credit is also due to the Chinese in this Colony for preserving that calmness, dignity and self-control which is enjoined by their sages.

We heartily indorse the commendations by the Government of the excellent work done by Mr. L. H. King in connection with the development of wireless telegraphy and broadcasting. His retirement will be a great loss to the Colony.

We now pass on to a matter which vitally affects the spending capacity of this Colony on Public Works Extraordinary, namely, the abnormally and unreasonably heavy expenditure which this Colony has to bear in connection with the payment of pensions, salaries and allowances to sterling-paid Civil Servants, in consequence of the present low rate of exchange. That rate, so far as can be foreseen, is likely to continue, now that the dollar is divorced from silver.

Paragraph 7 of the Report of the Salaries Commission (published as Sessional Paper No. 7 of 1929 and commonly known as the Gollan Report), shows that the Commissioners, in making their recommendations for the considerable increases in sterling salaries mentioned in that Report took the dollar *at the rate of exchange of 2s.*, as the basis for those recommendations.

In support of the above statement we quote the following extract from the said paragraph 7:—

"The dollar is now at a little under 2s., and there is some probability that it will remain in the region of 2s."

As this Council is aware, our Hong Kong dollar, since its divorce from silver, stands roughly at one shilling and threepence, *i.e.* \$16 to the pound sterling, as against the rate of two shillings to the dollar

envisaged by the Gollan Report, and it requires no special aptitude for figures to realize how much sterling-paid Civil Servants are benefiting and how much this Colony (whose revenues are collected in dollars) is losing.

In short, sterling-paid Civil Servants are receiving not only a considerable increase in their sterling pay, which the authors of the Gollan Report did intend, but also an exchange bonus by converting that increased sterling pay into dollars at one and threepence which the authors of that Report certainly did *not* intend; thus seriously crippling the Colony's programme of Public Works Extraordinary.

The big slump in exchange at the beginning of November, 1935, which has since become slightly accentuated, has made the recommendations of the Gollan Report as to increases of sterling salaries too favourable to sterling-paid Civil Servants, and we hope that, with the able assistance and experience of the Financial Secretary, a new scale of sterling salaries or some modification of the rate of exchange at which they are payable may shortly be evolved which is not only fair to the sterling-paid Civil Servants but which also bears some relation to the financial ability of this Colony to afford the payment of such salaries—a point which is apt to be overlooked.

The Unofficial Members of Council do not propose to waste the time of this Council by moving any amendments to the figures in clause 2 of this Appropriation Bill, although, for the reasons above given in criticizing the Gollan Report, they must not be taken to agree with them.

Another point in regard to which it seems to us that some revision should be exercised is in regard to the privilege accorded to Government Servants of occupying quarters (which are paid for and maintained and repaired out of revenue) upon the basis of their paying 6 per cent. only of their salary as rent.

This seems to us a very low percentage of salary payable as rent as compared with the percentage of their salary which most civilians who are not Civil Servants have to pay in this Colony for rent.

We consider moreover that such a percentage should be on a sliding scale and not on a flat rate and that it should be calculated in such a way as to produce some sort of fair economic return upon the capital cost and upon the cost of repairing the buildings occupied.

We suggest that a local Committee be appointed inquire into and report upon the subject from the above angle of the Colony obtaining a fair return on its money. The recent typhoon of the 2nd September serves to emphasize the big bill which the taxpayer has sometimes to meet for repairs to Government buildings. (Applause).

HON. MR. T. N. CHAU.—Sir,—I am in general agreement with the remarks of the Hon. Senior Unofficial Member, and I wish at the same time to associate myself with his expression of thanks to the Hon. Colonial Secretary, the Hon. Financial Secretary, and the Hon. Director of Public Works.

It is a matter of extreme gratification to the Chinese community that the Government has decided not to impose additional taxation. This decision, if I may be permitted to say so, is a wise one, in view of the steady rise in the cost of living and the uncertainty of the future.

The Hon. Senior Unofficial Member has, on behalf of all Unofficial Members, tendered congratulations to the Hon. Inspector General of Police and to the Force under him on the good order which they have maintained. It is a matter of great pride to my Chinese colleagues and myself that in times like these the Chinese residents of Hong Kong should have conducted themselves with such admirable self-restraint, calmness and dignity, thus vindicating once more their reputation as a peace-loving and law-abiding people.

While on this subject I should like to express, on behalf of the Chinese community, appreciation of the policy of the Government in regard to refugees. True to its tradition, Hong Kong has thrown open its doors to all and sundry who have chosen this place as a haven of refuge, and at the same time is affording protection to all without distinction of race or nationality.

My Chinese colleagues and I express the strong hope that the Government will do everything in their power to suppress the evil of heroin traffic, about which the Senior Unofficial Member has spoken at length. The problem is admittedly a difficult one. In spite of increased vigilance on the part of the authorities, and in spite of the long terms of imprisonment imposed by our Courts, the traffic remains unabated. I agree with the Senior Unofficial Member that the time has come when flogging should be tried. We know how reluctant successive Secretaries of State for the Colonies have been in sanctioning this form of penalty, but where other measures have been tried and have failed, and when the health of the community and of future generations is at stake, we have no hesitation in advocating the adoption of this extraordinary measure to meet the extraordinary situation. We would therefore urge the Government once more to represent this strong recommendation of the Unofficials to the Secretary of State.

The proposed appointment of a Lady Assistant and three additional female inspectors to be attached to the Secretariat for Chinese Affairs for mui-tsai work is, I think, a step in the right direction, and, in my humble opinion, it should not be difficult to find suitable Chinese candidates for these appointments.

