

6TH AUGUST, 1908

PRESENT:—

HIS EXCELLENCY THE GOVERNOR—
SIR FREDERICK JOHN DEALTRY
LUGARD, K.C.M.G., C.B., D.S.O.

MAJOR-GENERAL BROADWOOD C.B.,
(General Officer Commanding).

HON. MR. F. H. MAY, C.M.G. (Colonial
Secretary).

HON. MR. W. REES DAVIES, K.C.
(Attorney General).

HON. MR. L. A. M. JOHNSTON
(Colonial Treasurer).

HON. MR. W. CHATHAM, C.M.G.
(Director of Public Works).

HON. MR. E. A. IRVING (Registrar-
General).

HON. COMMANDER BASIL R. H.
TAYLOR, R.N. (Harbour Master).

HON. DR. HO KAI, M.B., C.M., C.M.G.

HON. MR. WEI YUK, C.M.G.

HON. MR. MURRAY STEWART,

HON. MR. H. A. W. SLADE.

HON. MR. W. J. GRESSON.

MR. C. CLEMENTI (Clerk of Councils).

Minutes

The minutes of the previous meeting were read, and confirmed.

Financial Minutes

THE COLONIAL SECRETARY, by direction of His Excellency the Governor, laid on the table Financial Minutes (Nos. 42 to 48) and moved that they be referred to the Finance Committee.

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

Financial.

THE COLONIAL SECRETARY, by direction of His Excellency the Governor, laid on the table the report of the Finance Committee, No. 42, and moved its adoption.

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

Papers

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the following papers:— Correspondence regarding the Typhoon Shelter at Mongkoktsui and the proposed Temporary Increase in Light Dues, and the Report on the Botanical and Afforestation Department for the year 1907. The correspondence regarding the Typhoon Shelter had been circulated to members, but since the circulation it had been brought up to date by the addition of a letter received the previous day from certain European shipping companies, and the answer under date of 6th instant.

The Typhoon—Telegram from Secretary of State.

HIS EXCELLENCY—I have received from the Secretary of State a telegram which has already been published in the newspapers and which I desire to read to the Council. It runs as follows:—

“Your telegram of the 30th July, news of the Typhoon, received with great regret by His Majesty’s Government who desire me to convey to the community of Hongkong its sincere sympathy at this second disaster within two years.”

Additional Typhoon Information

HIS EXCELLENCY—I may add that I have recently been in correspondence with the Commander-in-Chief in South China with a view to arranging that any of His Majesty’s ships which may be cruising around should send wireless messages to our Observatory of any typhoon or any atmospheric disturbance which they may be able to report. Arrangements have now been completed and I hope they will materially increase our knowledge of the direction and course of typhoons and so add to the reliability of the warnings signalled by the Observatory.

The Typhoon Shelter—Impost on Shipping

HIS EXCELLENCY—I have now to submit for the acceptance of the Council the following resolution:—

Resolved that on and from the 1st January, 1909, the Owner, Agent or Master of every ship which enters the Waters of the Colony shall pay the following Dues to such Officer as the Governor may, from time to time, appoint:—

(1) For all River Steamers which enter the Waters of the Colony by day or by night:—

Five-sixths of a cent per ton register.

(2) All other ships which enter the Waters of the Colony:—

Two cents per ton register.

Exemption:—British and Foreign Ships of War.

It will be within the recollection of members of the Council that in the debate on the Estimates which took place on the 3rd October last year the Hon. Mr. Osborne, whose absence to-day I greatly regret, urged upon the Government in a very eloquent—I may say in an impassioned—speech that there should be no further delay in the erection of a second typhoon shelter. He reminded us of the good resolutions which had been formed after the typhoon of 1874, when it was said that some 2,000 lives were lost, and he reproached the Government that nothing had been done for 25 years. In the typhoon of September, 1906, 10,000 lives were, he estimated, lost by this inaction. He was supported by the hon. member representing the Chamber of Commerce, the Hon. Mr. Hewett, who stated that in his opinion the typhoon shelter was urgently needed. Mr. Hewett only spoke as he had spoken previously in the debate in 1906. On that occasion he said that the necessity for another typhoon refuge was admitted by all and that it ought to be built at the earliest possible date. He contrasted the cost which the colony had to bear by the frequent disasters and loss of property incurred by recurring typhoons with the capital cost involved in the erection of a new shelter. In that debate in 1906 the senior unofficial member representing the Chinese community (Hon. Dr. Ho Kai) also gave his verdict in favour of an additional typhoon refuge and argued its necessity on the grounds not merely of the safety of material property but on the broader grounds of humanity. The Press of this Colony has been unanimous in supporting the urgent, the immediate, necessity of building another

typhoon refuge, and they have impressed on the Government that it is incurring a very heavy responsibility in delaying its construction on any grounds whatever whether financial or otherwise.

