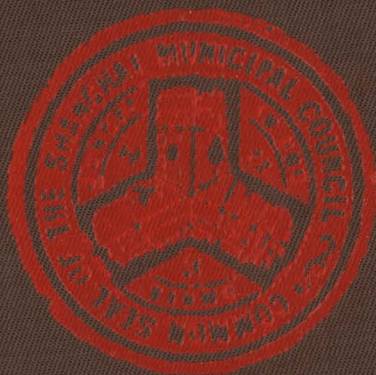


工部局董事会 会议录

第二十七册

上海市档案馆 编

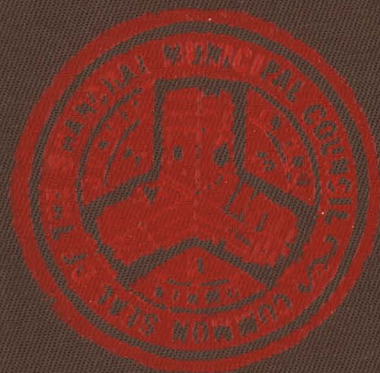


上海古籍出版社

THE MINUTES OF SHANGHAI
MUNICIPAL COUNCIL

Volume XXVII

SHANGHAI MUNICIPAL ARCHIVES



Shanghai Classics Publishing House

工部局董事会会议录

第二十七册

上海市档案馆 编

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上海古籍出版社



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THE MINUTES OF SHANGHAI MUNICIPAL COUNCIL

Volume XXVII

SHANGHAI MUNICIPAL ARCHIVES

Director of the Editorial and Examination Committee Zhang Qian

Deputy Director of the Committee Shi Meiding

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Shanghai Classics Publishing House

工部局董事会会议录

THE MINUTES OF

SHANGHAI MUNICIPAL COUNCIL

(1936—1939)

At the meeting of the Council held on Wednesday, January 8, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambé (Vice-Chairman)
 J. W. Carney
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killary
 J. H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Messrs. C. S. Franklin
 W. Gockson.

The Minutes of the meeting held on December 23, 1935, are confirmed and signed by the Chairman.

FS/11 Council - Chinese Members and Committee Men. - A letter from Mr. Chen Chieh dated January 4 is submitted, in which he tenders his resignation from the Council owing to his recent appointment as Administrative Vice-Minister of Foreign Affairs to the National Government. At the Council meeting held on December 23, 1935, when a resolution was passed congratulating Mr. Chen Chieh on the appointment, the Chairman observed that he feared this would involve his resignation from the Council. He suggested, in anticipation of this, that Chinese Members should confer together to decide whether they wished to suggest anyone else, and if so whom, to fill the probable vacancy.

A letter dated December 27, 1935 is now submitted from the Chinese Ratepayers' Association, saying that they have elected Mr. Yulin Hsi (Hsi Yu-shu) to take Mr. Chen Chieh's place on the Council, and Mr. F. S. Hsu (Hsu Hsiao-ts'n) to replace Mr. Yulin Hsi as a member of Committees. Mr. Hsi is Manager of the Shanghai Commercial & Savings Bank, 50 Ningpo Road, and Mr. Hsu the Manager of the Great Eastern Dispensary in Peking Road. The Chinese Members of Council have also submitted a separate letter, advising the Council of this action and their concurrence in it.

The Chairman observes that he thinks there has been some misunderstanding as to the correct procedure in this matter. In the

case of a vacancy occurring during the Council's term of office, the power to fill up the vacancy rests with the Council in accordance with Land Regulation XX. It is therefore only possible for Chinese members to submit a recommendation, which must be considered by the Council as a whole, and no power is vested in them directly or in any other body to elect a member of Council to fill the vacancy without a majority vote of the Council.

As regards the appointment of a Committee member, he explains that the Standing Orders provide that all vacancies shall be filled by the Council on the nomination of the Chairman. He personally thinks no useful purpose would be served by appointing a new member so near the end of the Council's year, when a large proportion of the work will concern yearly estimates based on considerations of which he cannot possibly have any knowledge.

Mr. Singloh Hsu says that he believes there is a precedent for the action taken by Chinese Members, in that an election to fill a vacancy was carried out some years ago through the Chinese Ratepayers' Association, and their nominee Mr. T. D. Woo duly became a member of Council. The Chairman replies that if this is the case it was against the rules of procedure and should not be repeated; he also doubts whether the Consular Body would permit such an infringement of the Land Regulations. The Secretary General points out that in the case cited by Mr. Singloh Hsu a bare acknowledgement only was sent to the Chinese Ratepayers' Association. The suggested nominee was approved, but only after the matter had been considered by the Council as a whole. The Chairman also recalls a letter written to the Senior Consul in January 1927, wherein it is laid down that the rights and duties of Chinese members as regards election are the same as those of foreign members, who can only be co-opted by the will of the Council as a whole. In answer to a question by Mr. Porter, he says that there is nothing to prevent foreign members nominating a Chinese candidate for membership if they wish; but that this is usually left to Chinese members as a matter of courtesy, in view of their greater opportunities of judging who would be acceptable to the Chinese community at large.

Mr. Singloh Hsu says that the Chinese members have no desire to create a difficult position for the Council. After the explanation which has been given, they are glad to adhere to the procedure laid down in the Land Regulations. He therefore proposes that Mr. Yulin Hsi's name be submitted to the Council for consideration, in connection with the vacancy arising in membership through the resignation of Mr. Chen Chieh. The Chairman seconds the proposal, which is carried unanimously.

As regards the election of a Committee member, the Chairman says that although he considers it unnecessary, for the reasons already given, he does not wish to press the point, and after Mr. Singloh Hsu's assurance that Chinese Members would appreciate the appointment and a remark in support by Mr. Lambe, he nominates Mr. F. S. Hsu to take Mr. Yulin Hsi's place on certain Committees of the Council. The proposal is carried unanimously.

The Secretary observes, in reply to questions, that it will be convenient if Mr. F. S. Hsu takes over membership of the Traffic and Health Committees, leaving the Finance, Staff and Watch Committees and the Education Board to Mr. Yulin Hsi.

It is accordingly

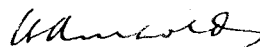
RESOLVED

- (1) that Mr. Yulin Hsi, of the Shanghai Commercial & Savings Bank, be co-opted for the remainder of the Council year to Membership of the Council and of the Finance Committee and Education Board, to fill the vacancy caused by Mr. Chen Chieh's resignation.
- (2) that Mr. F. S. Hsu, Manager of the Great Eastern Dispensary, be co-opted to serve on the Health and Traffic Committees of the Council.


Municipal Compradore - Mr. Pon Ming Fan. - The Chairman states that the Treasurer & Controller has drawn the Council's attention to the fact that Mr. Pon Ming Fan, the Municipal Compradore, will complete fifty years' service on January 10, next, and recommended that in view of his long and faithful service an expression of the Council's appreciation be conveyed to him in the form of some suitable memento. Members unanimously concur with this recommendation, and it is

RESOLVED that a suitable piece of plate be presented by the Chairman of the Council to Mr. Pon Ming Fan, the Municipal Compradore, as an expression of the Council's appreciation of his fifty years of long and faithful service.

The meeting terminates at 5 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, January 22, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
W. P. Lambe (Vice-Chairman)
J. W. Carney
W. Gockson
Yulin Hsi
S. L. Hsu
V. St. J. Killery
E. Y. B. Kiang
J. H. Liddell
H. Porter, C.M.G.
T. Urabe
T. Yamamoto
Yu Ya Ching

The Treasurer & Controller
The Chairman of the Ricsha Board
The Secretary General
The Secretary, and
Dr. J. C. H. Wu.

Absent:

Mr. C. S. Franklin.

Council Membership. - The Chairman, on behalf of all members, welcomes Mr. F5/11 Yulin Hsi to the vacant position on the Council caused by the resignation of Mr. Chen Chieh.

The Minutes of the meeting held on January 8 are confirmed and signed by the Chairman.

H3/434 Municipal Comptroller - Mr. Pen Ming Fan. - Arising out of these Minutes, the Chairman informs members that he proposes to make the presentation to Mr. Pen Ming Fan at the next meeting of the Council.

The Minutes of the Orchestra & Band Committee held on January 17 are submitted and confirmed.

M1/3 Death of Mr. A. S. P. White-Cooper. - The Chairman informs members that he has addressed a letter of condolence to Mr. R. F. C. Master, of Messrs. Platt, White-Cooper & Co., on the death of Mr. White-Cooper, requesting that an expression of the Council's sympathy be transmitted to Mr. White-Cooper's family.

F5/12F6/1 Election of Council and Annual Meeting of Ratepayers. - It is necessary under the Land Regulations that dates be suggested to the Consular Body for the election of Council and the Annual Meeting of Ratepayers. Considerations governing the selection of such dates are (1) the formerly expressed desire of the Council to shorten the interval between the two events, and (2) the practicability of the Treasurer & Controller

being able to produce his accounts at least ten days before the Annual Meeting, as laid down in the Land Regulations, allowing for the interruption to work due to the Easter Holidays. The Election dates now suggested are Monday and Tuesday, March 23 and 24, and Wednesday, April 15 is proposed for the Annual Meeting. It is also recommended that the Grand Theatre be used for the Annual Meeting, if available, as was done in 1935, decision as to the hour of commencement being deferred until a later meeting of the Council.

Members unanimously agree with these proposals, and it is

RESOLVED

- (a) that Monday and Tuesday, March 23 and 24 be suggested to the Consular Body as suitable dates for the Election of Council.
- (b) that it be proposed to the Consular Body that the Annual Meeting of Ratepayers be held on Wednesday April 15 in the Grand Theatre, if available, the hour^{of} commencement to be decided at a later meeting of the Council.

Co-optation of Member of Health Committee. - A letter has been received from Dr.

F4/10 E. L. Marsh, notifying his departure for England on January 21 and his expected return to Shanghai in October next. This departure has necessitated his resignation from the Health Committee, which he has submitted.

Dr. Marsh has suggested that Dr. J. E. Murray, of his firm, succeeds to his seat during his absence, if this meets with the Council's approval.

Members agree, and it is unanimously

RESOLVED that Dr. J. E. Murray be co-opted to serve as a member of the Health Committee during the absence of Dr. E. L. Marsh.

Printing of Annual Report. - The Secretary reports that the Chinese Ratepayers'

N5/6
N5/3 Association have supplied for 8,200 copies of the Annual Report for 1935, to be distributed by the Association. The cost of production is estimated at over \$12,000, and of distribution at \$500, payable by the Council. Last year 5,000 copies of the Annual Report in Chinese were produced.

For many years it has been the practice to print only 1,500 copies of the Annual Report in English; this number has been ample to supply all ratepayers who have asked for a copy, besides allowing an adequate number to be sent to other authorities and to libraries in China and abroad, and having a small reserve in hand.

The bulk of the Annual Report, with the exception of the full financial statement, is given to the press, both Chinese and foreign, and published before the Annual Meeting; the full financial statement is also sent to the press, but while not published in extenso it is summarised and forms the subject of comment and discussion.

A notice is issued each year that copies of the Annual Report in English are available on application to the Secretary or to the Revenue Office.

From experience in the past the Secretary considers it obvious that undue waste is entailed by the distribution of free copies of an expensive report and that it would be no injustice to ask those who were interested to apply for a free copy. He suggests that, in order to save money on printing and distribution, 1,500 copies of the Annual Report be produced in English and 2,000 in Chinese, and that they be available free on application.

Mr. Kiang asks whether the power of distributing Chinese copies of the Report cannot be delegated to the Chinese Ratepayers' Association. The Secretary replies that in his view it is immaterial who actually carries out the distribution, so long as copies are only sent to people who are really interested. A certain proportion could be handed to the Association for distribution, but a margin must be held by the Council to fulfil the needs of ratepayers who may apply direct for their copies. If only 2,000 Chinese copies are printed, the type could be held, if desired, for a few weeks, in order to deal with any unexpected demand which might arise. The Chairman suggests that the Association might circularise its members that copies of the report can be supplied free on demand. Mr. Hsu, however, asks that the Report be sent to all Chinese Ratepayers, whether they ask for it or not.

Discussion ensues, and finally a compromise is suggested by Mr. Killery between the Secretary's recommendation and the Chinese Ratepayers' Association's request. He suggests that 4,000 copies of the Report be printed in Chinese, 3,000 being for distribution and 1,000 to be kept in hand; and that the suggested quantity of 1,500 copies in English be approved.

It is thereupon

RESOLVED that 1,500 copies of the Annual Report be printed in English and 4,000 in Chinese, and that the Chinese Ratepayers' Association be requested to inform Chinese ratepayers that copies of the Report may be obtained by individual application.

125/1
Rental Charge for Rickshas. - The recommendation of the Ricksha Special Committee held on January 20 that the authorized rental charge for public rickshas be reduced to 67 cents per day on and after April 1, 1936, is submitted for members' consideration, in view of its being desired to give as long notice as possible of any reduction.

The Chairman of the Ricksha Board stated at the meeting of the Committee that the cost of a ricksha is between \$80 and \$85, and that prior to any action by the Board owners were receiving an average of over \$14 profit per month on each vehicle. Their present profit he estimated at about \$10 (or 12½% per month). Under the present recommendation the profit per month would be reduced to about \$4. He pointed out further

that a monthly profit of even \$4 on an \$80 article is still allowing a return of 60% per annum, which he contended was at least adequate.

The Chairman says that he personally advocates further investigation of the above figures before a decision is taken in the matter. It is realized that rent reduction will undoubtedly involve fierce opposition from the owners, and it is therefore very necessary that all relevant data should be adequately checked beforehand. The Treasurer & Controller observes that though he has now been informed by the Chairman of the Ricscha Board that the average profits mentioned by him are net figures it was not at first altogether clear whether they were gross or net. He thinks that it is desirable to go into the question further. Mr. Lambe, as Chairman of the Ricscha Special Committee, also favours deferment of a final resolution until the next meeting. Mr. Carney asks whether the number of original licensees among the owners, i.e., those who have not bought transferred licenses at a premium, is available. Mr. Lambe says that the question of highly-priced licences has not been overlooked, but in view of owners' previous exorbitant profits and the fact that they have now had two years' notice of the Ricscha Board's policy of rent reduction, it is proposed to make no distinctions in this respect.

It is thereupon

RESOLVED that consideration of a reduction in the authorised rental charge for public ricschas be deferred until the next meeting, to enable more detailed figures to be available for members' inspection.