My Chinese colleagues and I have noted with pleasure the decision of the Government to increase the grant to the General Chinese Charities

Fund by \$30,000 a year. The Tung Wah Hospital and its associate hospitals are the institutions that would most benefit by this augmented subsidy. These hospitals are finding it increasingly difficult to make both ends meet, for not only have their main sources of income, which is derived from property and mortgage interest, shown enormous decreases during the past few years owing to the depressed condition of the property market, but greater expenditure has had to be incurred on account of the large increase in the number of patients treated in these hospitals. It is no exaggeration to say that if the Government were to take over the management of these institutions, the cost to the community would be increased at least threefold. We therefore venture to express the hope that should the Directors of these hospitals find it necessary to make an appeal to the Government for a special grant to enable them to balance their budget for the current year, their request will receive sympathetic and favourable consideration.

Another decision of the Government which has given much gratification to the Chinese community is the appointment of 10 additional Cantonese Sub-Inspectors to replace an equal number of European Lance Sergeants. Although the scheme is, as stated by the Hon. Colonial Secretary, in the nature of an experiment, there is no doubt in my mind that it will prove to be a success. It should, however, be remembered that right selections are of the utmost importance, and in this direction my Chinese colleagues and I would be pleased to assist the Hon. Inspector General of Police.

The policy of gradually opening to local men some of the posts hitherto held by Europeans is one that should commend itself to all sections of the community. Not only can substantial savings be thus effected in salaries, pensions and passage money, but the policy may be considered to be a just recognition of the loyalty and co-operation which have always been shown by the Chinese community who are, incidentally, the largest taxpayers.

The typhoon of the 2nd September took a heavy toll of life and property. While the extent of the damage can never be fully known, it has been reported that about 1,200 junks and sampans were totally lost, and thousands of poor people have been rendered homeless. Though subscriptions amounting to a little over \$4,000 have been received, the sum is hopelessly insufficient for the twofold purpose of giving immediate aid to the sufferers, and of assisting a large number of them in the re-erection of their demolished houses, or the replacement of their lost junks and sampans. Unfortunately the resources of the existing charitable institutions and of the community are already severely strained, and so my Chinese colleagues and I are constrained to turn to the Government for help in the name of these unfortunate people. We ask that a sum of money adequate for the purpose may be specially voted, as was, I understand, done in 1906 when a similar catastrophe befell this Colony.

In conclusion, may I be permitted to say how fortunate the Colony is in having at the head of its affairs during the last six months a

man of Your Excellency's knowledge of China and of the Chinese, sound judgment, and calmness in face of difficult and trying problems. (Applause).

HON. MR. M. K. LO.—Your Excellency,—In addition to what has already been said by my Honourable friend the Senior Unofficial Member on behalf of all the Unofficial Members of this Council, and by my senior colleague on behalf of the Chinese Members of this Council, I desire to make some observations of my own on various matters.

To begin with, I would like to say a few words on the question of Water Supply. I venture to think that, until the end of last year, everyone in the Colony was under the comforting impression that, at all events in the near future, there would be no further restrictions, in view of the completion of the Shing Mun Gorge Dam.

Within a few months the Colony was shocked and dismayed at finding that, Shing Mun notwithstanding, the Colony had to be put upon a restriction basis; it was suddenly confronted with a Report on the Water Supply of Hong Kong, published as a Sessional Paper during the early part of the year, which showed the necessity for an immediate further expenditure of some \$3,000,000.

Paragraph 124 of Mr. Woodward's Report reads as follows:—

"124. This Colony has suffered almost continuously from its earliest days from water shortages the reasons for which have been mostly 'financial'. Water being one of the primary necessities of life it is essential that ample supplies be provided particularly in the Tropics where the dangers to health are far greater than in temperate climates. This cannot be too strongly emphasized and it is accordingly urged that not only should the proposals embodied in this report be put in hand at the earliest possible date but the policy of providing water resources well ahead of requirements be adopted. This latter procedure is generally adhered to by Municipalities and other Water Undertakers."

I do not know whether I have properly appreciated the implication of the above paragraph, namely, that somehow the present unsatisfactory position regarding the water supply of the Colony has been due to the reluctance, on the part of this Council, in sanctioning the necessary expenditure. If so, I feel that the implication should be refuted. And this can be easily done by a few quotations from Hansard's Reports of the proceedings of this Council.

On the 18th July 1929 my Honourable friend, the Senior Unofficial Member, introduced a motion in Council that—

"In the opinion of this Council it is imperative, in the interests of this Colony, that all the permanent measures to increase the

water supply which are referred to in the Report of Mr. R. M. Henderson, dated the 20th February, 1928, (other than those which have already been completed) be proceeded with and completed as soon as possible."

After His Excellency the Governor had addressed the Council Sir Henry Pollock agreed to amend his motion, which was subsequently passed unanimously by the Council in the following terms:—

"That in the opinion of this Council it is imperative in the interests of this Colony that permanent measures to increase the water supply of the Colony should be pressed on with the utmost despatch."

In the course of a reply to the motion the Colonial Secretary (then the Hon. Mr. W. T. Southorn), stated as follows:—

"I can well believe, as the Hon. Member stated in a letter to the Press, that the Government 'can reckon fully upon the heartiest support of all sections of the community in putting the water supply and distribution on a permanent and satisfactory basis,' but the Government cannot place upon the Colony a load of debt which it might find difficulty in repaying without an increase of taxation."

To revert to the point that the water situation as disclosed at the beginning of this year came as a surprise to the residents, I will make a few further quotations:—

Chapter 10, paragraph 11, of the Report of Economic Commission, dated February 1935, states as follows:—

"Hong Kong does not at present possess an unlimited supply of water and we are not, therefore, in a position where increased consumption can be regarded with satisfaction as increased revenue. With the completion of the Shing Mun Dam the position will be altered, but until the advent of that happy day prevention of waste is of equal importance with provision of an adequate supply."