The speakers in the debate last year spoke to those who were already convinced. I myself said in that debate that I thought it an urgent necessity for the Government to afford adequate protection to the small craft frequenting this harbour. I said that in my opinion there should be no delay in making that refuge, and I endorsed the pledge given by my predecessor that it should be undertaken at once.

It therefore remained for the Government to decide in what way the money should be provided. After careful study of the finances of the Colony and of the steps which had been adopted in similar cases of financial stringency, I came to the conclusion that half the cost should be defrayed by an additional impost on shipping, in the form of an increase in the light dues, and the other half should be borne by the Reserve funds of the Colony. The reasons which prompted me to this conclusion are stated in brief form in the papers which have been laid on the table to-day in a memorandum by myself which was communicated to the Chamber of Commerce. I will not go into detail on that subject in introducing this resolution, but I shall be glad to give any additional information that may be required later.

I will, however, add one or two remarks to the observations contained in that memorandum. In the first place it may be said that since this typhoon refuge is mainly for the benefit of native craft, why should not the native craft pay for it? The answer to that question I have already briefly given in the memorandum, namely that it is not only the native craft that benefit but European shipping also. The European firms themselves admit, in one of their earlier letters, that they materially benefit from the typhoon refuges. To this point I shall recur later in the course of my observations; meanwhile the following facts may, I think, be of interest to you: In 1907 it is calculated that licensed and unlicensed junks paid 3 cents per ton. That is one cent more than is now asked from ocean shipping as a temporary increase to provide funds for the construction of this shelter. It has been calculated, too, that of

the revenue produced by the fees and other charges on native craft 59.3 per cent. is spent upon them, whereas for the ocean shipping 83.5 per cent. of what they produced is spent upon them. Fishing junks pay practically the same as trading junks. River steamers, on the other hand, paid only $\frac{1}{3}$ cent per ton for night entries only, equaling 0.19, or one-seventh of a cent per ton on all river tonnage entering the harbour. We therefore have increased the percentage they shall pay in future, and this is included in the resolution now before the Council. When investigating this question it was demonstrated that the fees levied on cargo boats, lighters, and water boats was somewhat inadequate, and this is the reason they have been raised.

In the second place I would remind the Council that in December 1896 the unofficial members of this Council were unanimous, with one exception, that the light dues should be permanently, not temporarily, increased to $2\frac{1}{2}$ cents per ton. That recommendation was not at the time accepted. Again in 1902 the committee appointed to investigate sources of possible increases in the revenue, proposed that $2\frac{1}{2}$ cents should be levied on shipping, so that the proposal now before the Council is not a novel one. It is one which has already been fully investigated and which has been unanimously approved in this Council with one dissentient only. The papers which have laid on the table show that during the time the light dues were increased to $2\frac{1}{2}$ cents for the erection of the Gap Rock lighthouse the tonnage entering this port steadily increased, but it was noticeable that the tonnage of junks remained stationary. Why was this? I think it is reasonable to assume that it was due to the fact that this harbour will not accommodate more junks in safety. You cannot expect a larger junk traffic so long as junks are exposed to the risks to which they are at the present time liable in every typhoon which blows.

It may be further asked why should this tax be imposed upon shipping only? I fear, gentlemen, that when we come to frame the budget for next year we may find that shipping is not the only interest which will have to submit to extra taxation. What with the fall in exchange, what with the precarious position of the opium monopoly, what with

depreciation of subsidiary coinage, what with the heavy loss suffered in this last typhoon in addition to the rainstorms which preceded it, what with increased interest on railway construction, and the prevailing trade depression, I fear that the outlook is not a very bright one. Already the margin available for capital expenditure on public works extraordinary has fallen practically to its lowest limit. It stands at two-thirds of what it was last year and is only sufficient to continue the works already under construction and to provide those minor works which from year to year become absolutely necessary. Next year we shall have to provide \$150,000 extra for interest on sums borrowed for railway construction, and these demands for the railway will go on steadily increasing until they culminate in 1911, when we shall have to create a sinking fund to redeem our borrowings. In that year including interest and sinking fund, we may assume we shall have to pay four and a half per cent. on one million sterling, and three and a half per cent. on half a million sterling. That will amount to a capital sum of about £60,000, which in the falling rate of exchange will mean something like \$700,000 out of our revenue.