Memorial Service for His late Majesty King George - Closing of Foreign Schools. -

M/S The Secretary informs members that at a meeting of the Education Board the previous night (January 21) it was recommended "that if this action does not conflict with that in other Departments of the Council, all schools for foreign children shall be closed on the date of the King's Memorial Service, in view of a large proportion of the staff, and 46% of the pupils, being of British nationality." He says that the Minutes of the Education Board are not being considered as a whole at this meeting, but this recommendation requires an immediate decision. As regards other Departments of the Council, he suggests that the Municipal Offices be closed for public business during the actual hours of the Memorial Service, in order that British employees may be able to attend. Members agree, and it is unanimously

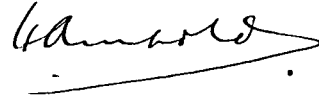
RESOLVED

- (a) that in view of the large number of British pupils and teachers, the Municipal Schools for foreign children be closed on Tuesday, January 28, the date of the funeral service for His late Majesty, King George V.
- (b) that during the hours of the Memorial Service on this date the Municipal Offices be closed for public business, but that they shall be open as usual throughout the remainder of the day.

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Jan. 22, 1936.

Telephone Tariff Revision.- Members are informed that a communication has now
1/21/36 been received from the French Municipal Administration, notifying the
Council of their agreement with the revised tariffs proposed by the special
Committee of Telephone Experts, and expressing their willingness that the
new tariffs shall take effect as from March 1 next.

The meeting terminates at 5.25 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, February 5, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 C. S. Franklin
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto

The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Messrs. W. Gockson
 Yu Ya Ching.

Municipal Compradore - Mr. Pon Ming Fan. - Mr. Pong Ming Fan is asked to
 H3/434 attend the meeting, and the Chairman presents him with an inscribed
 clock as an expression of the Council's appreciation of his long and
 faithful service during the last fifty years.

The Chairman observes that this presentation marks not only
 Mr. Pon Ming Fan's fiftieth year of service, but a family association
 of over 75 years with the Council. He says that in 1886, in its
 annual report for that year, the Council recorded with regret the death
 of Mr. Pon Yu Ming "who had been in the Municipal employment for over
 25 years, during which period he always performed his duties in a
 most satisfactory manner". In consideration of the long service of
 Mr. Pon Yu Ming, his eldest son, Mr. Pon Kuok Hien was given the
 appointment of Municipal Compradore. At the age of 71, Mr. Pon Kuok
 Hien retired from the service in 1930, after faithful service over a
 period of 48 years; and at the Council meeting of June 11 in that year
 he was presented with an engraved gold salver by the Chairman of
 Council, who referred in appreciative terms to the services rendered by
 Mr. Pon Kuok Hien in the interests of the foreign and Chinese communities.

The Chairman explains that Mr. Pon Ming Fan, the present
 recipient of the Council's congratulations on his jubilee anniversary,
 is not retiring from the service, and that there is every indication
 that the connection of the family with the Municipal Compradore's work
 will remain unbroken for many more years to come. In addition to

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Mr. Pon Ming Fan there are in the Compradore's office Mr. Pon C. Kui, son of Mr. Pon Kuck Hien, and Messrs. Pon S. Kee and Pon S. Sum, sons of Mr. Pon Ming Fan.

Though not so definitely traceable, it is understood that prior to 1861 the position of Municipal Compradore was held by Mr. Pon Zen Seng, also of the same family, so that it is highly probable the position has been held by the same family ever since the establishment of a Municipal Council on the banks of the Whangpoo - a long, most honourable and most pleasant association between one Chinese family and long lists of different Councillors and Council Staffs, especially in the Finance and Revenue and Secretariat Offices.

After the congratulation of members Mr. Pon Ming Fan withdraws. The Minutes of the meeting held on January 22 are confirmed and signed by the Chairman.

K25/1 Rental Charge for Ricschas. - Arising out of these Minutes, the Secretary states that, as instructed, the Ricscha Board has gone more fully into the question, and is still awaiting certain additional data from the Police. It has, however, already been ascertained that the figures originally submitted did not take into account certain material facts, and that a thorough investigation of the whole situation is desirable before a definite resolution is made.

The Treasurer & Controller observes that he has submitted a further report on the matter, advocating deferment for the present of any reduction in rental charges.

On the suggestion of the Chairman, members agree that the question be referred back to the Special Ricscha Committee for necessary action before the next meeting of the Council.

H18/7 The Minutes of the meetings of the Education Board held on January 21 and 28 are submitted and confirmed.

The Secretary mentions that a point of principle in relation to Long Leave may require reference to the Staff Committee.

The Minutes of the meeting of the Library Committee held on January 29 are submitted and confirmed.

The Minutes of the meeting of the Health Committee held on January 30 are submitted and confirmed.

C19/10 Country and General Hospitals - Casualty Service. - Arising out of these Minutes, Mr. Carney says that he would like to avoid possible misunderstandings on this subject by explaining that the Hospital Governors merely notified the Council of the Coroner's remarks, and did not voice any opinion or make any specific requests thereon. He would also like to point out that the original offer made by two firms of Doctors to hold themselves available for casualty work when required was a gratuitous one.

Telephone Tariff. - Two letters received from the Telephone Company dated 4/11 January 29, 1936, and also a Schedule of Tariffs are submitted for members' information. In the first letter the Company conveys its formal acceptance of the decision of the two Councils. In the second, the Company points out that a few items of the Tariff were not covered in the Experts' report. A statement attached to these two letters shows the proposed changes in relation to each of such items, and should be read in conjunction with the printed Schedule of Tariffs. The Company requests the Council's earliest possible approval to the complete Schedule of Tariffs now submitted. The Treasurer & Controller's observations on the position are also submitted. He notes that, subject to a negligible increase in revenue arising out of the amended charges for extra mileage, the estimated net effect of the Company's proposals will be to reduce its revenue by some \$7,950 annually. He has examined the schedule referred to by the Company, and recommends that the Council's approval be given thereto.

Mr. Kiang asks for information as to the provisions covering calls lasting more than five minutes, and is informed by the Secretary that the clause referred to has been inserted only in order to discourage abuses. No time recording equipment is in use, or proposed to be installed for the present. The Company would need to approach the Council if and when they ever wished to put it into force. It is in his opinion reasonable that the Company should discourage persons who immobilise other subscribers' telephones by keeping them continuously engaged for an undue length of time in order to avoid paying message charges.

Mr. Kiang observes that he is opposed to the system of timing telephone calls, and Mr. Hsu remarks that an operator's intervention is particularly undesirable on long distance calls. He personally has had a connection broken and wasted a considerable time in an important call to Nanking through being interrupted by an operator, who asked if he required a further five minutes' conversation. The Secretary replies that the Telephone Company's attention shall be drawn to the views expressed by Mr. Hsu and Mr. Kiang.

Mr. Carney questions the desirability of the clause in the Regulations by which the Telephone Company's decision is held to be final in cases of dispute with subscribers. He thinks that the subscribers should have a right of appeal. The Secretary agrees that the clause mentioned would be better omitted, and the Secretary General reinforces his remarks, observing, however, that in practice it might be wise to leave it out altogether and not to impose upon the Council the duty of determining disputes. If the Council were specifically mentioned as the arbiter in such matters there would be the danger

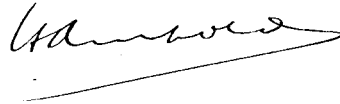
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of its becoming involved in every trivial dispute, which would cause unnecessary waste of time. Members agree that the clause referred to should be omitted. Members further point out that the term "Chinese Silver Dollars" should no longer be employed, and another member desires it to be made clear that the introduction of the Message Rate will not increase the cost of intercommunication calls.

It is thereupon

RESOLVED that, subject to the observations detailed above, the proposed Schedule of Revised Tariffs submitted by the Telephone Company be approved, to take effect from March 1, 1936.

The meeting terminates at 5.25 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, February 19, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 C. S. Franklin
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto

The Commissioner of Public Works
 The Chairman of the Ricsha Board
 The Secretary General
 The Treasurer & Controller, and
 The Secretary.

Absent:

Mr. Yu Ya Ching.

The Minutes of the meeting held on February 5 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Works Committee held on February 11 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee held on February 12 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on February 13 are submitted and confirmed.

The Minutes of the meeting of the Ricsha Special Committee held on February 14 are submitted and confirmed, after discussion.

Air Conditioning of Council Chamber. - In the Public Works Department Estimates ^{14/17} for 1936, which have been discussed by the Works Committee, there was included an item of \$16,000 to provide a system of air-conditioning for the Council Chamber. At the present time distracting noise from outside can only be eliminated by closing all the windows, which in the summer is obviously undesirable. The Treasurer & Controller, while stating that he did not wish to press the matter unduly, suggested that in view of the present economic difficulties it would be an appropriate gesture for the Council to deny itself this convenience. The Commissioner of Public Works mentioned the possibility of the erection of a new Council Chamber

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on the roof of the Administration Building. This would, however, cost at least \$40,000. He stated that if it was decided to proceed with the air-conditioning an immediate decision must be taken if the work was to be completed before the summer season. Several members spoke in favour of the project, stating that if the windows are open much of the discussion is inaudible. It was agreed to leave the item in the Budget and to raise the matter specifically at the next meeting of the Finance Committee. At the Finance Committee meeting, after a brief discussion, it was however decided to make no recommendation on this matter, but to leave it to the decision of the full Council.

The Chairman points out that the Council Chamber has been in use under existing conditions for a number of years, and in his opinion it would therefore be reasonable for additional expenditure not to be incurred in a year when the need for general economies was so urgent as at present.

Mr. Franklin believes that the noise from cars has been increasing with every year, and states that this is not merely a matter of comfort, which might well be omitted from consideration, but of actual efficiency, in permitting members to follow discussions in the meetings.

Mr. Kiang supports the Treasurer & Controller's recommendation that the scheme be deferred.

In answer to questions, the Commissioner of Public Works states that the sum of \$16,000 would cover the cost of the air conditioning scheme only. If it were desired to take further precautions against noise by filling in the front of the balcony outside, additional expenditure would be involved. Mr. Lambe thereupon observes that this explanation has caused him to modify his former views, since air conditioning alone may not prove wholly effective, and he now favours deferment of the project.

A vote is then taken, and with one dissentient it is

RESOLVED that provision of a system of Air Conditioning for the Council Chamber, for which an appropriation of \$16,000 was tentatively included in the preliminary Estimates for 1936 for the Public Works Department, be deferred for the present.

Police Force - Organisation and Control. - Mr. Killery adverts to the recent trial of two members of the Police Force, in connection with the alleged unlawful killing of a Chinese beggar. He asks, in view of some of the evidence adduced at the trial, whether it would not be desirable to request the Commissioner of Police to furnish a report on the system of disciplinary control of staff in general, and conditions at Kashing Road Station in particular.

The Secretary says such a report has already been made, and reads the Commissioner's remarks. These are to the effect that the

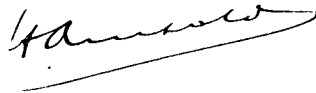
Feb. 19, 1936.

organisation at Kashing Road is the same as in other stations and not faulty, and that the apparent looseness of control is the direct result of neglect of duty and breach of regulations by one man - Sergeant Peters - who will be duly dealt with.

The Commissioner states that the fact that one man failed in his duty is no indication that there is anything wrong with general control, and should not be allowed to cast a reflection on the work of police officers generally, who are in the great majority conscientious and hardworking.

Mr. Killery then asks whether some official statement as to discipline in the Police Force should not be made to reassure the general public, which had been greatly concerned over the recent trial. On the advice of the Secretary General, this course is, however, not taken, on the grounds that however complete a disciplinary system, it is obviously impossible in practice to prevent an isolated breach of duty by a single man. The Secretary General feels that it would be a mistake to exaggerate the matter, and that an official statement might give a false impression. Members agree.

The meeting terminates at 5.50 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, March 4, 1936 at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 C. S. Franklin
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.
 T. Yamamoto
 Yu Ya Ching

The Commissioner of Public Works
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Messrs. W. Gockson
 T. Urabe.

The Minutes of the meeting held on February 19 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Health Committee held on February 17 are submitted and confirmed.

The Minutes of the meeting of the Education Board held on February 18 are submitted and confirmed.

The Minutes of the meeting of the Orochestra & Band Committee held on February 26 are submitted and confirmed.

The Minutes of the meeting of the Joint Health and Finance Committee held on March 2 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee held on March 2 are submitted and confirmed.

Boiler Safety Rules. - A copy of Boiler Safety Rules drawn up by the Public Works Department in conjunction with the Industrial Section and the Secretariat after consultation with Lloyds' representative is submitted for approval.

The frequency of accidents and of grave loss of life and damage to property arising from the lack of control of boilers in factories and in domestic industry has made it necessary, both from the point of view of the building rules and of the control of hazardous and dangerous trades, that boiler safety rules should be drawn, published and applied as far as possible. Inspection of boilers has been

frequently carried out lately, and advice is frequently sought. Moreover, additional pressure is brought to bear by insurance companies, which require some form of inspection, and there are available in Shanghai competent persons to inspect.

It was proposed to publish these boiler safety rules as a municipal notification, and the matter was circulated, but two members have suggested discussion in Council before ratification.

Upon request by the Chairman for his further observations, the Secretary states that out of an approximate total of 460 Boilers in the Settlement, about 110 have now been inspected. There is a growing feeling among local industrialists that a set of rules would be welcome in their own interests as well as those of the public, in view partly of the relevancy of a certificate of fitness as evidence to rebut claims of negligence against them in cases of accident.

As regards the question of enforcement of the proposed regulations, it appears that at the moment only persuasive pressure is possible, since there is no provision in the Land Regulations and By-Laws covering penalties for infraction. Even so, a Council notification will considerably strengthen the present position.

It is not anticipated that there will be any difficulty in getting enforcement after reasonable explanation.

Mr. Carney asks whether the proposed Rules could not be incorporated in the present Building Rules, and the Commissioner of Public Works replies that the latter are published under the authority of Land Regulation No. XXX, which is not wide enough to cover the proposed boiler safety rules. He suggests that such rules be issued as an addendum to the Building Rules, and also published separately.

The Secretary General points out that the Chinese Courts will usually only enforce regulations made by the Council if these are incorporated in the By-Laws; unless the proposed rules are treated in this way they will remain merely persuasive. The Commissioner of Public Works says he believes the various insurance companies will assist in applying persuasive pressure.

It is
RESOLVED that the Boiler Safety Rules as submitted be published ~~for~~with as a Municipal Notification.