In a comprehensive review of the Colony's waterworks His Excellency Sir Cecil Clementi addressed the Council at length at a meeting held on the 5th September, 1929. (See page 134 et seq.). In the course of his remarks he stated as follows:—

"The aim of this Government is to give every house connected with the waterworks, both on Hong Kong island and on the mainland, a full supply of filtered water throughout the year. This should become possible in 1932, when the first section of the Shingmun scheme, the Kowloon Byewash reservoir and the new Aberdeen reservoir will, we hope, all have been completed...."

In the Budget Debate which took place on 7th October, 1936, I referred to the rumour I had heard as to the filtering capacity on the Island, and as to the carrying capacity of the aqueduct along the King's Jubilee tunnel, but I did not know at the time that there could be any question of water shortage.

The reply of the Hon. the Colonial Secretary to these two points is as follows:—

"The Director of Public Works has recommended the installation of rapid gravity filters at Bowen Road in place of the existing sand filters but this project has had to be postponed for the present owing to lack of funds. I am advised that the aqueduct at Shing Mung has a capacity of twenty million gallons per day and has been designed to deliver the ultimate maximum drawoff from Shing Mun. The size of the tunnel was governed by considerations such as economy of construction."

It will be seen that there was not a single word to indicate that after the completion of Shing Mun the supply to this Island would immediately become inadequate.

During last year's Budget Debate I set out figures to show that the amount properly attributable for interest on the capital expended on the water works, the amount payable for the annual reduction of the capital loans, and for the cost of maintenance, amounted to \$1,700,000, as against the estimated revenue attributable to water supplies, amounting to \$2,433,824, resulting in an overcharge of some \$700,000. The Hon. the Colonial Secretary, in reply to me, referred to figures which had not been included in my calculations, such as interest and sinking fund on a certain capital outlay, etc., etc., etc., and stated that if all the excluded items had been taken into account, the estimated surplus would have been turned into a deficit. But as far as I know, detailed figures showing capital expenditure, depreciation, etc., on the one hand, and revenue on the other, from the beginning to date, have never been laid before this Council. Indeed, I doubt whether they are available. The truth of the matter is that the Water Supply Department has never been run on a strictly business basis, with proper balance sheets, and profit and loss accounts. As was shown in paragraph 31 of the Economic Commission's Report, \$10,000,000, representing capital outlay on waterworks prior to 1st January, 1927, had been paid for out of past revenues, and the annual depreciation of 1½% was never earmarked or credited to a reserve fund, but was charged annually on the full capital, and not upon the depreciated capital value, and other items of expenditure were properly criticisable from the point of view of accounting.

The total estimated revenue for water excess charges and meter rents for 1938 is estimated at \$1,900,000. I venture to think that this

will prove an under-estimate. The estimate for assessed rates for 1938 comes to, roughly, about \$6,000,000, 2/17ths of which, referable to water supply, amount to \$706,000 odd. This sum, together with \$1,900,000, makes the total of \$2,606,000 odd, as revenue for water which is some \$172,000 more than last year.

The Economic Commission Report, Chapter 10, paragraph 35, states as follows:—

"Furthermore, we are of the opinion that the present system of aggregating the revenue and expenditure on water with the general revenues of the Colony tends to obscure the situation regarding water charges and to reverse the expressed policy of Government that water should not be made a source of revenue. We are in full agreement with this policy and we recommend that, to ensure its observance the water supply of this Colony should be re-organised as a separate Municipal undertaking under Government control and should be kept entirely separate from the Public Works or any other Government department."

I do most respectfully concur with the above view, and urge that the whole Water Department may be re-organised so as to function as a separate authority, charged with the duty of having proper balance sheets and profit and loss accounts, so that the public may be in a position to judge how far Government has carried out its intention of not making any money out of water supplied to the inhabitants.

I notice that under Head 20 (Police Force), the total vote for this Department was under 2½ millions for 1935: it rose to just over 2¾ millions in 1936: under the Revised Estimates for 1937 it was \$3,280,000 odd, and the Estimate for 1938 is now \$3,307,000 odd. I know that the Colony does not grudge any necessary expenditure to keep up an efficient Police Force, and I should like to state that the Chinese Community has noted with pleasure that Government has appointed 10 Cantonese Sub-Inspectors. I feel that my Hon. friend the I.G.P. and the Force under him are to be congratulated on having successfully put an end to the series of impudent robberies which occasioned the community so much concern a few months ago. But from the point of view of mobilising the forces of law and order for the prevention of crime, I have often wondered, as many people in the community have done, whether the time of the Police officers cannot be better employed in certain directions. I refer particularly to the arrest and prosecution of hawkers. They are, of course, easy prey. Any constable who is hard-up for cases can quite easily take the line of least resistance by arresting a hawker on some charge, whether real or imaginary.

The following figures are gleaned from the I.G.P.'s Reports for 1935 and 1936:—

Minor Offences

	1934.	%	1935.	%	1936.	%
Hawkers charged -----	16030	57.80	23567	71.41	26072	69.44
Other cases charged -----	11703	42.20	9433	28.59	11474	30.56
Total -----	27733	100.00	33000	100.00	37549	100.00

I notice that in 1935, out of a total of over 23,000 cases, only 583 were discharged, and that in 1936, out of a total of over 26,000, only 576 were discharged. Even if half of the convicted cases involved imprisonment in default of payment of fines imposed, we need not be surprised at the overcrowding of the gaol! And it will be seen that the number of cases, from 1934 to 1936, has increased from 16030 to 26075, i.e. an increase of over 10,000 cases.

I do respectfully commend the above figures to Your Excellency's attention.