I think hon. members will agree, after what I have said, that the Government was justified in feeling that it had a mandate—a mandate of quite an extraordinary and unanimous description,—to undertake the construction of this refuge. It had been urged in the strongest terms in this Council. It had been urged by the Chamber of Commerce. It had been urged by committees representing the various interests of this colony. The pledge of the late Governor and my own pledge that it should be undertaken without delay was unanimously welcomed. Acting on that mandate the Government has prepared a scheme and it has come to definite decisions. The sanction of the Secretary of State to the proposals has been asked and we have already gone to the extent of acquiring a dredger to commence the work. I think therefore that we may say that the decision to build a shelter is one that has been taken by the community as a whole and not merely by the Government. Reconsideration of this fundamental decision appears to me now to be impossible. If the Government were to hang up the question again, and to reopen the arguments

as to various sites, it would in my opinion lay itself open, and justly, to the charge of vacillation and ineptitude.

I will not travel in detail over the various arguments which have been employed in this question, but I will recapitulate very briefly the opinions expressed in order to show the grounds on which the mandate was based. In 1904 the Chamber of Commerce urged that Causeway Bay was inadequate. They also said it was on the wrong side of the harbour and that they would welcome a change of position. They welcomed also the proposal for a larger area. They added that they had constantly urged these needs since 1898. Unofficial members of the Council, including the representative of the Chamber of Commerce and the shipping interest, endorsed this view. The Typhoon Committee was unanimously in favour of a typhoon refuge to be established at Mongkoktsui. In their last letter the signatories who represent the shipping interest say: "The Government has made some capital out of the fact that two of those who signed the protest had also signed the report of the Typhoon Refuge Committee." But, gentlemen, if you turn to the list of members of that Typhoon Committee which is printed in the papers laid before you, you will find not merely two, but you will find the representatives of the P. and O. Company; of Jardine, Matheson & Co.; of Butterfield and Swire; of Gibb, Livingston & Co.; of David Sassoon & Co.; and of Shewan, Tomes and Company. You will find that six of the shipping firms recorded their opinion that this typhoon refuge was absolutely necessary and that it should be constructed at Mongkoktsui—six out of the eleven signatories who happened to be on the committee. In addition there are three other signatories of leading shipping firms who, I notice, did not sign the present protest. Finally, the question was referred to the Public Works Committee of this Council. They unanimously recommended that the typhoon shelter should be built at Mongkoktsui. Their recommendation carries greater weight than perhaps any other, looking to the fact that the committee had before them the revised estimate in which it was stated that the typhoon shelter would cost a million and a half of dollars. In spite of that increased estimate they recommended that it should be built. The Public Works Committee included the

Chairman of the Chamber of Commerce who also represented very important shipping interests in this Colony.

A fiercer light beats upon a scheme when you know who has got to pay for it, and in the last letter which came from the Chamber of Commerce (or rather from the Shipping interests) they practically say that it is quite true that some of them signed that Typhoon Relief Committee report, but that they were under the impression that Government was going to pay for it. With that attitude I entirely sympathise. It is human nature that it should be so. I expected a protest from the shipping industry, and they draw a very doleful picture of the ruin and disaster which is going to overtake the Colony in consequence of the extra cent in light dues. Practically their arguments may be summed up in two general views. The first is that the tax is too heavy; the conditions are not the same as they were ten years ago when the Gap Rock Lighthouse was built; competition is keener; ships are larger and pay more in dues, in proportion to the freight they carry, and rival ports are springing up. Secondly, they say that though not opposed in principle, they would like the contribution to be spread over a longer time. In order to meet their views I have reduced the proposed tax from 2½ cents to two cents, and it is now spread over a period of eleven years instead of five years as was anticipated at first. In the letter written at my instance by the Hon. Colonial Secretary to the Chambers of Commerce I examined their proposal to finance the scheme by means of an overdraft on a local bank at six per cent. I proposed a counter scheme myself, into which I will not go at the present moment until I hear the views of hon. members upon it.