M/S
Death of Mr. Otto Meuser. - The Chairman informs members that in connection with the recent death of Mr. Otto Meuser, a former member of Council, he has addressed a letter of appreciation and condolence to Mr. Meuser's representatives. The letter will appear in next week's issue of the Municipal Gazette.

The meeting terminates at 5.25 p.m.

J. Jones
Secretary.

W. Arnold
Chairman.

At the meeting of the Council held on Wednesday, March 18, 1936, at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 C. S. Franklin
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Deputy Treasurer
 The Secretary General, and
 The Secretary.

Absent:

Mr. W. Gockson.

The Minutes of the meeting held on March 4 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Watch Committee held on March 5 are submitted and confirmed.

The Minutes of the meeting of the Ricsha Special Committee held on March 6 are submitted and confirmed.

The Minutes of the meeting of the Education Board held on March 10 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee held on March 17 are submitted and confirmed.

A2/6 Grants to Chinese Grant-Aided Schools. - Arising out of these Minutes, Mr. Lambe suggests that it should be made known that the Council's authorised allocation of funds to Education, including grants-in-aid, has now almost reached the permitted maximum of the equivalent of a 2% General Municipal Rate, together with the correlative proportion of Land Tax thereon. This warning, he thinks, is necessary to prevent further new schools being opened in reliance on assistance from the Council's funds, and it should be made clear that such assistance can in future only be given at the expense of existing grants.

Mr. Porter remarks that this question was fully discussed at the last meeting of the Education Board, and the Chairman says that in his view it is sufficient to re-affirm the existing principle that the

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total annual expenditure on Education ~~p~~ including grants-in-aid - shall at no time exceed an amount equivalent to a 2% General Municipal Rate, together with the correlative proportion of Land Tax thereon.


Chairman of Ratepayers' Meeting. - The Chairman says that the name of Mr. A. ^{F6/4} D. Bell has been suggested to him as a suitable Chairman for the Annual Ratepayers' Meeting, and that he understands Mr. Bell is willing to accept the position. Members unanimously agree with the suggestion, and it is

RESOLVED that Mr. A. D. Bell be invited to act as Chairman at the Annual Ratepayers' Meeting to be held on April 15.

Election of Councillors - Appointment of Scrutineers. - The Chairman says ^{F5/4} that the names of Mr. A. J. Welch (of Messrs. J. A. Wattie & Co.) and Mr. G. Boolsen (of the Hamburg-Amerika Line) have been suggested to him as suitable persons to act as Scrutineers at the forthcoming election of Councillors. Members unanimously agree with these suggestions, and it is

RESOLVED that Mr. A. J. Welch and Mr. G. Boolsen be invited to act as Scrutineers of the votes at the forthcoming Election of Councillors.

The meeting terminates at 4.55 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday April 1, 1936 at 4.30 p.m.,
there are:-

Present:

Messrs. H.E. Arnhold (Chairman)
 W.P. Lambe (Vice-Chairman)
 J.W. Carney
 Yulin Hsi
 C.S. Franklin
 S.L. Hsu
 E.Y.B. Kiang
 V. St. J. Killery
 J.H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Treasurer and Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. W. Gockson.

Death of Mr. T. Morioka.- The Chairman informs Members that he has just
 M/S learned, with great regret, of the death of Mr. T. Morioka, and on
 behalf of the Council has addressed a letter of sympathy and condolence
 to his representatives. He comments on Mr. Morioka's valuable assist-
 ance to the Council as a member of the Traffic Committee and the
 Council's representative among the Governors of the Country Hospital
 during 1933 and 1934.

The Minutes of the meeting held on March 18 are confirmed and signed by the
 Chairman.

The Minutes of the meeting of the Watch Committee held on March 20 are
 submitted and confirmed.

Financial Statement for 1935 and Budget for 1936.- The Financial Statement
 B7/6 for 1935 and the final draft Budget for 1936, together with the Treasurer
 and Controller's ^{explanatory} report thereon, are submitted for consideration. In
 reply to a question by Mr. Carney as to the comparative totals of
 annual ordinary expenditure between 1931 and 1935, the Treasurer and
 Controller states that this matter is referred to in his Annual Report.
 He observes that between 1931 and 1933 the position was somewhat abnormal,
 in that the receipt of quite considerable interest payments arising out
 of the sale of the Municipal Electricity Department resulted in a large
 credit to Interest Account. In 1934 after the purchase price was finally
 defrayed these interest payments naturally ceased, and at the present
 time the normal situation exists, whereunder interest and also loan
 service have become a full charge on the Budget without support from the

extraneous source referred to. The total sum involved amounted to some \$2,000,000, consequently the increase in expenditure for 1935 as compared with 1931 is largely an apparent one. It is thereon

RESOLVED that the Financial Statement for 1935 and the final Draft Budget for 1936 be approved as submitted.

C11/2 General Hospital - Board of Governors.- The Trust Deed of the Shanghai General Hospital provides that four of its governors shall be chosen annually by the Ratepayers of the International Settlement.

It is customary for the Ratepayers' nominees to be elected at the Annual Meeting, and for many years past it has been the practice for the Council to arrange for four persons - two of whom have ^{at} some time been members of Council, the remaining two being Doctors - to stand for election. It is also usual for only four names to be brought forward at the Ratepayers' Meeting, thereby avoiding the necessity for an election contest. The Governors appointed last year were Messrs. Carney & Porter, and Drs. Dunn & Parsons.

It is suggested, for members' consideration, that Mr. A.D. Calhoun be invited to stand for election by the Ratepayers in place of Mr. J.W. Carney, and that Mr. H. Porter be invited to stand again. It is also proposed that Dr. Dunn, who has served for several years and is again available for re-election, be nominated. Since Dr. Parsons is proceeding on leave later in the year, it is suggested, with his acquiescence that his seat be filled by Dr. A.C. Bryson, who was previously a ratepayers' appointee to the Board.

Members agree with these suggestions, and it is

RESOLVED that Mr. A.D. Calhoun, Mr. H. Porter, Dr. T.B. Dunn and Dr. A.C. Bryson be invited to stand for election by the ratepayers at the Annual Meeting, to act as Governors of the Shanghai General Hospital for the year 1936/37.

F6/10 Annual Meeting of Ratepayers - Resolutions.- Five resolutions of a formal nature are submitted and approved; it is noted that in connection with the adoption of the Budget for 1936, a resolution by a member of the public will be made, that an Orchestra be organised on a new basis at a cost not exceeding \$200,000 per annum, and that the necessary Budgetary provision be made therefor.

F6/11 Annual Meeting of Ratepayers - Time of Meeting.- On the suggestion of the Secretary General it is

RESOLVED that the Annual Meeting of Ratepayers be held at half past two in the afternoon of Wednesday, April 15th, at the Grand Theatre.

E1/11 Special Concert.- The Chairman informs Members that the Conductor of the Orchestra is still in Hospital, and that he will not be sufficiently recovered to conduct at the Special Concert planned for April 7th. He

therefore suggests that the Concert be postponed until April 14th.

Mr. Carney observes that the proprietors of the Grand Theatre will probably make an extra charge if the Concert is postponed, but that he hopes this will be counterbalanced by the attendance of the Jewish community, who would be prevented by their religious observances from attending on the original date.

Members agree with the proposal, and it is

RESOLVED that the Special Concert scheduled for April 7th in the Grand Theatre be postponed until April 14th, on account of the indisposition of the Conductor.

KRS/1 Ricsha Situation.- In reply to a question by the Chairman, the Deputy Secretary outlines the ricsha situation. He says that throughout the previous day (March 31) he had numerous calls from foreign and Chinese ricsha owners, protesting against the reduced rental which was to come into force on April 1. They asked that the charge should not commence to operate at least until April 6 (which is the date of expiry of the licences) on the plea that it was not possible to get in touch with their sub-contractors during the interval. It was, however, sufficiently obvious that this request was not a genuine one, since almost in the same breath a threat was made to keep all ricschas off the street as from April 1, if the rental reduction were imposed.

The owners' formal petition will come before the Ricsha Special Committee on Monday April 6, and meanwhile owners have refused to allow the great majority of public ricschas to ply for hire. In spite of this widespread lock-out, no major incidents have occurred to date. One result of conferences with the owners is to prove that the figures on which the Council based its decision are correct. Foreign Owners have given notice that while protesting against rental reductions, they do not favour the lock-out, but that they are unable to put their ricschas on the streets for fear of damage.

Mr. Hsu remarks that he believes about 90% of the public Ricschas in the Settlement are involved, and the Chairman says that he feels it would be most ill-advised for the Council to weaken in any way in its policy at the moment. Members concur in this view, and agree that no immediate action be taken in the matter pending further developments.

The meeting terminates at 5 p.m.

J. K. Jones
Secretary;

W. H. H. H.
Chairman.

At the meeting of the Council held on Wednesday, April 8, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 W. P. Lambe (Vice-Chairman)
 J. W. Carney
 W. Gockson
 Yulin Hsi
 C. S. Franklin
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 J. H. Liddell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Commissioner of Police
 The Treasurer and Controller,
 The Secretary General, and
 The Secretary.

M/13 Death of Mr. J. Harold Dollar. - The Chairman informs members that he has just learned, with great regret, of the sudden death of Mr. J. Harold Dollar. He mentions his valuable services to the community as a Member of the Council and the Finance Committee during 1919 and 1920, and it is agreed that a letter of sympathy and condolence be forwarded to Mr. Dollar's relatives.

The Minutes of the meeting held on April 1 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Riosha Special Committee held on April 6 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on April 7 are submitted and confirmed.

K/16 Fire Brigade Costs Sub-Committee. - Arising out of these Minutes the Chairman thanks Messrs. Carney, Urabe and Killery - the Members of the Fire Brigade Costs Sub-Committee - for their valuable services in the submission of a comprehensive report on the Brigade.

H/1496 Letter from Chinese Members of Council, recommending Mr. Ching-Yueh Yen as Deputy Superintendent of Gaols. - Also arising out of these Minutes, Mr. S. L. Hsu, says that one of the main objections to Mr. Yen's appointment as Deputy Superintendent was said to be his lack of previous experience of gaol administration. Since, however, the successful candidate for the post does not possess this knowledge, the argument

would appear to lose its force. The Chairman admits in reply that Mr. Petre has had no previous experience in gaol administration, but points out that his appointment has not yet been formally approved.

The Minutes of the meeting of the Staff Committee held on March 30, are submitted.

H3/1434 Police Force - Appointment of Deputy Superintendent of Gaols. - Arising out of these Minutes, the Chairman of the Staff Committee states that additional factors regarding this appointment have come to his notice subsequent to the meeting of the Committee, which might possibly have influenced members to make a different recommendation with reference thereto. He is informed that Mr. H. R. Petre, who was recommended for appointment as Deputy Superintendent of Gaols, is not a local man, has no knowledge of Chinese, is not trained in handling men, (having been a naval Paymaster officer only) and has one year's experience only in his present position of authority. Bearing these circumstances in mind, the Commissioner of Police has been asked to attend, to explain the position to members.

In answer to the Chairman's questions, the Commissioner of Police says that out of 74 applicants Mr. Petre was the only outstanding candidate; in fact, if his application had not been received the Commissioner would have recommended that no appointment be made from among the other candidates, and that the post be filled by promotion from the lower ranks of the service. Mr. Petre, he says, is of the officer type which is desirable for this work, and has had experience of dealing with men through his Naval training. Moreover, a knowledge of Chinese was not stated in the advertisement to be essential, but only of advantage.

The Secretary points out that the full text of Mr. Petre's application, including the points mentioned by the Chairman of the Staff Committee, was circularised to Members, and Mr. Franklin says that his remarks as Chairman of the Committee were not intended as a criticism but merely to answer questions which had been put to him. Mr. Kiang suggests that the matter be referred back to the Committee but Mr. Franklin and Mr. Lambe observe that in their opinion this is unnecessary, since no new information has been put before the Council. Members agree, and the Minutes of the Staff Committee of March 30 are thereupon confirmed.

The Commissioner of Police withdraws.

F6/10 Annual Meeting of Ratepayers - Speeches. - The Chairman says that since the Council Election will be held subsequent to the Ratepayers' Meeting it is not possible to follow the customary procedure of inviting members of the incoming Council to listen to the reading of the Draft of the Annual Speeches.

The Chairman's speeches are then read, and after discussion and minor amendments are approved by Members.

It is reported that a further Resolution has been submitted, in addition to those approved at the last meeting. This is to the effect that a Commission be appointed to investigate Housing conditions in the Settlement on a comprehensive scale. The Secretary General asks whether it is the intention of the Council to support or oppose this Resolution; on being informed that the proposed Commission might involve considerable expenditure and in any event can achieve very little, in view of the absence of legislative power, and the narrow limits within which even the Building rules can be altered under Land Regulation XXX, Members agree that the Resolution should be opposed.

FS/1
Election Investigations. - The Chairman thanks Messrs. Carney, Killery and Yamamoto - the Members of the Election Investigation Sub-Committee - for their valuable assistance in connection with the Inquiry and for submitting a comprehensive Report on the circumstances.

It is thereupon

RESOLVED that the Report of the Election Investigation Sub-Committee be adopted, and the Findings duly published in the press.

The Treasurer and Controller withdraws.

WJ/154
The Treasurer and Controller - Retirement. - A circular has been addressed to members pointing out that under normal conditions the retirement of the Treasurer and Controller would take effect on August 31st next, and inviting them to be prepared to express their views on the subject in meeting.

The Secretary General is strongly of the opinion that in view of existing economic and financial conditions, which in all probability will not alter materially in the near future, it is not in the interest of the Council's service that the Treasurer and Controller should retire in August.

If Major Ford is requested to remain in the service he is prepared to do so, subject to certain arrangements being made regarding his long leave, which normally would become due in September. It will be necessary for personal reasons for him to take his long leave at the end of May, returning to Shanghai in December in order to deal with the Budget situation which arises at that time.

The Chairman concurs in the view that Major Ford should be requested to remain in the Council's service, and agrees to the proposed arrangements regarding long leave.

Members generally agree that it is essential that Major Ford's services be retained, and it is

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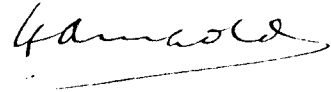
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RESOLVED

- (a) that it is in the interests of the Council's service that Major J. T. Ford, Treasurer and Controller, be requested to remain in the service beyond the compulsory retiring age of 55, and that it is the Council's unanimous wish that he do so.
- (b) that the commencement of Major Ford's period of long leave be accelerated from September 1936 to the end of May 1936.