I can speak from experience as to how much time has to be expended in regard to cases in Court. The Police officer in charge has to attend Court at the opening of the Court and wait his turn, and sometimes his turn may not come until the end of the session, when the Magistrate has no alternative but to adjourn his case. Of the 26,000 hawker cases dealt with by the Magistrate in 1936, I do not know how many were cases in which the hawkers charged pleaded guilty, and how many were cases which involved actual hearing of evidence. Assuming that, on an average, each case took only 2 minutes of the Court's time to dispose of, then it is obvious that the 26,000 cases absorbed 52,000 minutes or over 866.6 hours. I suppose each Magistrate, again on an average, spends about 5 hours each day in Court. Therefore 866.6 hours represent over *173 Court days* of one Magistrate! And the expenditure of time on the part of the Police in regard to the 26,000 cases must of course be even greater. If those cases had not been brought, the time and energy saved would have been tremendous, and in this connection I doubt very much whether a third Court at the Central Magistracy would be necessary.

I feel strongly that the whole problem of hawkers in Hong Kong should be reviewed by a Commission, and that the specific questions to be placed before the Commission for investigation and report should include the questions as to whether or not the licence of hawkers other than for certain types of foodstuffs, which may constitute a real and not a theoretical danger to public health, should not be abolished altogether, and as to how "hawker cases" can be dealt with other than by a Cadet Magistrate, and at reduced expense to the Colony. In any case I hope that any Police officer who has an undue number of hawker cases to his credit, will be reprimanded, rather than commended, by the I.G.P.

I wish to say a word about Head 22 (Medical Department).

The vote has been increased from round about 1½ million in 1934, 1935 and 1936, to \$2,140,000.00 odd (Revised Estimates for 1937), and to \$2,177,000.00 (Estimates for 1938).

Here, again, the Community must be prepared to pay what is necessary to maintain a sound public health and medical organisation. But I have an uncomfortable feeling that, in spite of the large annual expenditure, medical facilities to the poor still leave much room for improvement. In particular I have received many complaints in regard to the food and lack of essential requirements, including medicine, in the third-class accommodation of the Tsan Yuk Maternity Hospital. I am informed that, with 60 beds, there are available only 3 or 4 air rings, and 3 or 4 bed-rests, in spite of the large number of serious post-operative cases. I further understand that the staple diet consists chiefly of salted egg and salted cabbage, and that it is much inferior to the diet given in the third-class wards at the Queen Mary Hospital.

I hope that my Honourable friend the D.M.S. will make a thorough investigation into the complaints which I have ventured to bring forward.

Coming now to the recent Cholera epidemic, I cannot but give utterance to the sense of disappointment on the part of the public in regard to the way in which it was dealt with by the Medical Department. The sense of dissatisfaction has been expressed publicly in the Press. I gladly and gratefully acknowledge the high sense of devotion to duty and to the public weal shown by my Honourable friend the D.M.S., and all the Medical Officers. The Colony is grateful to them. But somehow the organisation broke down. Take the case of the supply of serum.

On the 16th August the *South China Morning Post* published an account of the interview with the Honourable D.M.S., at which the D.M.S. pointed out that there was sufficient anti-cholera serum for a 5 or 6 day campaign at full speed. The paper also stated that it had been decided to appeal to Manila, Bangkok and Saigon for further urgent supplies. The very next day the paper announced that "ample supplies" were still available, "Government having a good supply remaining of the consignment received from Shanghai, and having secured some locally from the Bacteriological Department." These conflicting reports would appear to lend support to the rumour that the statement of shortage was made in ignorance, or forgetfulness, of the fact that a large supply had actually been lying in the godown at Kowloon all the time, and that the "s.o.s." messages sent to various places to send further supplies to Hong Kong had to be cancelled soon after they were despatched.

To one, like myself, who has always appreciated the value of educating the general masses in regard to the efficacy of preventive Western Medicine in general, and of inoculation in particular, it is a

matter of supreme regret that so much dissatisfaction should have been expressed regarding the way in which inoculations were done by Government during the epidemic. Amahs and boys who attended to be inoculated expressed their determination never to do so again. It would appear that the doctor in charge, hopelessly overworked, and finding it physically impossible to cope with the numbers who attended, had to perform the inoculations without using a freshly sterilised needle for each patient, and had to content himself with merely wiping the needle with a piece of cotton wool dipped in alcohol after each case. However little actual risk there might have been in such process, those who attended could not but feel a sense of repugnance in seeing the same needle being used on so many persons. I realize that it must have been difficult to arrange for more Government doctors to be available for conducting the public inoculations. And yet I feel that, with better organisation, the objection alluded to above could have been overcome. And, with all the diffidence and humility which an ignorant layman should feel, I do wonder whether it was really necessary to utilise the services of a medical officer to await the arrival of trains, in order to watch for cholera cases. Surely a doctor, by looking at a man, cannot say whether that person has *incipient* cholera in him!

In the Honourable the Colonial Secretary's speech dealing with the Head "Secretariat for Chinese Affairs", he referred to certain appointments as having been made "in accordance with the recommendations of the Mui Tsai Commission and with resolutions adopted by the League of Nations Conference at Bandoeng in 1937." My Honourable friend the Senior Unofficial Member has already expressed our approval of these appointments. But I feel the Colony would welcome an announcement by Government as to its policy in regard to the Mui Tsai question, especially on the point whether Government has definitely accepted the Majority Report. Is Government aware that a petition has been sent to the Secretary of State for the Colonies in regard to extended registration of transferred females?

I now desire to take up a few moments of this Council's time on the Rents question in the Colony.

It is conceded that, on account of the trade depression of the past few years, rentals have fallen below the normal, and reasonable increases in rent may be justified in many cases. But to eject a tenant, in spite of his willingness to pay a reasonable increase in existing circumstances cannot, in my submission, be justified.