After all, gentlemen, what is the matter in dispute? The shipping agrees to the principle; it agrees to an extra half cent. The Government has knocked off half a cent. There is therefore only half a cent in dispute. Half a cent at the present return from shipping represents a sum of \$40,000 a year. I notice that the signatories to this protest all represent British firms. If you turn to the Harbour Master's report for last year you will find that the tonnage on British ships stood at 5,922,830, and on foreign ships at 5,589,393. That is to say, it is practically half and half. The extra liability

thrown upon the British firms amounts therefore to only \$20,000 per annum. Really, gentlemen, I think that that sum is hardly worth the indignant protests which have been received by the Government in the matter. I may add in regard to the onus which falls upon the shipping, that careful calculation shows that during 1907 the total charges for light dues, and buoys, to each P. and O. mail steamer was \$248; to each Messageries Maritimes steamer \$144; and to each German steamer \$203. These, gentlemen, do not seem to me to be at all outrageous figures. If indeed the disastrous effects which the shipping interests contemplate, should follow upon the policy of the Government it may perhaps after some years' trial be possible to alter our fatal course, but in the meantime I think, as I have already stated, that the proposal which is now before the Council is a reasonable one, and a moderate one.

It is to me a matter of the greatest possible regret that we have not reached perfect unanimity on this question. The decision is a very grave one, and I can assure you it has been duly weighed. It is not pleasant at any time to impose extra taxes, least of all at a time when the community is suffering from great trade depression; most of all is it distasteful when the proposal is opposed by members of the community of such weight and standing as those who have signed this protest,—members whose views are entitled to carry the utmost weight and to receive the utmost consideration from the Government. I had hoped that the compromise of two cents per ton would have produced unanimity, and I greatly regret that it has not done so. It is, as we all know, an era of increased taxation. We know that at home in the United Kingdom, no less than in Japan and the Far East, and throughout the civilised world the burden of taxation is increasing, and we cannot hope that Hong-kong should remain exempt.

I will now, gentlemen, turn to another aspect. In this matter the Government is placed, as I may say, under a cross fire. On the one hand I find myself, much I confess to my surprise, standing hereto-day to defend the principle of constructing a typhoon refuge. I expected rather to have to defend the Government on a charge of delay in not having done it sooner. I trust I have carried with me those who were still doubtful

about the shelter. I will now endeavour to do my best to show to those who have urged that it should have been done long ago that there has been no undue delay. In the debate on September 17th last on the Estimates, which was practically the first meeting of this Council at which I presided, I stated that I concurred in the principle of the typhoon refuge. On October 3rd, in reply to the speeches of Mr. Osborne and Mr. Hewett, to which I have already alluded, I informed the Council that an estimate had been received for \$1,400,000 and as this seemed an enormous sum I had referred it back to the engineer who prepared it to see if it could be reduced. On December 19th the revised report of the engineer had been received, and was immediately laid before the Public Works Committee. The Committee asked for further time to consider the report and the plans on a work of such great magnitude. On January 4th they reported. There was still some lingering doubt in my mind as to the position of the shelter, and I took the opportunity to again consult the Chinese merchants, through the Hon. Registrar-General, and to ask their views once more. I was assured that they were strongly in favour of Mongkoktsui, and if they had hesitated between that and any other position it was simply because they had doubted whether the Government would erect an adequate one which would afford perfect safety against typhoons.

Having received the unanimous report of the Public Works Committee I went fully and carefully into the question of finance. That naturally occupied some little time, but on March 7th I submitted my proposals to the Secretary of State. On May 27th, having had no reply from him, I telegraphed and was told in reply that the matter had been referred to the Lords of the Treasury and to consulting engineers. On July 15th I again telegraphed, and I received the reply that the consulting engineers proposed certain modifications. On July 20th I enquired by telegram whether the consulting engineers could submit by telegraph the chief points on which they wished further information. On August 4th I received a reply saying that the consulting engineers adhered to their desire for information on certain points, but that we could proceed at once with a portion of the dredging. Meanwhile the correspondence which is now

before you on the table, was conducted with the Chamber of Commerce. We also secured the dredger. The Council will, I think, agree with me that there has been no waste of time in this matter. They will also agree that overhaste in so important a work would have been even worse than some delay.