Council Membership. - The Chairman expresses his thanks to Members for
F5/12 the time and effort they have given in the service of the Community during the Municipal year which is now ending; and Mr. Lambé, as Vice-Chairman, expresses Members' appreciation of the untiring energy and able leadership displayed by the Chairman throughout this period.

The meeting terminates at 6.25 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, April 16, 1936, at

12 noon there are:-

Present:

Messrs. H. E. Arnhold
 A. D. Calhoun
 C. S. Franklin
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. E. Y. B. Kiang.

The Secretary states that under Land Regulation XXI the business before the meeting is the election of a Chairman and a Vice-Chairman who shall hold office for one year.

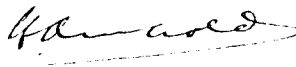
Election of Chairman. - Upon the proposal of Mr. Franklin, seconded by
 FS/14 Mr. Yulin Hsi, Mr. H. E. Arnhold is unanimously re-elected Chairman.

In expressing his appreciation of the honour conferred on him, Mr. Arnhold assures members that he will do everything he can to justify the confidence of his colleagues in his conduct of Council affairs.

Election of Vice-Chairman. - Upon the proposal of Mr. Porter, seconded by
 FS/14 Mr. Calhoun, Mr. C. S. Franklin is unanimously elected Vice-Chairman.

The meeting terminates at 12.10 p.m.


 Secretary.


 Chairman.

At the meeting of the Council held on Wednesday, April 29, 1936, at 4.30 p.m.

there are:-

Present:-

Messrs. H. E. Arnhold (Chairman)

A. D. Calhoun

W. Gecksen

Yulin Hsi

S. L. Hsu

W. J. Keswick

E. Y. B. Kiang

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

Messrs. G. E. Mitchell

H. Porter, C.M.G.

T. Urabe

T. Yamamoto

Yu Ya Ching

The Commissioner of Public Works

The Treasurer and Controller

The Secretary General, and

The Secretary.

Absent:

Mr. C. S. Franklin.

The Minutes of the meetings held on April 8 and April 16 are confirmed and signed by the Chairman.

Country Hospital - Board of Governors. - The Chairman observes that according to the Deed of Gift of this Hospital Mr. M. Shimadzu is due to retire from the Board of Governors. His successor is to be appointed by the Council. Mr. Shimadzu is eligible and willing to stand for re-election. Members generally are in favour of the appointment, and it is

RESOLVED that Mr. M. Shimadzu be re-elected to membership of the Board of Governors of the Country Hospital for a further period of three years from the date of the Annual Meeting of Ratepayers, 1936.

Appointment of Committees. - The Chairman refers to the tentative list of Committees circulated to members, and now submitted for final approval. Subject to a few adjustments and the additions of Mr. F. S. Hsu to the Watch Committee and Mr. Tsu Ven-ehue to the Library Committee, the list as submitted is approved.

Ricsha Situation. - The Chairman informs Members of the latest developments in the Ricsha situation. He says that following on the Owners' letter to the Council through Messrs. Platt, White-Cooper & Co., representations had been made to Mr. Yu Ya Ching and Mr. Singloh Hsu that unless their demands were satisfied the Owners would stage a demonstration

outside the Grand Theatre during the Ratepayers' meeting. This threat was, however, satisfactorily averted. The new Riasha Special Committee has now been formed, and is having its first conference with the owners to-morrow, April 30. The Chairman considers, and members agree, that it is unnecessary for the Council to take any further action until this conference has been held.

Instructions to Works Committee to investigate Housing. - The Chairman refers

KR/s
to a resolution passed at the Annual Meeting of Ratepayers, in the following terms:-

"Whereas the constant growth in the population of this Foreign Settlement has been accompanied by a rapid development of industrialism and many changes in the living conditions of the people:

and Whereas serious public concern has been manifested over the resultant housing congestion and other unfavourable features connected therewith:

and Whereas no public steps have been taken towards an examination of the problem with a view to possible measures for preventing its further aggravation:

The Shanghai Municipal Council is now requested to instruct the Works Committee to investigate the Housing Situation in all its aspects, and to publish a full Report thereon, with such recommendations as the Works Committee may see fit to make."

He remarks that though the scope of the investigation is wide, eventual recommendations will have to be kept within the Council's powers under the Land Regulations and Byelaws. It is suggested that a small sub-Committee of the Public Works Committee be immediately formed, of persons with some knowledge of the subject, to work in close conjunction with the Commissioner of Public Works and the other heads of the Council Departments interested. The following names are tentatively mentioned for such Sub-Committee:-

- (1) The Chairman of the Works Committee.
- (2) Mr. Kuroda, a member of the Works Committee who has particular knowledge of industrial buildings and conditions.
- (3) Mrs. C. L. Hsia, who has practical experience of housing problems.
- (4) Mr. Peek, who has shown public interest in the subject.
- (5) Mr. John Graham, an American architect who has had considerable experience of housing in America, who has studied the subject in Shanghai, and whose qualifications are approved by the Commissioner of Public Works.

The Chairman points out that it is essential for this Sub-Committee to commence work as soon as possible, in order to avail itself of the assistance of the Commissioner of Public Works before his retirement in June next. The terms of reference, he observes, can be drawn up more satisfactorily after a preliminary study of the work involved.

The Commissioner of Public Works, in answer to questions, states that his main concern is a revision of the Building Rules. Any such revision must be referred to the Land Commissioners for approval, and cannot in any case come into operation until six months after the date of this approval. In view of this the Chairman suggests that

submission of revised Building Rules be not delayed pending investigations by the Sub-Committee. Members agree.

It is accordingly

RESOLVED

- (a) that a Sub-Committee of the Works Committee be formed to investigate the Housing Situation in all its aspects and to publish a full report thereon, together with such recommendations as the Works Committee may see fit to make.
- (b) that the membership of the Sub-Committee be made up as follows:
The Chairman of the Works Committee
Mr. Kuroda, Mrs. C. L. Hsia, Mr. Peek
and Mr. John Graham.
- (c) that the investigations of the Sub-Committee shall commence at the earliest possible date.

The Commissioner of Public Works withdraws.

Election Investigation Committee Report. -

FS/1
F/2

- (a) Instructions to officials to draft Election Rules.
- (b) Duties of Senior Officials.

The Chairman reminds members that the recommendation of the Election Investigation Committee regarding new Election rules was framed in the following terms:-

"It recommends that the incoming Council instruct Officers of the Council to draw up new rules within the scope of the Land Regulations, both for the conduct of the election and the counting of the votes in accordance with the proposals made in this report."

He suggests that the Secretary General be requested to go carefully into the matter and report thereon to the Council at a subsequent meeting. Members concur.

As regards definition of the duties of Senior Officials of the Council, the recommendation of the Committee was as follows:-

"It recommends that the incoming Council appoint a Committee to investigate and define the responsibilities and duties of senior officials of the Council."

and he asks the Secretary General to explain the present position.

The Secretary General says that he is not quite sure what the Committee intended by this recommendation. Duties of Senior Officials have been precisely defined since 1931, when a general statement on the subject was drawn up with the assistance of Mr. A. C. Clear of the Salaries Commission, and approved by the Council. The duties set out in the book compiled at that time - copies of which have been submitted to members - are in his opinion shown in as detailed a form as is practical and desirable. He explains that the Council's administrative system was originally modelled on the English Borough System, and that Departmental Heads perform both expert and administrative work. It would therefore be a dangerous thing, he considers, to attempt to delimit official responsibility in too great detail.

Mr. Mitchell says that he was at first puzzled as to why this recommendation was made. On studying the booklet on officers' duties, he thinks he has discovered the reason in the fact that the link between

the Secretary General and the Secretary, as laid down therein, is, in his opinion, unduly weak. The Secretary General appears as the principal executive officer of the Council. Each head of department is said to be responsible to the Council, but the Secretary in some matters is said to be under the instructions of the Secretary General. He would like to see this clarified.

The Secretary General outlines the reasons that led to his appointment. He does not think that it was intended that he should carry out the kind of general control of the whole organisation of the Council organisation which is expected of a general manager of a company. At the same time it was considered that the appointment of a Secretary General would remove friction between the working of the several departments and enable him to give attention to political matters.

Mr. Mitchell reiterates his view that the line of demarcation between the duties and responsibilities of the Secretary and Secretary General needs closer definition. The Chairman states that more specific definition of officers' duties would ruin the elasticity of administrative working and infallibly cramp the whole machine.

Brig.-Gen. Macnaghten says it is stated that irregularities in procedure have existed in each election for the last few years, and asks if the Secretary General was aware of them. The Secretary General replies that he was not, as at least since 1929 he has never been present in the Counting Chamber or received any report from the Scrutineers. His reading of the Land Regulations is that all work connected with the counting of votes is solely a matter for the Scrutineers, with which he has no right to concern himself.

Mr. Porter asks whether Mr. Yamamoto, as the only member of the Election Investigation Committee now present, has any comments to make, and Mr. Yamamoto says that the question arose in connection with the necessity of giving instructions to the Scrutineers as to their duties and the conduct of ^{the} poll. He mentions that the Staff booklet of duties was carefully considered by the Committee.

The Secretary General expresses the opinion that under the Land Regulations no officer of the Council has the power to give any instruction to the Scrutineers. The Scrutineers are, above all, independent officials, and all that can rightly be done is merely to point out what the Land Regulations say.

Brig.-Gen. Macnaghten says that he considers no further action is necessary in defining the duties of officers and Mr. Porter adds that he is of the same opinion.

A vote is then taken, and with two dissentients, this view is endorsed.

It is accordingly

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April 29, 1936

RESOLVED

- (a) that subject to a report from the Secretary General, the recommendations of the Election Investigation Committee as regards instructions for the drafting of new Election rules be adopted.
- (b) that no action be taken on the recommendation of the Committee regarding definition of the duties of senior officials.

The Secretary General and the Secretary withdraw.

Commandant, S.V.C. - A report is submitted stating that the term of appointment of Colonel Graham, Commandant of the S.V.C., expires on January 3, 1937, and that it will be necessary for him to leave Shanghai some time in November 1936. As it will take a considerable time for the War Office to obtain a suitable officer to replace him, it is considered necessary to apply at once in order to prevent an interregnum.

After discussion, it is

RESOLVED that authority be given for a letter to be sent to the War Office with regard to a successor to Col. Graham as Commandant of the Shanghai Volunteer Corps.

The meeting terminates at 5.35 p.m.

H. Amos

Chairman.

J. Jones
Secretary.

At the meeting of the Council held on Wednesday, May 13, at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Commissioner of Public Health
 The Commissioner of Public Works
 The Treasurer and Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. E. Y. B. Kiang.

The Minutes of the meeting held on April 29 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Orchestra & Band Committee held on May 7 are submitted.

Es/2 Engagement of Musicians from Abroad. - In connection with these Minutes, a letter from the Business Sub-Committee of the Orchestra & Band Committee is submitted, emphasizing the desirability of authority being given to engage certain essential musicians from Europe. It is noted that when this matter last arose it was decided to postpone a decision on the point until after the Ratepayers' meeting. Either four or six appointments are involved.

The Treasurer and Controller adheres to his former opinion that it would be a fatal error to permit the principle of engagements from Europe for the Orchestra to continue. He suggests that enquiries be made in Harbin and similar places, and notes that the Rev. Boynton, who interested himself in the Orchestra, in his letter recently before the Orchestra & Band Committee expressed the view that it is quite possible to obtain capable musicians locally and deprecated engagements from abroad.

Mr. Porter asks whether the appointments have been publicly advertised, and the Chairman suggests that advertisement locally should be

tried before authority is given to make engagements from abroad. It is accordingly

RESOLVED that candidates be invited by public advertisement, both locally and in Harbin, to fill such vacancies as still exist in the personnel of the reconstituted Orchestra & Band.

Appointment of Conductor. - Arising out of the Minutes on this subject, Mr.

H3/49 Franklin says he feels it his duty, as Chairman of the Staff Committee during 1935, to inform new Members of Council of a serious breach of the Council's Regulations by Maestro Paci, which was considered by the Committee last year. He then outlines the case of Musician Fioochi, who with Maestro Paci's connivance, misappropriated passage money granted him by the Council for his long leave in Europe.

Members note Mr. Franklin's remarks.

Grand Theatre - Contract for Hire. - In answer to a question by Mr. Calhoun

E2/9 regarding the Council's contract with the proprietors of the Grand Theatre, the Secretary explains that in the winter of 1931 arrangements were made to hire the Theatre for Orchestral Concerts during the Winter Season for a period of five years. The terms were Tls.1,250 for each Sunday night performance during the Winter Season. Subsequently the acoustic properties of the theatre were found to be unsatisfactory, and an agreement was entered into whereby concerts were held at the Lyceum Theatre at a fee of \$400 per performance, a cancellation fee being paid for the non-use of the Grand Theatre. The five years' contract with the Grand Theatre has not yet expired and cancellation fees are still having to be paid. The question was raised by the Orchestra & Band Committee whether the disbandment and reconstitution of the Orchestra constituted sufficient grounds for termination of the Contract. In the Secretary's opinion the reconstitution of the Orchestra is not a good ground for terminating the Contract.

Subject to the foregoing observations the Minutes of the Orchestra & Band Committee are approved.

The Minutes of the Works Committee held on May 8 are submitted.

X11/21 Naming of Roads. - Arising out of these Minutes, Members express agreement with the proposal to perpetuate the name of Sir John Jordan in the Settlement, and the Commissioner of Public Works is requested to consider whether Kiacohow Park or Poyang Road Park is the more suitable to be renamed "Jordan Park."

X12/8 Pontoon - Bund Foreshore. - Arising out of the Minutes on this subject, the Commissioner of Public Works stresses the lack of justification for the provision of free facilities for the Postal Authorities. Mr. Mitchell states that if any such arrangement as that recommended by the Works Committee is made, it should be for a definite limited time, such as five years, to allow of alteration if conditions in the future should demand it. Members agree.

Subject to the foregoing observations, the Minutes of the Works Committee are approved.

The Minutes of the Health Committee held on May 11 are submitted and confirmed.

The Commissioner of Public Health and the Commissioner of Public Works withdraw.