Whilst a substantial proportion of the landlords, or even an overwhelming majority of the landlords, may be scrupulously abstaining from exploiting the existing situation, there is no reason why any landlord should be permitted to profiteer at the expense of his unfortunate fellow-men.

I therefore venture respectfully to submit the following proposal for consideration of Government:—

1. That a Rents Ordinance, based on the Rents Ordinance 1922, as amended, and having some date like the 31st July, 1937, in relation to the statutory "standard rent", and limited in duration to, say, one year, be forthwith passed as an Emergency Legislation.

2. That the new Ordinance is to contain a special clause on the lines of Section 13 of the Crown Rents (Apportionment) Ordinance, 1936, providing in effect that the Ordinance shall apply to, and come into operation as regards, such houses, lots, areas or districts, and as from such date or dates as shall from time to time be appointed by the Governor by proclamation.

3. That the rights under the new legislation be confined to the actual tenant in relation to the actual premises occupied by him, in contra-distinction to the "principal tenant", who would otherwise benefit at the expense of his superior landlord.

4. That a Rents Officer be appointed. And it is suggested that an Assistant Secretary for Chinese Affairs should be Rents Officer in regard to Chinese tenancies, and, say, the Assistant Crown Solicitor should be Rents Officer in regard to non-Chinese tenancies.

5. That the Rents Officer is to hear both the landlord and the tenant in regard to any complaints against either an increase of rent, or notice to quit.

6. That if the Rents Officer cannot settle the matter amicably between the parties, and if he considers that the landlord is acting unreasonably or unconscionably, he is to recommend to Government to "proclaim" the house in question, which would then come under the new legislation.

I submit that the mere existence of such legislation will have a most salutary and deterrent effect, and that it will have the merit of curbing the anti-social activities of any landlord who, in the opinion of the Rents Officer, is unreasonably exploiting the prevailing extraordinary conditions.

In default of a Rents Ordinance on the lines above suggested, it may be that a short Ordinance, to the effect that, during the currency of the Ordinance, no notice to quit shall be valid unless it shall be, say, at least 3 months' notice, may afford some relief against too sudden evictions.

Sir Andrew Caldecott, in winding up the Debate on last year's Budget, suggested a new procedure in relation to the proceedings in this Council on the Annual Budget. The new procedure contemplates "an Annual Address" by the Governor, "in which he dwelt broadly but concisely with current problems and reviewed in perspective the important events of the year". But whether the new procedure will

or will not be adopted, the Annual Budget has traditionally been the occasion for reviewing the whole position, past and prospective, of the Colony.

The Colonial Secretary, in his speech, has referred to "the present unhappy state of the world". With all the incalculable damage to the Colony, actual and potential, as the result of the present Sino-Japanese conflict, I submit that any debate on the general position of the Colony must assume an air of unreality if this subject, so vitally important to the World in general, and the Far East, including Hong Kong, in particular, were to be dismissed with such a passing reference.

I feel sure this Council would welcome a statement from Government as to the position of the Chinese fishing fleets in relation to the present hostilities. The recent statement attributed to the Honourable the Colonial Secretary at an interview, as published in the Press, was, in my submission, hardly reassuring. Is the position this: that Chinese fishermen—many of whom, like their forbears, were born in Hong Kong, and who have been rendering an essential service to the Colony by supplying fish to the local population—are to be left to the fate of gun-fire, resulting in loss of life and the destruction of their fishing junks, without any redress, simply because, in pursuit of their lawful avocation, they ventured beyond the territorial waters of the Colony? Is the Colony's fishing industry to cease altogether?

I, of course, accept the position that this Colony must be strictly neutral. but surely there is no such thing as neutrality of conscience? And, surely, no neutrality can prevent either the public, or the Government of Hong Kong, from entertaining feelings of dumbfounded dismay and horror at the indiscriminate slaughter of non-combatants by the Japanese air bombings. As Lord Cranborne, British Under-Secretary of State for Foreign Affairs, is reported to have said at Geneva, "words could not express the feeling of profound horror with which news of these raids is received by the whole civilised world.... If this tendency is to continue and to be intensified, can civilisation itself survive?"

Speaking for myself, I find it extremely difficult to concentrate on the Budget figures for the din and cries of woe and helplessness which seem to ring in my very ears.

The theme of the maintenance of friendship between Hong Kong and Canton has been the subject of repeated reference in this Council, and only in October last Sir Andrew Caldecott said: "Of the need for understanding and co-operation between ourselves and our Chinese neighbours there can be no possible doubt, and I agree with the Senior Chinese Unofficial Member that it cannot be too greatly emphasised or too often reiterated." In times of calamity such as flood and famine the Government has frequently, in the past, shown its great sympathy with this Colony's Chinese neighbours by voting substantial sums for relief. The suffering is indescribable, and the need for medical succour

is unprecedented. Is there any reason why Government should abstain from giving material assistance purely as an act of humanity because the occasion for such assistance has been caused, not by Heaven, but by a nation whose main object, in the words of Lord Cranborne, "seems to be to inspire terror by indiscriminate slaughter of civilians?"

In most respectfully commending this question to the sympathetic consideration of Your Excellency, I desire to take this opportunity of acknowledging the deep debt of gratitude which the Chinese entertain for the courage, impartiality, ever-willing readiness to receive and consider representations, and high statesmanship shown by Your Excellency in guiding the Ship of State along the troubled waters through which it is passing, and by your Chief Adviser, my Honourable friend the Colonial Secretary, and also for the material assistance rendered by the people of this Colony in the sacred cause of relief of human suffering in China's hour of need.

As the Rt. Hon. H. A. L. Fisher said in the preface to his famous "History of Europe"—
"The fact of progress is written plain and large on the page of history; but progress is not a law of nature. The ground gained by one generation may be lost by the next. The thoughts of men may flow into the channels which lead to disaster and barbarism."