I have alluded to the dredger. At the last meeting of Council, in answer to a question from the hon. member on my right (Hon. Mr. Slade), the Hon. Director of Public Works gave full information regarding that purchase. I think we may say it was a good bargain, and I hope that its acquisition will reduce the cost of the typhoon shelter. I may remind you that if the dredger had been sold out of the Colony we should have had to pay monopoly rates for whatever work we had to do, and I have good reason to believe it was likely to be sold out of the Colony. Indeed within 48 hours of own acceptance a firm offer was made. She was surveyed as late as November last, and I was advised that to redock her now would be an unnecessary expense to the Colony. She was however surveyed under working conditions and found to be in every way sound and fit for our purpose. I may add to the figures given by the Hon. Director of Public Works when he contrasted the capacity of the "St. Enoch" with the "Canton River" that the maintenance of the one compared with the other is as 4½ to 7 in favour of the "St. Enoch."

I will add a few remarks before I resume my seat regarding the last letter from the shipping firms which I only saw this morning. They say that the last typhoon goes to show that there is no necessity for constructing another shelter at Mongkoktsui. According to the police returns, gentlemen, the last typhoon destroyed 66 small craft within the limits of the harbour, and 45 lives so far are known to be lost. As you all know, these figures must be very much under the mark. Included in these figures were many craft of European make. The typhoon of July 27th-28th came from the north east, and the returns from the Observatory show that it never reached any point west of south. It therefore was not so destructive to native craft, and consequently to native life in the harbour as the typhoon of September 1906. But we may any day have another typhoon from the west, with the same destructive result then

experienced. As it was, the craft in the western portion of the harbour were unable to reach Causeway Bay. Many fled to Stonecutters and there the Star Ferry Company's boat "Morning Star," was driven ashore. Several other vessels belonging to that Company had a narrow escape. The Kowloon Wharf and Godown Co. lost two, and one drifted away while many other craft were blown out, including a "Blue Funnel" lighter. Another firm was said to have lost lighters. I think this goes to show, as I said before, that European-built craft will benefit very much indeed from the typhoon refuge at Mongkoktsui as well as native craft. You must bear in mind that an old established European industry, the Wharf and Godown Co., have, I believe, something like eighty vessels employed in serving the shipping interests of the Colony. To them, at any rate, the refuge would have a very great value.

The letter goes on to say that Causeway Bay was not full on the occasion of this last disaster. I submit to you that it is very hard to say whether Causeway Bay was full or not, seeing that the typhoon occurred at midnight. It is, however, admitted that there was a great congestion just outside the entrance late in the evening. I have some direct evidence on this point. The Wharf and Godown Company, of whom I enquired, inform me that at five o'clock they were told that Causeway Bay was full, and at 6 p.m. they began to tow their remaining lighters to Stonecutters, over a mile distant. Even though they arrived there safe they were blown out later. Even if Causeway Bay were not full, I do not admit that this is a good argument against having a shelter on the other side of the harbour, because it is admitted that craft from the west can not get to Causeway Bay in the teeth of a gale. I have been furnished with figures showing the number of vessels which were counted outside the shelter early on the morning of the 28th. They are as follows: 98 junks, 38 European lighters sought refuge in Kowloon Bay, Hunghom Bay, off Yaumati and behind Stonecutters, while 200 sampans were counted off Yaumati. There were also 112 native craft and four European lighters in Chinwan Bay. Presumably, had there been an adequate typhoon shelter at Mongkoktsui, all these 452 vessels with an immense number of sampans not included would have found refuge inside.

The signatories to the letter also say that the Government maintain that there is plenty of water in Causeway Bay. That is certainly not the case, and is sufficiently disproved by the fact that we are now spending \$70,000 in deepening it.

I have nothing more to add, gentlemen, in submitting this resolution to the Council. It is a resolution of the greatest importance. It is not merely a question as to the prosperity of this Colony, or as to the commercial profits of our port. It is a question of humanity. It is a question which has been debated since the year 1874, and was accentuated by the great typhoon of September 1906, when 5,000 to 10,000 lives were said to have been lost and a vast amount of property belonging to our Chinese fellow subjects was destroyed. They pay a large proportion of the revenue of this Colony, and I think the Council should not hesitate to pass this resolution imposing some extra taxation which in this instance falls chiefly upon the European community. I recommend for your acceptance the resolution which I commenced my observations by reading.