Consular Motor Licences. - On the invitation of the Chairman, the Secretary ^{9/2/11} General explains to members that the Consular Body has unanimously recommended that the Council be requested to issue free motor licences and special number plates to Consular Officers, similar to those now given to Members of the Diplomatic service. He has called upon the American Consul-General and is surprised at the strength of the feeling in the matter. Since the Consuls attach so much importance to this matter, he feels that merely on the grounds of expediency it would be unwise for the Council to refuse the application. Special consideration of this kind is extended to Consular officers in most other parts of the World, and the French Consul General has expressed his willingness to extend whatever concessions the Council may make to the area under his jurisdiction. The request was originally for plates and free licences for all officers of the rank of Consul, but the Secretary General has ascertained that the proposal that a maximum of two licences be issued to each Consulate would satisfy the Consular Body. He strongly urges the Council to accept this suggestion.

In answer to questions by Mr. Franklin, the Secretary General says that he is not aware whether all the six or eight Consuls in the American Consulate possess cars, and that it is not correct to say that every officer in the Defence Force is given a free licence. Members of the Defence Force are granted licences at one half of the usual fee only on the certificate of a superior officer that their cars are used partly on military service. The Secretary observes that Diplomatic or military number plates are not intended to confer any special traffic privileges.

Mr. Franklin suggests that the Consuls' request should be granted as originally made, without reservations over so small a matter. The Treasurer & Controller refers to his report recommending the issue of only one free license and an ordinary disc to each Consulate, saying that if this is not done it will be difficult to know where to draw the line.

Mr. Porter suggests that no hard and fast rule of allocation be laid down, but that licence concessions might be granted according to requirements by informal arrangement. The Chairman, however, is in favour of a maximum of two licences per Consulate, which shall carry no special traffic privileges.

Mr. Mitchell asks that a similar compliment be paid to senior Chinese officials of similar rank, but the Secretary explains that by a reciprocal arrangement some time ago, it was agreed that no free car licences should be issued by the City Government to the Council, or

vice versa.

Mr. Calhoun asks why more than one licence per Consulate need be issued, and the Chairman points out that the Diplomatic Body is given two for each Legation, and also that the Secretary General has been trying to induce the Consular Body to accept two licences as a modification of its originally larger requirements.

Mr. Singloh Hsu says that the Commissioner of Police might be asked to remind employees engaged on traffic control that the plate issued with a free car licence does not confer priority or any special rights on the driver. Members concur.

It is thereupon

RESOLVED that the Consular Body be informed that the Council is prepared to grant free car licences and special licence plates to Consular Officers similar to those issued to the Diplomatic Corps, up to a maximum of two licences to each Consulate. It is to be noted, however, that such plates do not confer any special privileges, or priority in traffic.

Nomination of Directors on the Board of the Shanghai Waterworks Co., Ltd. -

8/4/17 The Chairman proposes that the Council's nominees on the Board of the Waterworks Company should be Mr. Porter and Mr. Singloh Hsu.

Mr. Mitchell says that he wishes his opinion placed on record that any Member of Council serving on such a Board should regard the office as analogous to membership of a Sub-Committee or service with the Board of Governors of a Hospital, and should therefore be paid no fee.

Members agree with the Chairman's proposal, and it is

RESOLVED that Mr. H. Porter, C.M.G., and Mr. S. L. Hsu be nominated as the Council's representatives on the Board of Directors of the Shanghai Waterworks Company.

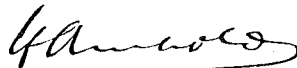
The permanent officials withdraw, with the exception of the Secretary General.

MINUTE BY THE SECRETARY GENERAL.

FST Election Investigation Report. - The Report of the Election Investigation Committee is considered and adopted, and with one dissentient it is

RESOLVED that letters of censure be addressed to the Secretary and to the Deputy Treasurer (Revenue), and that such letters be published in the Municipal Gazette.

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, May 27, 1936, at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Commissioner of Public Works
 The Acting Treasurer and Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

The Minutes of the meeting held on May 13 are confirmed and signed by the Chairman.

21/21 Naming of Roads. - Arising out of these Minutes, Brig.-Gen. Macnaghten enquires whether the Commissioner of Public Works has yet made a decision as to which of the Council's Parks can most suitably be renamed "Jordan Park". The Commissioner of Public Works replies that Poyang Road Park appears to him to be preferable, in view of the fact that it has not yet been opened or officially named, but that he will submit a formal recommendation on the subject.

22/8 Pontoon - Bund Foreshore. - In answer to a further question by Brig.-Gen. Macnaghten on this item in the Minutes, the Secretary states that the Post Office and Customs Authorities have been notified of the Council's decision in the matter, but that no reply has yet been received from them.

The Minutes of the Education Board of May 12 are submitted and confirmed.

The Minutes of the Education Board of May 22 are submitted and confirmed.

The Minutes of the Finance Committee held on May 18 are submitted.

23/10 Municipal Investment Bank. - The Chairman says Mr. Calhoun has asked that record be made in these Minutes of a point which was raised in discussion on the above item; namely, the question as to whether the Municipal Bank would involve additional expenditure to the Council, and the Treasurer and Controller's reply that he did not think so.

Members agree to the inclusion of reference to this verbal expression of opinion by the Treasurer and Controller, and subject to this amendment, the Minutes of the Finance Committee are confirmed.

The Minutes of the Staff Committee held on May 20 are submitted.

Finance Department - Revenue Office.

H3/117 Promotion of Mr. P. Comery. - In answer to a question by Brig.-Gen.

Maonaghten on this item in the above Minutes, it is stated that this promotion is to fill an existing vacancy in the Establishment.

Superannuation Fund.

H3/154 Major J. T. Ford - Treasurer and Controller. - Arising out of the above Minutes, Mr. Porter asks why the Council should not safeguard itself as regards the future exchange value of Major Ford's superannuation by converting the amount standing to his credit on August 31, 1936 to a gold basis forthwith.

The Acting Treasurer and Controller explains that Major Ford does not desire the conversion at the present moment. He only asks that since he is extending his service at the Council's request, he may be safeguarded from personal loss through compliance with this request should the sterling exchange rate depreciate. The Acting Treasurer and Controller points out that the gold superannuation fund bears 1% less interest than the silver fund, and that as at present arranged, Major Ford would receive half his superannuation fund in sterling and half in silver. It is in respect of the silver portion of his Fund that a safeguard is requested.

Mr. Mitchell says that it seems only reasonable to ask Major Ford to convert his superannuation up to August 31, 1936 into Sterling, but the Chairman observes that if exchange values alter, the sterling half of the amount payable may cost the Council less, and that only in the event of a decline in the rate of exchange would the Council be called upon to make good a shortage in the sterling value of the balance of Major Ford's Fund. Members agree.

The Minutes of the Finance Committee are thereupon confirmed.

The Minutes of the Watch Committee held on May 25 are submitted.

Car Parking in Public Streets.

g3/4 (b) Former Central Police Station - Leasing of site and facilities for American Club. - Arising out of these Minutes Mr. Franklin says that in his opinion the Committee did not specifically recommend that the proposed car parks be opened "from the date of enforcement of the amended Traffic regulation pertaining to parking restrictions," and that he would like this phrase to be eliminated from the recommendation. The Secretary confirms Mr. Franklin's recollection and Members agree.

The Chairman invites the Commissioner of Public Works to state his views as to the creation of a car park on this site. The Commissioner of Public Works states that several persons have already expressed their desire to lease the site from the Council for this purpose, and it appears

May 27, 1936

that this portion of the Council's real estate might with propriety be made revenue-producing. Moreover, other members of the public have approached the Council with requests to have space allotted for their individual cars, on the payment of a fee. He considers that it is only a matter of time before the land will be needed for other purposes and parking facilities will cease, so that from this point of view it is inadvisable to grant a free service which cannot be maintained and the eventual discontinuance of which would create dissatisfaction. Private property owners in Shanghai, he feels, should get into the habit of leasing their unused land for car parking, and motorists must learn to expect to have to pay for the privilege of parking. He considers that the Council should give a lead along these lines, and therefore suggests that tenders for the lease of the Police Station site be invited by public advertisement. It would be better to have one lessee for the whole of the space rather than fees for individual car owners, and there should be a proviso that the Council can regulate the parking fee charged. If fees were charged they would be graduated, and there would be no need to impose the suggested time limit. It might be well to grant only a short lease at first.

Mr. Franklin favours the original recommendation for a free public park, and outlines the course of the discussion at the Watch Committee meeting in support of his views.

Mr. Calhoun agrees with the proposals of the Commissioner of Public Works, saying that similar schemes are generally in force in America, but Mr. Franklin says that it will take unnecessary time and trouble to keep stationary cars out of the streets if there are insufficient free parking places.

Mr. Kiang supports Mr. Franklin in his preference for the original recommendation; Brig.-Gen. Macnaghten however speaks in favour of the leasing scheme.

The Acting Treasurer and Controller states that the Treasurer and Controller was somewhat concerned over the financial aspects of the recommendation. He had anticipated that revenue would accrue from the leasing of the car park, and on the Watch Committee's recommendation not only would this not materialise, but the Council would also have to meet expenditure in connection with the cleansing and maintenance of the site. There is also the question of a possible obligation to provide other facilities when the land is needed for development.

The Chairman speaks in support of the leasing proposal and Mr. Porter asks why the Park could not be run by the Council to cover the cost of upkeep only.

The Commissioner of Public Works replies that the first facility requested would be for a Petrol and Oil Pump. If the Council operated the Park it would have the invidious duty of discriminating

between various companies operating in the Settlement. Constant similar difficulties would arise subsequently, investment would be necessary on a public lavatory, and so forth. He suggests that it would be undesirable, though quite possible, for the Council to operate the parking space.

The Commissioner of Public Works further recommends that if tenders are invited, a similar course be adopted to that employed for Refreshment Kiosks in the Public Parks. Every tenderer should be required to submit with his offer a schedule of the prices which, if successful, he proposes to charge the public. Acceptance will depend, not only on the price offered to the Council, but the service afforded to the public.

Mr. Kiang asks how long the land will remain available as a car park. If it is likely not to be needed for development for some time he thinks a lease might be granted, but not otherwise. The Commissioner of Public Works says that it is impossible to forecast the trend of future developments at the moment. He points out that the value of land tax is \$450 a month.

A vote is then taken, and with Mr. Franklin dissenting it is

RESOLVED

- (a) that invitations to tender for the lease of the old Central Police Station Site on the corner of the Administration Block be issued in the public Press.
- (b) that such lease be granted up to the end of the present year, and thereafter for six monthly periods only.
- (c) that the property is to be used as a public car park, and that tenderers shall submit with their offers a schedule of proposed charges; acceptance will involve regard being paid to the price of service to the public as well as to the sum offered to the Council.

The Commissioner of Public Works withdraws.

H-1476 Appointment of a Chinese to a Senior Post on Gaol Staff. - Arising out of these Minutes, Mr. S. L. Hsu enquires whether the full title of the new Chinese Officer will be "Assistant Governor of the Shanghai Municipal Gaol" and is answered by the Chairman in the affirmative.

9-14 One-Way Traffic in Hankow Road. - Mr. Hsu asks, in connection with these Minutes, whether it would not be possible to abolish the one-way traffic regulation altogether in this thoroughfare in view of its detrimental effect on adjoining property. There is an impression abroad, he says, probably unfounded but most unfortunate, that the one-way system in Hankow Road is almost entirely for the benefit of Council employees.

Mr. Franklin, as Chairman of the Watch Committee, says he thinks total abolition might have been recommended if it had not been reported that local shopkeepers had expressed themselves as satisfied with the modified rule, and that though the Commissioner of Police approved this compromise he saw grave drawbacks in dispensing with the rule altogether.

Mr. Hsu replies that the proper course is not the minimum which persons affected can be persuaded to agree with, but what is just and right. The Chairman remarks that it would be most ill-advised to abolish the rule without first hearing the views of the Commissioner of Police. He considers that it is only necessary to watch the steady stream of traffic in the thoroughfare to dispose of the suggestion that the system is only for the use of Council employees.

Mr. Kiang says he is sure the Hankow Road shopkeepers would be most grateful if the rule could be suspended altogether, and observes that the only consideration in its favour - a possible addition to the convenience of car-owners - should not be allowed to outweigh the partial destruction of these shopkeepers' actual livelihood. The Chairman replies that the rule cannot be abolished until the Commissioner of Police has been enabled to express his views on the subject to Members. Mr. Franklin thereupon proposes that the Minutes be confirmed as submitted, and that Mr. Hsu's request for an extension of the hours for unrestricted traffic in Hankow Road be referred to the next meeting of the Watch Committee for consideration. Members agree.

Subject to the foregoing observations and minor alterations the Minutes of the Watch Committee are confirmed.

Land Regulations - Amendment. - At the invitation of the Chairman, the Secretary
F191/ General outlines the present need for amendment of the Land Regulations and By-Laws.

He states that the last official publication of these Regulations was about ten years ago. Since that date, certain changes have taken place in the constitution of the Council. Three Chinese Members were first added to the Council; subsequently this number was increased to five; and at a later date two Chinese Members were appointed to the Land Commission. At the moment the Land Regulations take no cognizance of this.

*, It was formerly the practice to propose specific amendments to the Land Regulations at a Special Meeting of Ratepayers at which one third of the total number forms a quorum. In practice it was very difficult to obtain this quorum, so a Resolution was passed by the Ratepayers at an Annual Meeting requesting that the amendments in question should be submitted to and approved by the Consular Body and Ministers, and then by the Chinese Government.

Negotiations stretched over a period of years, and the Chinese Land Commissioners both took their seats before the matter was concluded. As a result of this there was considerable difficulty in persuading the Chinese Government to give their formal agreement to their inclusion. The position was eventually clarified in a series of letters and verbal interviews, but in spite of repeated efforts it has not yet been possible

to embody the result of these as a matter of record in the Land Regulations.

By an Order in Council the British Government has adopted the Land Regulations as part of the general law affecting British subjects in Shanghai. The hypothetical legal point is raised that non-inclusion of the above amendments in the Regulations might enable either the Constitution of the Council or an Award of the Land Commission to be challenged in the Courts.

The Secretary-General therefore recommends that authority be given for an official reprint of the Land Regulations, embodying the necessary amendments and alterations to the Bylaws, to be made and submitted to the Consular Body and British authorities.

Mr. Mitchell suggests that the proposed Amendments should be circulated for detailed examination before a reprint is authorised, and Mr. S. L. Hsu proposes that in view of the importance of this matter, action be deferred until the next meeting. The Chairman remarks that since it has been pending for so long, a further fortnight's delay will not be material, and observes that it is mainly in the interests of Chinese members of Council.