The forces of reaction are strong; the challenge to civilisation is real. But if I may be permitted to paraphrase the well known words of William Pitt, I would like to feel that the verdict of history will be that China has saved herself by her exertions, and has saved civilisation by her example. (Applause).

HON. MR. LEO D'ALMADA E CASTRO.—Your Excellency,—As a resident of Kowloon and a member of the Committee of the Kowloon Residents Association I propose to deal first with some of Kowloon's more pressing wants before passing on to two other topics of equal interest to me and which affect the Colony as a whole.

The hoary subject of Kowloon's street lighting is one which, by reason of Government's parsimony in this direction, has found its way into one or more speeches in several previous debates, and from year to year, with a steady increase in Kowloon's traffic, the crying need for improvement grows. To my recollection, the sole fruit of several accidents in Nathan Road after dark, fatal accidents in more than one case, has been, so far as Government is concerned, a promise of better things in the future, and experiments on a small scale with modern and better lights. These latter were observed and commented upon by the Kowloon Residents' Association, whose views on the subject were sought by Government, some months ago, since when nothing further has been heard of this matter. I venture to suggest, Sir, that even if the financial position does not warrant the admittedly heavy expenditure necessary to modernise the whole of Kowloon's

inefficient lighting, Nathan road, at least, and that part of Salisbury Road which links it to the Ferry, are at present so dangerous to negotiate on a dark and wet night, that to postpone much longer the introduction of better lighting would be tantamount to a disregard of the welfare and safety of the community, pedestrians and motorists alike.

Whereas accidents have failed to impress Government sufficiently in the case of street lighting, it is gratifying to note that these have brought about provision for improvement in another direction. I refer to the vote passed last month for widening that portion of the Castle Peak Road just before Tsun Wan Village. With the completion of this work and that which is being carried out on the Taipo Road where it skirts Kowloon Reservoir, the task of eliminating dangerous corners and curves may be said to be reasonably complete. Attention should henceforth be directed to the surfaces of the various roads on the Peninsula and in the New Territories, many of which show signs of rapid deterioration. As a whole, indeed, road surfacing on the island appears to have been carried out much more efficiently—and probably more expensively—than in Kowloon, and there can be no good reason for the difference.

We in Kowloon hope that part of the vote for anti-malarial work will be apportioned to the areas near Grampian and Carpenter Roads where drainage and other sanitation measures have long been in demand.

Realising full well the difficulties facing Government in budgetting at the present time, I feel that it is nevertheless regrettable that it has not been found possible to include a sum for a Leprosarium. Government, I hope, is alive to the necessity for such an institution and it should be a primary consideration when dealing with the estimates for 1939.

One last word about Kowloon, and this is more specially concerned with its amenities. Promises have from time to time been made by Government to extend Chatham Road "Park"—the name which Government chooses to apply to that strip of grass bordering Chatham Road, a use of the word justifiable only on the ground that it is used even for such places as those where motor-cars are left. These promises have not materialised. An extension of the "Park" as far as the Kowloon Football Club Stand, at a cost which must be infinitesimal in comparison with the almost astronomical figures for personal emoluments as contained in the Budget, would bring pleasure to many. The hope that it would be possible to make provision for carrying out this work in 1938, as expressed by the Honourable Colonial Secretary in a letter to the Kowloon Residents Association dated September 30th 1936, has not been fulfilled. It is a matter which should receive the earliest attention possible.

I pass now to a subject which has been commented on not a little in the last few weeks, and which, but for the fact that the present unfortunate hostilities between Japan and China are overshadowing everything else, would most certainly have gained more public attention and criticism. At the September Criminal Sessions of the Supreme Court two cases were tried in which the Revenue Department appeared in none too happy a light. In one, two Chinese Revenue Officers were indicted for armed robbery while purporting to be searching a junk for contraband cargo. They were found guilty. In the other, a European Revenue Officer was charged with having received a bribe in connection with his duties, and the trial revealed the following astounding state of affairs: Witnesses for the Crown included a number of Chinese Revenue Officers who confessed to having received bribes of varying sums in the same transaction. Some of them even deposed to the receipt of similar bribes by other Chinese Revenue Officers who were not called, making a total of twelve officers in all guilty of this offence. One would have thought that this was a sufficiently serious matter to warrant at least the suspension of these officers pending investigation, instead of which the fact was that they one and all continued on duty and, at least nine weeks after the discovery of the offence, were still entrusted with the collection of the Colony's revenue. In the absence of any reasonable explanation— and for the life of me I cannot see how one can be forthcoming—the position is nothing short of scandalous. I am well aware of the necessity for making use of accomplices in order to secure evidence against one of their number. Never, however, in my experience or within my knowledge has so responsible a body as a government stooped to the point of retaining these accomplices in its service in order to achieve this end. The proper and only course would have been to dismiss these persons, at the same time not charging them, or, alternatively, offering no evidence against them, and if this did not prove sufficient inducement to give evidence, the matter should have ended there. Looking through *Hansard* for 1934 some days ago I chanced upon some remarks under the heading of Bribes in the Budget Speech of the then Senior Unofficial Member, Sir William Shenton (*Hansard* 1934 pp. 138-139), suggesting that Government investigate carefully into the possibility of corrupt practices in the Revenue Department on the ground of a single entry in a trader's book and certain rumours. If cause for careful investigation then existed on such comparatively meagre evidence, I venture to suggest that these two cases, one of armed robbery and another of barefaced, "mass" receipt of bribes by a dozen officers, calls for one of those rigid inquiries which Americans so vividly describe as a "probe". In future, too, the Superintendent of Imports and Exports might well take a leaf out of the Hon. I.G.P.'s book, and deal in his annual report with the conduct of the officers in his Department.