THE ATTORNEY-GENERAL seconded.

HON. MR. MURRAY STEWART — The correspondence which was circulated during the week gives the views of the Chamber of Commerce amply up to yesterday and I had hoped would have relieved me from the necessity of addressing the Council on this much-discussed subject. A new feature has, however, been introduced into the controversy by the letter from the Shipping Companies, addressed to the Government yesterday afternoon. A copy was sent in to the Chamber of Commerce but there has not been time to hold a Committee meeting. I do not know whether a Committee meeting would result in the unanimous adoption of the views of the Shipping Companies, but it is more than probable that opinion would favour postponing this resolution until the matter has been again discussed, and in an affair of such importance it is natural that I should wish to represent fully the views of the Chamber. Two new points were raised in the letter, the first drawn from the experience of the late typhoon; the second covers the suggestion that the Government intend to fill up Causeway Bay and to make a fine profit out of the resulting land. I am a little doubtful whether that

point was put forward with the idea of attributing Machiavellian intentions to the Government, or merely by way of subtly supplying a hint of a hitherto-unthought-of escape from our present difficulties. The Government should at least give an assurance that, if there is any such intention, or if when the proposed shelter at Mongkoksui is finished, it should seem desirable to reclaim Causeway Bay, the funds so realised will be devoted to reducing the outstanding debit appearing as the cost of the Mongkoksui scheme. In any case the point raised opens up a new possibility which should perhaps be discussed. I can easily understand that it must seem from the official point of view that an enormous latitude has already been given to discussion over this matter, but the extraordinary rapidity with which the personnel of this community changes, outside official circles, constitutes a valid excuse for the reappearance even of old arguments brought forward by new men, and justifies a special claim upon the consideration of the officials. The need of the moment is that conviction should be brought home to the minds of those who are immediately and at the moment concerned. I am such a true believer in the superiority of discussion over correspondence as a means of arriving at agreement, and this method having borne such excellent results in the recent discussion of the Health Bill, that, even at the eleventh hour, in view of the influentially signed protest which has been made, I would beg the Government to consider seriously whether it would not be desirable in the public interest, and in the interest of the harmonious working of this scheme, to afford an opportunity for the signatories of that protest to meet the permanent officials, who have the subject at their fingers' ends, and to hear the case for the Government proposals in all its bearings. I am hopeful that they might be convinced of the validity of the reasons which convince me that the proposals are reasonable and moderate—if, that is, they still remain unconvinced by Your Excellency's statement of the case. In any case I have been asked by the Chairman of the Chamber of Commerce to beg Your Excellency to postpone this most important resolution, not for any long period, only to allow time for the suggested meeting to take place, and I therefore think it is my duty on behalf of the Chamber to make this appeal.

HON. MR. GRESSON—Your Excellency, I think that the discussion has not been sufficiently brought to the notice of members of this Council, and that circumstance alter cases. It has been mentioned that in 1906, as a member of the Typhoon Committee, I was in favour of an expenditure for the Mongkoktsui refuge. That is undoubtedly so. The figures that I had laid before me, and which were sanctioned by the Public Works Committee about the same time, comprised an expenditure of some \$600,000. But at that time the revenue of the Colony was not in the precarious state it is now. We did not know that at one fell swoop we were going to lose a great and important part of our revenue. Also I understood that the contribution which was promised by your predecessor to the fund, a sum of \$300,000, would be available for payment of work at this refuge. Therefore, Sir, you will see that at that time the Typhoon Committee only anticipated an expenditure of \$300,000. That is a different thing to the sanctioning of an expenditure of \$1,500,000. Your Excellency also laid great stress on the fact that the chairman of the Chamber of Commerce and its representative in this Council strongly supported it. But he also strongly opposed any increase of light dues to pay for it. The feeling in the Colony seems to me somewhat changed as to the advisability of a refuge, and I think the proposal made by the representative of the Chamber of Commerce well worth your Excellency's consideration. I would also ask that the decision should be postponed till we have had one further opportunity of discussing the whole matter, and I will second the amendment of the representative of the Chamber of Commerce.