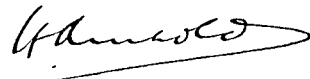
Members thereupon agree that details of the proposed amendments to the Land Regulations and Bylaws be circularised and the question of an official reprint be considered at the next meeting.

Housing Sub-Committee. - Authority is requested by the Chairman of the Works *KH/s* Committee, who is also Chairman of the Sub-Committee on Housing, for the membership of the Sub-Committee to be increased from six to ten, and for powers to be granted to co-opt further members if and when necessary.

It is pointed out that the field of investigation is very wide and involves very considerable work. It will be necessary to divide the Sub-Committee for different forms of investigation.

Members agree to the request of the Chairman of the Sub-Committee.

The meeting terminates at 6.10 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 11, 1936, at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.,
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Deputy Commissioner of Public Works
 The Chairman of the Ricscha Board
 The Acting Treasurer and Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. E. Y. B. Kiang.

The Minutes of the meeting held on May 27 are confirmed and signed by the
 Chairman.

8/4 Former Central Police Station - Leasing of Site. - The Chairman states
 that a feeling has been expressed regarding the decision to invite
 tenders for a lease of the old Central Police Station site as a fee-paying
 car park. In view of this, he would suggest that such invitations be not
 issued until more progress has been made with the parking scheme in general,
 and that meanwhile the public be permitted to park their cars on the site
 free of charge.

In answer to Brig.-Gen. Macnaghten, who enquires as to the
 source of the criticisms referred to, the Chairman says that the American
 Community in particular feel that more facilities might reasonably be
 granted them, in view of the free parking space on the Bund just opposite
 the Shanghai Club and available for its members.

Mr. Porter asks whether the Chairman has a definite period in
 mind for permitting free parking prior to leasing the site, and the Deputy
 Commissioner of Public Works draws attention to the Commissioner's original
 recommendation that the commencement of the lease should coincide with the
 date of enforcement of parking restrictions generally, i.e., on September
 1, 1936, and that the lease should be till the end of the year and there-
 after be determinable by six months' notice.

Mr. Porter suggests that free parking should be permitted until this date, but Mr. Keswick thinks that to allow it for three months until use of the site has become general, and then to revoke the privilege would only serve to annoy the public, and might cause unnecessary trouble.

The Deputy Commissioner of Public Works reminds members that if free parking is allowed the question of necessary expenditure on cleansing, maintenance and provision of a public lavatory must be considered. There is also the necessity of deciding between various rival companies in the installation of an oil and petrol pump. The site has become very valuable for this purpose, since the Council decided as a general rule ^{some} years ago to disallow the installation of further petrol pumps within one mile of the intersection of Nanking Road and Honan Road.

In reply to a question by Mr. Calhoun as to the approximate revenue the site would yield, the Deputy Commissioner says that this will of course depend on the fees charged, but that there is space for 97 cars, less the room needed for installation and operation of the pump. One of the Petrol Companies has already intimated its willingness to pay \$400 a month in this connection, and this sum is almost equal to the revenue obtained from Land Tax when the site becomes subject to private ownership.

Mr. Franklin says that conditions, as regards space available and the possible amount of revenue to be derived, are similar to those on the Bund, but the Chairman thinks it might be unsafe to draw a parallel between the two instances, owing to legal difficulties over making a charge for parking on the public highway. The Secretary General observes that under English law the public highway cannot be used in this manner, but since the Settlement is not necessarily governed by English law he thinks this obstacle could probably be overcome. Mr. Franklin draws attention to the provisions made by the Council for free parking near the Customs Jetty.

A vote is then taken, and by a majority of opinion members agree to adhere to the original resolution recorded in the Council Minutes of May 27, whereby authority is given for the issue in the public Press of invitations to tender for the lease of the Old Central Police Station site.

The Minutes of the Education Board of June 5 are submitted and confirmed.

The Minutes of the Ricscha Special Committee held on June 8 are submitted.

11/15/6 Pullers' Mutual Aid Association - Savings Bank. - Arising out of these Minutes, Brig.-Gen. Macnaghten asks if the Council is in any way responsible for the Pullers' Mutual Aid Association, and the Chairman explains that there is no direct legal responsibility. It may, however, be considered that a moral responsibility exists, and there is also an indirect connection owing to the fact that the Council compels payment by pullers of contributions to the Association. The Council's policy has always been to dissociate itself from too close connection with the Association. The Chairman's personal opinion is that the chief function of the Association, and the primary object of its funds, was originally intended to be to

provide for pullers who will be gradually eliminated through the Council's plans for reducing the number of ricschas.

Mr. Calhoun says it is reasonable to suppose that in the minds of the pullers there is the feeling that the Council has induced them to deposit their money, and has therefore the responsibility for ensuring that it is returned to them. He would prefer to see the proposed savings scheme handled by some ordinary Bank, independent of the Association.

Mr. Franklin states that no Bank would deal with such small deposits, and explains that the Savings Association will be in fact only one of the social services provided by the Association, on the same level as soap and towels in the washing rooms. Mr. Calhoun however, reiterates his opinion that there is a responsibility for returning the money independently of any social services rendered.

Mr. Porter mentions the legitimate feeling of grievance by pullers who will be excluded from the industry, if their contributions are to be applied to some future Scheme in which they have no interest. The Chairman of the Ricscha Board says that provision is made to cover the cost of repatriation from the Association's funds in such cases. The sum of \$40 is also paid to the family of every man who dies while he is registered as a puller. It is observed that, allowing for this Insurance Scheme, the present income of the Association is approximately equal to its expenditure.

In answer to Mr. Yulin Hsi, the Chairman of the Ricscha Board states that the original rate of interest proposed for the Savings Bank was 12% per annum, but the Committee's recommendation was that this should be reduced to 6% per annum, which was the amount the sums deposited could actually earn. In this case the cost of the Bank to the Pullers' Mutual Aid Association would be negligible.

Mr. Hsi says that if interest at only 6% per annum is offered the Bank will be useless, as higher rates can be obtained outside and pullers will therefore go elsewhere. If a higher rate is allowed, the Bank will become an improper burden on the funds of the Association, which should cater for all its contributors and not merely those who having money to save, are the least needy members of the class. He therefore opposes the formation of a Bank or Savings Society. The Chairman says he also is not satisfied as to the practical consequences of the Scheme.

A vote is then taken, and it is

RESOLVED that the Pullers' Savings Bank Scheme proposed by the Board of Management of the Pullers' Mutual Aid Association be not approved.

K25/1 Reduction in Number of Ricscha Licences. - The Chairman says that in 1926 the Council resolved that the total number of public ricschas should be reduced from 10,000 to 5,000, but that there are still 10,000 vehicles licenced. He is strongly of opinion that immediate and drastic action

should be taken over this matter, and for that reason he wishes to ensure that the Association's attention and funds are primarily directed towards the pullers who will shortly be excluded from employment. He thinks that reductions through natural wastage are insufficient. In reply to this the Chairman of the Ricscha Board points out that last year 41,000 pullers were licensed, and that this year only 36,000 have applied for renewals. He does not believe that a reduction of 5,000 pullers a year is likely to be continued indefinitely; but it is a figure worth considering. The Chairman, however, favours authority being given for a further definite reduction at some specific and ascertained date.

In reply to Mr. Mitchell, who says that he understands the Council's policy has so far been to give no definite mandate to the Ricscha Board regarding reduction, the Chairman says that this was not unintentional, as the time was not considered ripe for such action. The situation has developed since the formation of the Board, and it is now possible for the question of reduction to be considered forthwith.

Mr. Franklin points out that Chinese members of the Ricscha Special Committee were very much opposed to any reduction in the number of ricschas, in view of what they considered to be the hardship and inconvenience involved for the Chinese community.

The Chairman sums up the discussion by saying that he believes most members of the Council are in agreement with his own views, that apart from natural wastage some definite programme of reduction of vehicles and pullers' licences should start from a specific date in the near future. As the matter has already been referred to the Ricscha Board for report, no further action is necessary until such report has been discussed. Members agree.

Subject to the above observations and amendments the Minutes of the Ricscha Special Committee are confirmed.

The Deputy Commissioner of Public Works and the Chairman of the Ricscha Board withdraw.

Land Regulations - Amendment. - The Chairman reminds members that in view of *Fin* the explanation of the position given by the Secretary General at the meeting held on May 27, details of proposed amendments to the Land Regulations have been circulated, prior to authority being given for an official reprint.

Mr. Yulin Hsi raises several objections to the amendments as submitted. He questions the suggested limitations on the nominee of the Chinese Ratepayers' Association to the Land Commission; the organisation appointing one other Commissioner should, he thinks, be the "Chinese Realty Owners' Association" and not the "Chinese Property Owners' Association"; and he considers that the references throughout Land Regulations X and XVIII to election of Chinese Members of Council by the "Chinese Electorate" are incorrect. He would prefer the words "Chinese Ratepayers' Association" to be substituted in each case. -

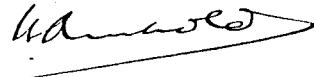
The Secretary General explains that the amendments with regard to the Land Commission have already been made and submitted to the Chinese Government and the Diplomatic body in the form shown. They are now merely circulated for information before being ^{put} officially on record. If they were altered at this stage, even trivially, the whole process would need to be repeated, and it might be impossible to gain fresh agreements to the Amendments as a whole. As regards the proposed substitution of the words "Chinese Electorate" in Regulations X and XVIII by "Chinese Ratepayers' Association", he can assure Chinese members that this distinction was not made through inadvertence. The alteration would destroy the very provision he had in mind - to use a wider term in preference to a narrower one in order to permit of future change of methods if desired by the Chinese. The Chinese Electorate includes the Chinese Ratepayers' Association; but should the Association at some future date cease to exist, the narrower phrase would leave no one with power to elect.

Mr. Hsu suggests that the word "Ratepayers" be used instead of "Electorate", and Mr. Hsi thinks that if the wider term is used there is the possibility of other associations putting forward candidates in the future. He says that all Chinese Ratepayers are invited but not compelled to become members of the Ratepayers' Association, and that the organisation is formally recognised by the Ministry of Foreign Affairs.

Mr. Franklin says that the amendments were suggested in the interests of Chinese members. The further alterations proposed by them would only limit their own powers. However, if they wish to press for these alterations, there is no reason why other members should oppose their action.

After further discussion the Chairman suggests that the matter be adjourned for further study and negotiation. Members agree.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 24, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 The Commandant of Volunteers
 The Commissioner of Police
 The Commissioner of Public Health
 The Acting Treasurer and Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. W. Gookson
 G. E. Mitchell
 Yu Ya Ching.

The Minutes of the meeting held on June 10 are confirmed and signed by the Chairman.

8/3/4 Car Parking - Site of Old Central Police Station. - Arising out of these Minutes, General Macnaghten asks whether previous users of the proposed car park may be allowed to use it free of charge for their vehicles until it has been converted under the agreed arrangements. He says that it is not his intention to ask the Council to alter its former resolution in any way, and that his suggestion will not necessitate such alteration. Conversion will cost about \$3,000 and take some time to complete. In the meanwhile he thinks that a certain number of cars - the quantity of which can be controlled by the issue of passes - may reasonably be allowed to use the site. He considers it unnecessary in this instance for a privilege which has been in force for some time to be suddenly revoked.

Members agree and it is

RESOLVED that free parking privileges be continued for a limited number of cars, on the old Central Police Station site, pending completion of its conversion for the purpose of leasing.

The Minutes of the meetings of the Orchestra & Band Committee held on June 18 and June 22 are submitted and confirmed.

The Minutes of the Watch Committee held on June 19 are submitted.

18/17 Volunteer Motor Transport. - Arising out of these Minutes, General Maonaghten states that he cannot approve the expenditure of approximately \$30,000 for the purchase of eight additional trucks and a tender for the Volunteer Corps. He understands that these vehicles are intended for the use of the Russian Regiment, and observes that facilities already exist for the transport of 75% of this force at one time. In his opinion the need for expenditure is less urgent in this case than in several other directions, for example the Chinese Isolation Hospital, which he considers is a building that reflects little credit to the International Settlement.

Mr. Franklin says that he agrees as regards general principles, and that for two years he has been constantly opposing increases in the cost of the Volunteer Corps, particularly as regards additional personnel. In the particular instance, however, he believes - on the authority of the Commandant and the Commissioner of Police - that the expenditure would result in an ultimate saving to the Council, by tending to obviate the costly necessity of mobilising the whole of the Volunteer Corps in times of unrest. He therefore favours the recommendation.

Mr. Keswick supports General Maonaghten's view, saying that he considers an insufficient case has been made out for the purchase of the vehicles. He understands that the extra vehicles would only involve a saving of 20 minutes in time. Could a compromise, entailing the purchase of only four trucks instead of eight, not be arranged?

In answer to a question by Mr. Porter, the Commissioner of Police states that the complete Russian force has not been called out at one time in support of the Police during his period of service, but that if a contingent of a definite size is maintained, it is uneconomic and unsafe if the whole of it is not available in case of need. His Department requires to be able to depend on getting a definite number of men within a given time. The amount of transport needed for that amount of man power is not within his jurisdiction, but that of the Commandant.

The Commandant says that the unit for mob dispersal is the platoon of 32 men. His present transport can deal with only five of the nine platoons of the Russian Regiment, and these can all be dispatched within thirty minutes of a request from the Police. The Public Works Department have trucks but during the day they may be scattered all over the Settlement, whereas outside working hours, though the vehicles are available, the drivers have dispersed to their various homes. The Commandant reiterates the opinion that the Russian Detachment is the spearhead of the Corps, and that general mobilisation can be avoided except for very serious trouble, if this force is permitted to be kept

100% efficient.

Mr. Keswick proposes that consideration of the question be deferred, since though he is in full agreement with opinions expressed as to the importance of maintaining the efficiency of the Russian Regiment, he understands that economies in other directions are proposed.

Mr. Hsi asks whether the proposed transport will be used by other persons than members of the Russian Detachment, and the Commandant says that it will be Corps Transport to be used by any Unit as may be found necessary.

Mr. Calhoun thinks that though economy is always desirable, a good case has been made out for purchase of the vehicles. The Chairman expresses his agreement, and Mr. Franklin says that the Volunteer Corps has shown a saving of \$43,000 on ammunition. Mr. Kiang also speaks in favour of the Watch Committee's recommendation.

A member says that if purchase of the trucks is approved he hopes that a strong rider will be included, expressing rather more than a hope that equivalent economies will be effected elsewhere in the Department. The Chairman considers that the approval of the trucks should not be dependent upon other economies.