I cannot conclude without some reference to Heads 18 and 19 in the Memorandum on the Estimates of Expenditure for 1938— Magistracy, Hong Kong and Kowloon. Provision is here made for coping with "the progressively increasing number of cases" on both

sides of the harbour. Turning to Appendix K being the Report of the Inspector General of Police for 1936, Table V shows the yearly Return of Crime for the whole Colony for 1936. The total Charge Cases under the Head of Serious Offences is 6,234 while under Minor Offences the number is 37,549, making a Grand Total of 43,783. In the category of Hawking Offences we have the formidable number of 26,075, or, roughly, 60% of the Grand Total. Assuming, Sir, that each of these hawking offences occupied an average of two minutes in a Police Court, this alone would account for 866 hours in the year, the equivalent of 144 6-hour days. The trial of Hawking Offences, therefore, may be said to have been a full time job for a single Magistrate for half of a working year. (I see that my honourable friend Mr. M. K. Lo has made calculations similar to mine, with this difference, that I have credited Magistrates with an extra hour's work per day). Admittedly, Sir, some of these were offences which must be dealt with by a Police Court. But for each of these there must be half-a-dozen which could have been met by a word of warning from the Police Officer in the Charge Room concerned, whose discretion could be relied on in such cases. However, I have heard that the large number of petty offences charged is due in great measure to the existence of what is known as a "Case Book", which constitutes a Police Constable's Record of Cases to his credit, and by which his chances of promotion are governed, the principle apparently being the more cases, the better the man. I have heard even, that fines are on occasion inflicted on officers whose case-books over a certain period show a blank. If this be correct, it is a system which cannot be too strongly condemned, for, while contributing unnecessarily to the work of Police Courts, it has the further and far greater disadvantage of being utterly wrong, in that it is directly contrary to the best conception of what constitutes a good policeman. In the 1912 Edition of Sir Howard Vincent's Police Code will be found the following, from an Address to Police Constables on their Duties, by the Late Right Hon. Lord Brampton, written specially for the book. " the constable who keeps his beat free from crime deserves much more credit than the man who only counts up the number of convictions he has obtained for offences committed within it. It is true that the latter makes more show than the former, but the former is the better officer".

Making all due allowances for the difference in conditions in Hong Kong from those prevailing in England, I still fail to see any justification for a system which sets the discovery rather than the prevention of crime at a premium. One may well imagine the dangers attendant on such a system where a man of unscrupulous conscience is concerned, with opportunities such as this Colony affords by reason of its thousands of ignorant people. If this system does prevail, then, no matter for how long it has been in existence, I sincerely urge the proper authority seriously to consider putting an end to it, and to substitute therefor some other gauge whereby a police-officer's efficiency and his right to promotion may be measured. (Applause).

HON. DR. LI SHU FAN.—Your Excellency.—The Budget for 1938 has been so fully dealt with by my Honourable colleagues that there is little left for me to add. However, there are certain aspects on which I would like to make a few remarks.

If it were not for the uncertainty ahead and other reasons so lucidly set out by the Honourable The Colonial Secretary, I would like to see the inclusion in this Budget of provision for certain amenities, particularly medical; namely, a hospital for infectious diseases and also the long awaited Sanatorium.

My Honourable colleague, the Senior Unofficial Member, has expressed the urgent need of a hospital for infectious diseases. Perhaps as the only unofficial member of this Council with medical knowledge, I may be permitted to pursue this aspect of the question further in conjunction with the recent outbreak of cholera.

For too long in the past we have looked upon the health services from a parochial standpoint, instead of an international undertaking closely bound with the welfare or the affliction of China and other neighbouring countries.

The cholera epidemic of this year found us practically unprepared, despite the fact that Siam (with which we have close and frequent shipping connections) has for years recorded annual spring outbreaks, and this year one in a most virulent form. From Siam the epidemic had spread to Hoihow, thence here and Canton and later, Shanghai and other coastal ports of China.

We were unprepared in the sense that: Firstly, we did not possess an adequate supply of anti-cholera vaccine at the outset, consequently our health authorities were obliged to wire for vaccine from Java, Singapore and Europe. I believe this epidemic should bring home to us the advisability of keeping in future an adequate stock of vaccine on hand in cold storage for emergency purposes.

Secondly, we have no proper hospital for the accommodation of infectious disease cases, where they can be admitted without loss of time and treated by a skilled staff, with proper equipments.

The obsolete Kennedy Town Infectious Diseases Hospital proved too inadequate, and resort was made to improvise the old Government Civil Hospital to meet the emergency, with what result can be imagined.

From the first appearance of cholera on the 22nd July, 1937, until the 2nd October, 1937, according to the figures kindly supplied me by the Honourable The Director of Medical Services, 1,635 cases were reported with 1,035 deaths. 1,342 cases were treated in Government Hospitals.

In fairness to the Medical authorities, I cannot say off-hand how much of the untoward result is due to the lack of modern methods and how much is due to the virulence of the germs of the present epidemic, although the death-rate, which works out to be 63.3% appears to me unduly high.

In urging the necessity of a modern hospital for infectious diseases, I wish to remind Government firstly of our responsibilities to the public in all matters pertaining to health, and secondly of our international obligation as a signatory to the Sanitary Convention of Paris 1926, which requires among other things, every signatory to provide for the establishment of proper hospitals for quarantinable diseases, (i.e. plague, cholera, yellow-fever, small-pox, typhus, etc.).

Under Public Works Extraordinary, Heading 34, I note that provision is made for the development and extension of the cemetery at Chai Wan. Frankly, I cannot view this project with equanimity, because, situated as it is, Chai Wan is a conspicuous landmark, adjoining the gateway of the harbour. This being the case, I fear visitors to this Colony would be given, before they see Hongkong, a very unpleasant, if not grave, first impression of our fair island.