HON. DR. HO KAI—Sir, I must say I am in favour of the Government granting the request of the hon. member representing the Chamber of Commerce, which was supported by the hon. member who has just taken his seat. Personally, I think one conference would be sufficient to settle all discussions, also to make everyone thoroughly understand the position we are in. As in the case of the Public Health and Buildings Bill, I am quite confident that this conference would be productive of much good, and I quite believe with the hon. member for the Chamber of Commerce that the result of it will repay us for the delay. I may say that the views I expressed in

September two years ago in this Council I still maintain. I say: Come what may, and cost what it may we must, upon the broad principle of humanity alone, do something to save these poor Chinese who live on the water and their crafts from devastation by typhoons. And if the cost cannot be found by increasing the light dues, then it has to be found by the increasing of rates or the assessed taxes of the Colony. The question before the Council just boils down to this: Are the ratepayers of this Colony—the majority of whom are poor—to have their taxes increased by about 20 per cent, or shall we ask the shipping firms to increase their contribution by one cent per ton for a certain number of years? As a representative of the ratepayers there is absolutely no doubt what position I shall take, and at the same time I quite understand the attitude adopted by the shipping firms. They naturally do not like to have the whole of the burden falling on them, but I understand the proposal of the Government is now to defray half the cost out of the general revenue of the Colony, and the other half out of light dues. There is one point that was touched on by the hon. member opposite. He spoke of the three lacs of dollars promised by the Government which included \$270,000 odd and \$30,000 handed over by the Typhoon Relief Committee. The Government gave a distinct promise that this amount should be expended in the erection of a new shelter. Another point was mentioned by the member for the Chamber of Commerce which also deserved attention. That was regarding the disposal of the refuge at Causeway Bay when the new shelter is completed at Mongkoktsui. A conference might be called on the subject, and I am quite confident the result will be satisfactory.

HON. MR. WEI YUK—I quite agree with the Hon. Dr. Ho Kai, and have much pleasure in supporting what he said.

HIS EXCELLENCY—Gentlemen, I think that the course of action which was pursued in regard to the Public Health and Buildings Ordinance which has been alluded to by the hon. member who proposed the amendment now under consideration will prove to you that there is no one who more fully and strongly believes in discussion in preference to arbitrary action than I do. But, gentlemen, the preliminary discussions which took place on the Public Health and

Buildings Ordinance were discussions of a wholly different class to any which would be engaged in on the present question. They dealt with an immensity of detail, and with questions as to how the law could best be applied in various troublesome circumstances. The question before the Council to-day is a clear issue. It is not one, I maintain, in which further postponement or further discussion can do any real good. If there is anyone who is unconvinced by the facts I have laid before you I would despair of changing his views by further argument. Frankly, I think further discussion would only mean further friction. We have discussed this matter. The Government has stated that it is prepared to made the charge two instead of two and a half cents. Any other valuable sources of revenue such as those proposed by the senior Chinese member must be hypothecated to other necessities which we foresee in the near future. In that case, with what object shall we meet the signatories to this letter? The Government is unable to recede from its position that the refuge is absolutely necessary, and that the minimum which we can ask from the shipping interests has been asked. We have nothing to alter; we have no further concession to make. What then, gentlemen, is the use of further discussion? The hon. member representing the Chamber of Commerce said a new factor had been introduced by the lesson we received in the last typhoon. Are we to await more lessons from more typhoons? Are we to sacrifice more lives before we make up our minds what we are going to do in this matter? He said also that there was a new aspect on account of the constantly changing personnel of this Colony. Will waiting bring us any nearer our end from that point of view? Are we to wait for fresh changes, fresh arguments and fresh men? As I said before, gentlemen, I think any further postponement would be nothing more or less than culpable vacillation. We have got to do this thing, and we should make up our minds to do it at once. I feel sure that the consensus of opinion in this Colony is in favour of the Government's proposal, and the mover of the amendment himself endorsed my words that it was a reasonable and a moderate proposal.