A vote is then taken, and with two dissentients it is agreed that the recommendation of the Watch Committee be approved.

Subject to the above observations, the Minutes of the Watch Committee are confirmed.

The Commandant of the Volunteer Corps and the Commissioner of Police withdraw.

The Minutes of the Education Board of June 19 are submitted and confirmed.

Milk Supply - Tuberculin Test. - A letter is submitted regarding the Council's proposed tuberculin testing negotiations from Messrs. Keylock & Pratt, C4/1 are a firm of Veterinary Surgeons who although they are the veterinary advisers to the Culty Dairy and other dairies wish to make it clear that Mr. Keylock of the Culty Dairy is not a member of the firm. The firm states that while in agreement with the scheme in principle it feels that adequate notice of the Council's intention has not been given. It therefore requests that this notice be increased to not less than twelve months, and that enforcement of the regulations regarding the sale of Grade "A" TT milk which are due to come into operation on July 1 be postponed accordingly.

In his reply submitted, the Commissioner of Public Health states that the question of equity in the application of any public health measure is, in his view, a matter for decision by the Council rather than the Health Department. He is of the opinion that the suggestion of a year's notice to Grade "A" Dairies who have not spent any money in this important progressive stage is unfair to those who have taken the forward step.

On the other hand, as his Department is definitely of opinion that eradication must come, he feels that it should not make too strong a

recommendation in regard to what is a fair period of warning, since this is a question not of technical opinion, but one on which differing views may quite reasonably be held. His Department's ideal is the eradication of tuberculosis by all means, and he therefore feels he is not an impartial authority to judge of the merits of Messrs. Keylock & Pratt's application. The Council's ruling is accordingly requested.

The Chairman says that the question before the Council is as to whether the proposed Grade "A" TT Milk Regulations are to come into force on July 1 next, or whether they are to be postponed.

Mr. Porter asks whether other communications on the same lines have been received, and on being informed that only one very mild letter, which was really a request for advice, has come to hand, he says that it may be fairly assumed that the desire for postponement is not general.

In answer to a question by General Macnaghten, the Commissioner of Public Health states that though conditions may vary, an average herd will take about a year to become fit to pass the Tuberculin test.

Mr. Calhoun asks how long work along these lines by the Health Department has been in operation. The Commissioner replies that it was commenced about 18 months ago, and the ultimate intention should have been obvious to all Dairies as from that date. He suggests the formation of a small Committee to hear the views of Dairy owners, if it is decided to reconsider the matter.

The Chairman observes that any further consideration would automatically delay the operation of the Regulations, and Mr. Franklin says that in his opinion no good case has been made out for such a course. Mr. Kiang supports this.

A vote is then taken, and it is unanimously

RESOLVED that Messrs. Keylock & Pratt be informed that their application for a postponement in the operation of the Council's legislation regarding Grade "A" TT-milk, cannot be granted.

The Commissioner of Public Health withdraws.

Land Regulations-Amendment. - Before dealing with this matter the Chairman *Fig* remarks that previous discussions in Council on the subject have by some means been made public. He reminds Members of Clauses 44 to 46 in the Council's Standing Orders, which provide that documents circulated are for the confidential use of members only.

The Chairman then informs Members that in conjunction with the Secretary General he has conferred with the Chinese Members, and finds that their only objection to the amendments as proposed lies in the words "Chinese Electorate" for which they would prefer to have "Chinese Rate-payers' Association" substituted in each case.

It has already been pointed out that the narrower phrase may work to the disadvantage of Chinese members, but since the whole matter

has been raised with the sole object of legitimising their position, he imagines that other members will not wish to raise any objection to this further alteration. Mr. Kiang points out that the Chinese members are in fact elected by the Chinese Ratepayers' Association, and not by direct election.

The Secretary General then details once again the history of various attempts made in the past to amend the Regulations, and states that for political reasons it is useless to submit any amended form to the National Government with a request for its official signature thereto.

Mr. Urabe says he would prefer the Amendments to go forward in the terms of the original Draft. After further discussion it is

RESOLVED that authority be given for an official Reprint of the Land Regulations to be made, including the Amendments submitted to the Council, with the substitution of the words "Chinese Ratepayers' Association" for "Chinese Electorate".

Factory Inspection - Negotiations with the Chinese Government. - The Secretary

FJK General submits a draft form of Agreement in respect of the application of the Factory Act within the International Settlement. He reminds members that the Council has authorised him to conduct negotiations along these lines, and that the present draft, which is agreeable both to him and to the Chinese Authorities, is the result of protracted efforts, extending over five years. He would therefore urge its acceptance in the form submitted.

Mr. Yamamoto, whilst appreciating the results achieved by the Secretary General, says he is not altogether satisfied that any action in this connection should be only "under authority delegated by the Chinese Authorities." He feels that this derogates from the authority of the Council.

The Secretary General replies that the authority of the Council in all directions is only derived by delegation from the Governments of the Nations concerned, and that the proposed agreement shows no departure from established practice.

Mr. Yamamoto then asks for time to discuss the matter with the Japanese Consul-General before the draft is approved, but the Secretary General states that the Consular Body has previously approved negotiations on the basis of delegated authority.

In answer to a question by Mr. Porter, the Secretary General states that the suggested inspectors will not necessarily be confined to any one nationality. It was not considered practical to lay down any rules as to nationality, and therefore the subject was not mentioned in the Draft Agreement.

Mr. Urabe asks that the matter be postponed for further consideration, and in this he is supported by Mr. Yamamoto, who says that further reference to the Japanese Consul need take only a single day, and

would therefore not cause any appreciable delay.

Mr. Kiang speaks in favour of the Draft being approved.

A vote is then taken, and with Mr. Urabe and Mr. Yamamoto dissenting, it is

RESOLVED that the Council approve the execution of an Agreement with the Chinese Authorities regarding the application of the Factory Act in the International Settlement, as set forth in the Draft submitted.

Legal Action against the Council. - General Macnaghten states that accounts ^{B6/1} have appeared in the public press of an action against the Council in the Court of Consuls, and asks if the situation can be explained to members.

The Secretary General replies that the case concerned the loss of seven lives through a motor car which ran over the bunding at Yangtszepoo and fell into the river. A claim amounting to about \$185,000 was brought by the widows and dependants of the deceased for negligence by the Council in omitting to provide a barrier or other protection.

There have been no preliminary negotiations between the legal practitioners for the plaintiffs and the Council, except for a letter submitting certain claims, which was addressed to the Council early in June and replied to by an interim acknowledgement.

The Council's next intimation was on June 17, when the petition in the action was received in the Secretariat, and at once referred to the Secretary General.


A full account of the petition appeared in the "Evening Post" of June 18 and in the morning press of the day after. The information given to the newspapers came from a source unconnected with the Council and was published without any previous knowledge by the Council.


General Macnaghten asks whether a letter has not been received from Mr. Wright of Messrs. Hansons in connection with this matter. In reply it is stated that such a letter has been just received and will be circulated to members before the next meeting. The Secretary General states that he has placed this case in the hands of the Municipal Advocate.

Annual Recess - Date. - The Chairman says it is suggested that the Council's ^{F5/18} Annual Recess this year should commence on Thursday July 23, and end on Tuesday, September 1. In this event the last meeting before the Recess would be on Wednesday July 22, and the first subsequent meeting on Wednesday September 2. Members agree that these dates are convenient, and it is

RESOLVED that the Council's Annual Recess for 1936 be held between Thursday July 23 and Tuesday September 1, both dates inclusive.

The meeting terminates at 6.30 p.m.


Secretary.


Chairman.

At the meeting of the Council held on Wednesday, July 8, 1936, at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Acting Treasurer and Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H.Wu.

The Minutes of the meeting held on June 24 are confirmed and signed by the Chairman.

R9/17 Volunteer Motor Transport. Arising out of these Minutes, Mr. Mitchell says that though he was not present at the previous meeting, when the point may possibly already have been mentioned, he would like to ask whether purchase of the Motor Trucks could not be obviated by some arrangement with an established Trucking Company to reserve transport for the Council in the event of emergency. He believes that a similar scheme is in force with the regular Army, which obtains guarantees from commercial firms in return for a subsidy.

The Chairman remarks that the drawback to this scheme for the Volunteer Corps would be the same as that attached to the use of Public Works Department Trucks, namely that drivers are not immediately available outside working hours. He thinks that the circumstances as to use of Public Works Department transport were fully set out in the Minutes of the previous meeting.

General Macnaghten asks whether it would not be practicable for the Public Works Department to have four trucks always available at the Drill Hall, and the Chairman says that enquiries could be made as to this by the Watch Committee. Mr. Franklin, as Chairman of the Watch Committee, explains that the whole matter has already been fully discussed and that the majority of members were of opinion that the Commandant's

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replies to their questions disclosed a situation in which the purchase of new vehicles was justified. Mr. Calhoun adds that he understands the Commandant wishes to be able to move men within seven minutes of a call, and points out that no transport arrangements with a commercial firm could achieve this object. Mr. Mitchell re-asserts his opposition to the purchases and is supported in this by Mr. Keswick.

The Chairman remarks that the matter was discussed at length at the last meeting of the Council. If considered essential it can again be referred back, but he cannot see that any new evidence has been brought forward to justify this action.

The Acting Treasurer and Controller states that a further report has been received from the Commandant in regard to the replacement of ten trucks which were purchased secondhand from the British Army in 1927 and are now reaching the end of their economic life. The report has been referred to the Commissioner of Public Works for his views which will be submitted to the Watch Committee in due course. He adds that the replacement programme is distinct from the present proposed purchases.

The Chairman considers that the question of the new trucks can be reconsidered when the Commissioner's report is submitted. Mr. Keswick suggests that authority for purchase be held in abeyance until that date. Members agree.

It is thereupon

RESOLVED that authority to purchase eight new trucks and a tender for the Volunteer Corps be held in abeyance until the programme of replacement for existing trucks has been considered by the Watch Committee.

The Minutes of the meeting of the Health Committee held on July 2 are submitted and confirmed.

The Minutes of the meeting of the Education Board held on July 3 are submitted and confirmed.

A4/4 Public School for Girls, Yu Yuen Road - Cookery and Needlework Centre.

Arising out of the Minutes on this subject, General Macnaghten asks what will be the cost of the proposed addition. On being informed by the Chairman that the estimated figure is \$25,000, he deprecates the expenditure, saying that he considers it is more urgently required in other directions, notably on the Chinese Isolation Hospital. The Acting Treasurer and Controller points out that provision for the work at the School has been included in the current Budget, and Mr. Porter explains that the matter had already been the subject of discussion for between one and two years - General Macnaghten accordingly does not press his objection.

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The Minutes of the meeting of the Library Committee held on July 6 are submitted and confirmed.

Letter from Messrs. Hansons. - A letter from Mr. G. H. Wright of Messrs. Hansons ^{F23/2} is submitted, together with a memorandum thereon by the Secretary General. Messrs. Hansons have been retained as legal advisers to the Council for over 50 years.

Mr. Wright considers that the holding of this annual retainer entitles his firm to receive instructions in all legal proceedings to which the Council is a party, excluding revenue claims by the Finance Department and prosecutions by the Police. He therefore protests against the Council being represented in a recent case before the Court of Consuls by the Municipal Advocate.

He observes that if it is the opinion of the Council that it is able through its own staff to deal with all legal questions which may arise in future, and that the retention of a firm of independent legal advisers is therefore not required, his firm will loyally accept the position and the change of policy, and arrange for amicable termination of its connection with the Council. If, however, the Council wishes to continue to retain his firm, he hopes that this arrangement will be conducted in accordance with what he considers the established rules governing the relations between Messrs. Hansons and the Council.

Mr. Wright also says that in view of their retainer, his firm have at all times regarded the Council as having a paramount claim on their services, and that they have therefore always declined to take any outside work in matters where the interests of the Council might become involved.

In his explanatory memorandum, the Secretary General divides the Council's legal work into four classes. He says it cannot be admitted that the Council is precluded from employing the services of its own legal staff at any time, as would appear from Mr. Wright's remarks. He suggests that this point of view be made clear to Mr. Wright. This, he says, would not necessitate any severance of relations between the Council and Messrs. Hansons. Messrs. Hansons would have complete freedom, but the Council would continue normally to seek their services where the services of an outside lawyer were required. If Mr. Wright admits the Council's right to employ its own staff when it thinks fit, and prefers to continue the retainer, the Secretary General sees no objection to this course.

The Chairman expresses the opinion that discretion should remain in the hands of the Secretary General as to the procedure to be adopted in each individual case.

In answer to a question by Mr. Calhoun, the Secretary states that the amount of Messrs. Hansons' present retainer is a nominal one of Tls.100 per annum.

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Mr. Franklin says that in view of the firm's long association with the Council it seems a pity for the retainer to be cancelled. The Secretary, however, mentions that he has had several informal conversations on the subject with Mr. Wright some weeks before his letter had been written. At that time Mr. Wright unofficially threw out the suggestion that the annual retainer should be discontinued, and that the Council should entrust Messrs. Hansons with all the Police prosecutions in the British Court, at a regular inclusive fee of about \$500. Such action would therefore not involve any bad feeling.

The Secretary mentions that during the last few years the total fees paid to Messrs. Hansons in respect of Police prosecutions have averaged about \$700 a month. In answer to a question by Mr. Franklin he states that the annual retainer does not include any advice by the firm. A charge is made for all work that they undertake.

Mr. Kiang suggests that the retainer be cancelled, and that Messrs. Hansons be paid a regular amount, in the neighbourhood of \$500 per mensem for the British Police Court work, that the Council may require of them. The Chairman says that the suggestion mentioned by the Secretary has not yet been officially made by the firm, and the Secretary adds that he has merely given the gist of an informal conversation, in order to show members what Mr. Wright's attitude in the matter was likely to be.

The Secretary General says he wishes to make it clear that there is no question of friction between the Council and Messrs. Hansons. The Council must, however, retain its freedom of action. The present discussion is merely an attempt to clarify the terms of Messrs. Hansons' service. He considers that the particular case in question presented features with which the specialist staff in the Municipal Advocate's office were much better equipped to deal than any general practitioners. There was in his view, no legal, moral or practical obligation to call in Messrs. Hansons, and incur an extra expense of possibly several thousand dollars for work that could be done more efficaciously by the Council's staff - though if such work had been offered to an outside competing firm, Messrs. Hansons might have had a legitimate grievance.