I believe it is the consensus of opinion that the natural beauty of this Colony is one of our most valuable assets, and it should be our duty to preserve it at all costs. In this connection, I trust no public works will be done in the future which may have the effect of nullifying the splendid efforts made by the Hong Kong Travel Association in putting Hong Kong on the map as an attractive tourist resort.

I wish to take this opportunity to congratulate the Chairman of the Travel Association for its successful undertaking despite the fact that much has been pioneering work. I trust the public will continue to give the Association the support it deserves.

I understand there is a proposal to establish a leper settlement on Lamma Island. If so, I trust Government will carefully weigh the situation before embarking on the project, because of the comparative proximity of Lamma Island to the Southern beaches of Hong Kong and the fact that Picnic Bay, one of our most beautiful bathing beaches, accessible by launch, is situated therein. Admittedly, the objections are on aesthetic grounds.

With reference to the Agricultural Development of the New Territories, which apparently have been relegated to the background during recent years, I desire to know whether Government is aware of the views expressed on the subject by an agricultural specialist visiting Hong Kong, which were published in the *South China Morning Post* on the 1st September, 1937.

The urgent situation arising out of the present food supply has brought home to us that the matter is of paramount importance. I hope Government will avail itself of the opportunity to secure the views and advice of this expert.

Again, is it a fact that the New Territories are producing less than 10% of our food supply? I should like to see this question thoroughly explored; also, how much of the present unproductiveness of the New Territories is primarily due to the poorness of the soil, and how much is due to want of scientific methods?

Unquestionably, the production of a sufficient supply of self-supporting products will be slow to attain, yet the sooner a commencement is made the nearer we shall be to the goal, and once a start has been made, we shall be progressively less dependent on outside sources of supply, and this is particularly true of vegetable products.

Moreover, my conception of the average farmer in the New Territories is that, economically, he is a poor man, and his lot is not always a happy one. I believe, that without the guiding and lifting hand of the Government, he can never hope to be out of the mire into which he had been sunk for generations past, although he is living under the blessing and beneficence of the British flag.

Turning to Heading 27 dealing with Defence, it is reassuring to note that Government is not overlooking the advisability of safeguarding the populace against air raids, a contingency which I fervently hope will never arise. The sum asked for is so modest, that I trust it will be adequate for this important purpose.

Recent hostilities have repeatedly convinced us of the value of preparedness. Indeed, the old adage that to be forewarned is to be forearmed fittingly applies here.

With this object in view, I hope Government will institute an early and extensive campaign for the instruction of the civilian population on Air Raids Precautions, by the provision of an adequate number of Air Raids experts to conduct lectures and demonstrations.

I am glad to note that certain facilities for instruction are being given to a small section of the public, but these are confined chiefly to the teaching of Europeans and of English-speaking Chinese, who are members of leading firms. However, as the population in this Colony is so predominantly Chinese, it is obvious that if the plan is to be of real value, teaching must also be given in Chinese to members of the Chinese community. I am confident that many Chinese would keenly avail themselves of the facilities.

As the St. John Ambulance Brigade has a very large membership and such splendid records of past services to the community, I have no hesitation in heartily recommending the Government to enlist its services in this respect.

In conclusion, I may add that under the present emergency the fullest understanding and closest co-operation should continue not only between Government and the community, but between all sections of the community. (Applause).

HON. MR. H. T. JOHNSON.—Your Excellency,—Honourable Unofficial Members of Council who have spoken before me have dealt so exhaustively with the Budget and other subjects that I may be mercifully brief, but there are one or two points to which I desire to call attention.

Under Head 8, Post Office (C), I observe that the transfer of the Wireless sub-department from Public Works Department to the Post Office involves an increase in the estimate for personnel of \$21,830 of which apparently about \$7,600 is due to additional technicians to cope with additional work resulting from the establishment of Kai Tak Station. I appreciate that the Post Office is the proper head under which this sub-department should appear, as I understand it is already under Post Office control, but it is disappointing that the transfer not only effects no economy but entails a further addition to the constantly increasing charges on revenue of personal emoluments and pensions.

Head 22, Medical Department, I note the explanations given of the increase of nearly \$70,000 in personal emoluments but quite apart from the Queen Mary Hospital there is still an increase of over \$50,000 in the rest of the medical establishment. The total of personal emoluments of this department grows steadily year by year and it is sincerely to be hoped that the new Director of Medical Services will find it possible at least to call a halt or, more desirable still, effect some economies.

Under Head 23, Sanitary Department, there is an increase in the Senior Clerical and Accounting Staff of one Class II and one Class III Officers. The footnotes state that the former is to replace an Officer on leave and the latter temporarily replacing a Cadet Officer. I do not understand the word replace as no such Officers appear to have been attached to the Department in 1937 and the proposed appointments will result in adding a further \$16,000 to cost of the Sanitary Department establishment for the year 1938.

Head 24, Botanical & Forestry Department. I would like to have seen something more than the paltry sum of \$2,000 budgeted for under this Head for the planting of flowering shrubs, particularly in view of the considerable damage wrought by the typhoon of the 2nd

September last. The beauty of this Island is a priceless heritage which it is our duty to maintain and which I feel is too often sacrificed in the interests of modern utilitarian convenience.

I do not know whether it is proposed to develop by building the site of the former Hong Kong and Shanghai Bank houses in St. John's Place, but I venture to express the hope that this is not the intention. I agree with what I understand was our late Governor's, Sir Andrew Caldecott's, view that such development of the Battery Path and Garden Road area would be vandalistic commercialization of what should be one of the most beautiful parts of Hong Kong. (Applause).

H.E. THE OFFICER ADMINISTERING THE GOVERNMENT.— It will not be possible to continue the debate on this Bill to-day and Council, therefore, stands adjourned to this day week.