He however went on to say that a new and hitherto unthought-of project had been foreshadowed in the last letter from the shipping firms, namely, the idea of reclaim-

ing Causeway Bay. That is a familiar idea, and has not been unthought of. It was suggested to me some time ago, by the hon. and learned member who I am sorry to see is absent to-day (Hon. Mr. Pollock). I had a valuation made. I thought it at first a somewhat admirable project to mortgage, so to say, the land which might be reclaimed, and so to provide a portion at least of the funds for this typhoon shelter. But I am advised that the reclamation of a very considerable portion of the bay would only produce a sum of something like \$150,000, not one-tenth of the sum required. I am also myself very strongly of opinion that there must always be a shelter, though perhaps not so large a one, in the east as well as in the west of the harbour. It may be possible hereafter to reclaim some portion of the inland area of Causeway Bay, but that cannot at any rate be done until the shelter at Mongkoktsui is completed and available for use. That will not, in all probability, happen during the period I have the honour to occupy this chair, and I do not feel I could rightly pledge futurity by a promise that any sum realised should be devoted to defraying any outstanding deficit on the Mongkoktsui refuge. If I am here, and if the reclamation should be carried out and a sum should then be outstanding for the Mongkoktsui refuge, I would myself support a proposal that the sum realised from the reclamation should go towards the outstanding deficit of the Mongkoktsui refuge. The senior unofficial member (Hon. Dr. Ho Kai) alluded to the balance of a sum which was subscribed towards the Typhoon Relief Fund and also to the pledge given by my predecessor that the Government would contribute an equal amount to the sum subscribed by the community. The balance we have in hand of the Typhoon Relief Fund viz., \$35,804 will be partly, I fear, required to meet distress from this recent typhoon, but whatever remains of it will certainly be devoted to the typhoon refuge in accordance with the promise given by my predecessor. As regards the donation by the Government of a sum equal to that subscribed by individuals of the Colony viz., \$280,000, I have explained that half the cost of the new Refuge will be borne by the funds of the Colony and this half will amount to \$750,000 which is much in excess of the amount promised. I think I have replied

to the various points raised and I will now put the resolution.

THE ATTORNEY-GENERAL—A point of order. May I ask the hon. member opposite if his proposal is an adjournment of the debate.

HON. MR. MURRAY STEWART said it was, and framed his amendment which read "That the debate shall be adjourned pending deliberations upon the Shipping Companies' protest."

On being put to the meeting the amendment was lost, the unofficials voting for, and the officials against it.

The resolution was then put and was carried by ten to two, the Hon. Mr. W. J. Gresson and Hon. Mr. Murray Stewart voting against it.

HIS EXCELLENCY — Council stands adjourned *sine die*.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held after the Council, the **COLONIAL SECRETARY** presiding. The following votes were passed :

Compensation for Resumption.

The Governor recommended the Council to vote a sum of One thousand three hundred and sixty-eight Dollars (\$1,368) in aid of the vote, Public Works Extraordinary, Miscellaneous, Compensation for the Resumption of Lots Nos. 212 and 711 situated in Demarcation District No. 6.

Steam Launch Repairs.

The Governor recommended the Council to vote a sum of One hundred and eighty-nine Dollars (\$189) in aid of vote, Post Office, A.—Hongkong Post Office, Other Charges, Repairs to Steam-Launch.

24TH SEPTEMBER, 1908.

PRESENT.—

HIS EXCELLENCY THE GOVERNOR,
SIR FREDERICK JOHN DEALTRY
LUGARD, K.C.M.G., C.B., D.S.O.

COLONEL DARLING (General Officer Commanding).

HON. MR. F. H. MAY, C.M.G. (Colonial Secretary).

HON. MR. W. REES DAVIES, K.C.
(Attorney-General).

HON. MR. A. M. THOMSON (Colonial Treasurer).

HON. MR. W. CHATHAM, C.M.G.
(Director of Public Works).

HON. MR. E. A. IRVING (Registrar-General).

HON. F. J. BADELEY (Captain Superintendent of Police).

HON. DR. HO KAI, M.B., C.M., C.M.G.

HON. MR. WEI YUK, C.M.G.

HON. MR. MURRAY STEWART.

HON. MR. H. A. W. SLADE.

HON. MR. W. J. GRESSON.

MR. C. CLEMENTI (Clerk of Councils).

Minutes.

The minutes of the previous meeting were read, and confirmed.

Financial Minutes.

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table Financial Minutes (Nos. 44 to 54) and moved that they be referred to the Finance Committee.

THE COLONIAL TREASURER seconded and the motion was agreed to.

Financial.

THE COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table the Report of the Finance Committee (No. 15) and moved its adoption.

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

Papers.

THE COLONIAL SECRETARY laid on the table the following papers:— Draft Estimates of revenue and expenditure for the year 1909. Financial Statement in connection with the estimates. Abstract showing differences between the estimates for 1908