Members generally agree that the Council must retain its freedom to employ its own staff and on the suggestion of the Chairman, Members agree that the Secretary General be instructed to convey to Mr. G. H. Wright of Messrs. Hansons the general sense of the discussion and to discuss the matter with him and report the result of his negotiations to a future meeting.

Renaming of Roads - Commemoration of Mr. Yu Ya Ching's services. - The Chairman

states that he has received a letter from the Chinese members of Council suggesting that Mr. Yu Ya Ching's seventieth birthday and his fifty-five years of public service to Shanghai be commemorated by allowing a suitable thoroughfare in the Settlement to bear his name. The Chinese members have

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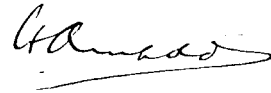
refrained from designating a specific road for this purpose, but various suggestions have come from other sources, notably Haining Road (which is, however, considered unsuitable by the Commissioner of Public Works) and either Burkill Road, Baikal Road or Park Road, the Chinese equivalents of which are sufficiently similar as sometimes to cause confusion.

Mr. Kiang remarks that Thibet Road would appear to be even more appropriate. The Chinese name of the thoroughfare is quite different and has no special significance; and since it connects City Government Area and the French Concession as well as the International Settlement, it would be a fitting means of celebrating Mr. Yu Ya Ching's services to Shanghai as a whole. Mr. Porter supports this proposal.

It is thereupon

RESOLVED that agreement in principle be given to the proposal that a suitable thoroughfare in the Settlement be named after Mr. Yu Ya Ching, in recognition of his services to the community; and that the Commissioner of Public Works be asked to submit a report as to which particular thoroughfare is most suited to the purpose.

The meeting terminates at 5.20 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, July 22, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 The Commandant of Volunteers
 The Commissioner of Police
 The Chairman of the Ricscha Board
 The Acting Treasurer and Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. T. Yamamoto
 Yu Ya Ching.

The Minutes of the meeting held on July 8 are confirmed and signed by the Chairman.

The Minutes of the Watch Committee held on July 16 are submitted and confirmed.

The Minutes of the Watch Committee held on July 20 are submitted.

189/1 S.V.C. Motor Transport. Arising out of these Minutes a divergence of opinion is apparent between Members on this item. The Chairman speaks in favour of adopting the Watch Committee's recommendation. He says that the whole cost of the Volunteer Corps is the subject of an investigation now being carried out by the Secretary General, who will submit a general report thereon in due course. It appears that internal security is to-day the paramount purpose of the Corps. He deprecates any action in the meantime which would tend to impair the efficiency of the Corps for internal security.

Mr. Kiang says that he was prevented by sickness from attending the meeting where the question of Volunteer transport was previously discussed. Had he been present, he would have voted for the recommendation as it now stands. He is strongly in favour of its adoption by the Council.

General Macnaghten opposes the recommendation. He says that he need not repeat his arguments, which have already been recorded in the Minutes of previous meetings, but that he thoroughly agrees with the opinion which Mr. Mitchell expressed in the Watch Committee. Mr. Keswick is of opinion that the Volunteer Corps should get any necessary additional transport from the Public Works Department, and that new vehicles should not be bought.

Mr. Kiang remarks that \$30,000, which is the estimated cost involved, is a small price to balance against the safety of the whole Settlement. He thinks it is unwise to mix the transport belonging to different Departments, and therefore opposes the suggestion of borrowing vehicles when necessary from the Public Works Department.

Mr. Mitchell states that Members possibly do not realise exactly how far mobility is possible at present for the Russian Detachment. Existing transport, he says, provides for 180 men out of a total of 300 in the Force. He considers it fantastic to imagine that the immediate presence of the remaining 120 Russians should make all the difference between the safety and danger of the Settlement. He mentions that there is Police transport available for 75 men, and that there is now the added safeguard of Regular Troops stationed in the Settlement, which was not previously the case.

Mr. Franklin points out firstly, that the Riot Vans in the Police Department are very old and not entirely dependable, and secondly that the Commandant and the Commissioner of Police, who are experts in this matter, do not share Mr. Mitchell's opinion that possible danger to the Settlement through inadequate volunteer transport is a fantastic idea.

The Chairman refers to Mr. Mitchell's opinion, as recorded in the Watch Committee Minutes, that the political situation is now such that there will probably be reasonable warning of the likelihood of developments necessitating the whole of the Russian Detachment being turned out for an emergency. He does not agree with this, as it is entirely contrary to everything he has encountered in Shanghai throughout the last thirty years. He thinks that during that time there has been hardly a single case of emergency which did not arise suddenly.

General Macnaghten suggests that if the Police Riot Vans are as old as is stated, expenditure on this form of transport is a prior necessity to the present scheme of additional volunteer transport.

Mr. Calhoun observes that the alternative scheme proposed, of hiring volunteer transport from an established Trucking Company is in his view a false economy. Questions of the condition of the hired trucks and their Insurance would be involved, and he would prefer to support the recommendation of the Watch Committee.

Mr. Mitchell states that the Russian Detachment has now been in existence for some years, so that any danger to which the Settlement

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may be considered to be subject is not a new thing. He feels that on these grounds the transport situation can fittingly remain unaltered a little longer, until the Secretary General's report on the general organisation of the Corps has been received. Mr. Franklin replies that the present liaison scheme between the Russian Detachment and the Police has only been in operation since last November.

In answer to a question by the Chairman as to whether increased Police Reserves would not be necessitated if the proposed transport were not purchased, the Commissioner states that a sufficient force in the early stages of a riot can gain results which several times the man-power would be unable to achieve only a few minutes later. Apart from this, his object is the prevention of riots by prompt action in the initial stages, not the quelling of them by force when they have already become fully established. He instances a case in 1932, when 50,000 persons were on the point of rioting and the prompt arrival of 300 Russian Troops would have been invaluable. He also deals with the age of the existing Riot Vans, saying that if a vehicle breaks down in the middle of a hostile crowd after an arrest has been made, a very serious situation may develop.

Mr. Kiang says that if \$200,000 a year can be spent by the Council on a non-essential pleasure like the Orchestra, it is surely obvious that the smaller sum of \$30,000 for a service which is vitally necessary to the safety of the Community should not be withheld. Mr. Calhoun adds that if the Police vehicles are shown to be antiquated, the fact does not improve the condition of the Volunteer Transport, but rather the reverse.

Mr. Mitchell proposes the motion that consideration of the purchase of additional motor transport for the Volunteer Corps be deferred until a general report on the cost and equipment of the organisation has been submitted to the Council. A vote is taken on this motion, and it is lost, by four votes to seven.

Opinions are then taken on the recommendations of the Watch Committee of July 20 regarding S.V.C. transport, and by a majority vote it is decided that these recommendations be approved.

The Commissioner of Police and the Commandant of Volunteers withdraw.

K-24/1 Annual Basket Fair. Also arising out of the Minutes of the Watch Committee, Mr. Calhoun enquires as to the position of the Bubbling Well Temple Authorities in connection with the Annual Basket Fair. Mr. Franklin points out that provision for holding the Fair is included in the lease of Bubbling Well Police Station. The Secretary adds that the Police Department property is only a very small proportion of the land affected by the Fair. Negotiations with the Temple Authorities for the cessation of the festival are really a separate question, on a more general issue than the condition in the Police Station lease, which is the extent of

the Council's liability in the matter. Mr. Franklin explains that these negotiations may conceivably not result in any expenditure by the Council being necessary. If the Temple Authorities insist on compensation for the abolition of the Fair, it is not yet possible to estimate its amount. The negotiations now proposed will not commit the Council in any way. On this explanation Members agree with the Committee's recommendation.

Subject to the foregoing discussion, the Minutes of the Watch Committee held on July 20 are approved.

The Minutes of the Public Utilities Committee held on July 9 are submitted and confirmed.

The Minutes of the Ricsha Special Committee held on July 10 are submitted.

Kis/ Public Ricsas - Reduction in number. Arising out of these Minutes, Mr.

Calhoun says that enforcement of reduction in the number of ricsas has now been postponed several times, and asks the reason for such action. The Chairman adds that in his opinion the Council is definitely committed to this reduction. A statement on the subject was included in the Chairman's Speech at the last Ratepayers' Meeting, as part of the programme for the forthcoming Municipal year. Many enquiries have been received from the general public as to when it is proposed to start these promised measures. He suggests that the natural shrinkage in the number of pullers should not be made up during the forthcoming twelve months, until a reduction of 2,000 has been achieved. The matter could be reconsidered at the expiration of this period.

Mr. Kiang supports this proposal, if the reduction is confined to natural shrinkage only.. In answer to a question by General Macnaghten as to whether a reduction of as many as 2,000 pullers will be possible within twelve months by natural means, the Chairman of the Ricsha Board points out that a similar reduction last year amounted to 5,000. Mr. Franklin says that the Committee only recommended postponement on Mr. Yu Ya Ching's very definite assurance that any other action would involve serious labour troubles.

Mr. Hsu speaks in favour of the Chairman's proposal. Mr. Franklin also supports it, but suggests that the number of vehicle licenses should be reduced in parallel with that of the pullers. The Chairman says that this is likely to happen in due course, but that as yet it is only necessary to consider one difficulty at a time.

It is thereupon unanimously

RESOLVED that the natural shrinkage in the number of public ricsas pullers during the twelve months from August 1, 1936 be not made good until the number of pullers affected exceeds 2000; and that at the expiration of this period, the matter be reconsidered.

Jy/5 Touting Private Ricsas. Also arising out of the above Minutes, Mr. Yulin Hsi asks for information as to the present licensing system. Unless a reduction in the number of private, as well as public pullers is desired,

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he can see no reason for the altered arrangements, which he thinks might result in hardship.

Mr. Franklin explains that half-yearly licensing has been recommended as a measure to discourage touting for hire, since it results in a greater loss to a man whose licence is cancelled through improper use of his vehicle. Mr. Kiang also points out that the Council will save \$1,800 annually through licences being renewed half-yearly instead of quarterly.

Subject to the foregoing amendment and discussion, the Minutes of the Ricscha Special Committee are approved.

The Chairman of the Ricscha Board withdraws.

The Minutes of the meeting of the Works Committee held on July 14 are submitted.

247/1 Road Names - Naming of a road after Mr. Yu Ya Ching. Arising out of the Minutes on this matter, the Chairman says that subsequent to the meeting it has been understood that Chinese members are not in favour of a section of Ningpo Road being named after Mr. Yu Ya Ching, which was the Committee's recommendation. The Commissioner of Public Works has accordingly submitted a further report suggesting Boundary Road as an alternative thoroughfare. Chinese Members, however, prefer that Thibet Road be selected for renaming, and since they feel strongly on this matter the Chairman is in favour of compliance with their wishes. He therefore proposes that Thibet Road be re-named "Yu Ya Ching Road."

In supporting this proposal, Mr. Kiang says the contention that shops and Hotels in Thibet Road will suffer by the change is incorrect. A petition from a large number of property-owners in this road has in fact been received by the Council, asking that the change be made. Inconvenience to Public Utility Services has also been mentioned, but this will be no more and no less than that occasioned by the renaming of any other road in the Settlement.

Mr. Hsu speaks in favour of the amendment, and thanks the Chairman for his action in proposing it. Mr. Gockson also considers that Thibet Road is the most suitable thoroughfare to be chosen. Members generally agree.

In answer to questions by General Macnaghten and Mr. Kiang, the Chairman suggests that the whole of Thibet Road be called Yu Ya Ching Road and that the part of North Thibet Road which is under the Council's jurisdiction be renamed Thibet Road. Members agree and it is unanimously

RESOLVED that Thibet Road be renamed Yu Ya Ching Road in recognition of Mr. Yu Ya Ching's services to the community, and that so much of North Thibet Road as lies within the Council's jurisdiction be renamed Thibet Road.

Subject to the foregoing discussion and amendment, the Minutes of the Works Committee are approved.

The Minutes of the Staff Committee held on July 15 are submitted and confirmed.

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The Minutes of the Education Board of July 17 are submitted and confirmed.

Staff Economies. The Chairman states that a memorandum on this subject prepared by the Secretary General in collaboration with the Deputy Secretary and the Acting Treasurer and Controller has been circulated to members. He suggests that a small Committee be formed to deal with the matter, and proposes the names of Mr. Franklin, Mr. Keswick and Mr. Mitchell to make up its membership. All of these gentlemen, he says, are willing to serve. Members agree, and it is unanimously

RESOLVED that a Committee be formed, consisting of Mr. Franklin, Mr. Keswick and Mr. Mitchell, to deal with matters arising out of a memorandum submitted by the Secretary General in collaboration with the Deputy Secretary and the Acting Treasurer and Controller on the subject of staff economies.

Yangtzepoo case in Court of Consuls. The Secretary General refers to the memorandum he has submitted asking the Council's instructions in this case. He reminds members that it arises through an accident at the terminus of Yangtzepoo Road where a car containing eight Chinese men ran into the Whangpoo River Canal, all the occupants being drowned. The widows of seven of these men have filed suits against the Council in the Court of Consuls, claiming damages totalling \$188,734, on the grounds of alleged negligence by the Council to maintain the terminus of Yangtzepoo Road in a safe condition. In view of the strong possibility of the Court of Consuls ruling that the site was in a dangerous condition, and bearing in the mind the amount of money involved and probably undesirable publicity, it may be thought wise to consider the question of settling the case out of Court. The Secretary General requests instructions as to whether this is the opinion of the Council, and if so, what is the maximum figure which he is authorised to offer in settlement.

A sum of \$15,000 is suggested, but the Chairman says that there is not much hope of a settlement on such favourable terms. He proposes that the Secretary General be authorised to make an offer not to exceed \$25,000.

Mr. Kiang supports this, observing that the record of a similar case in 1932 greatly weakens the Council's case. The Secretary General says that no details are available of the previous accident, since it occurred during a period of unrest, but it was believed to have involved a lorry-load of Japanese troops.

Mr. Mitchell remarks that the edge of the Wharf is 100 feet from the road at its nearest point, and that the intervening space is broken ground. The Secretary General replies that the driver's negligence is undisputed, but that under the particular circumstances that can probably not apply to the passengers, or excuse the alleged negligence of the Council.

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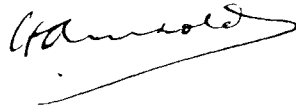
Mr. Porter considers that payment of so large a sum out of Court would create a dangerous precedent. He greatly doubts whether a larger sum than \$25,000 would be awarded by the Court of Consuls if the case went against the Council. Mr. Franklin mentions the possibility of undesirable publicity if the case is contested.

Mr. Kiang says he is in favour of negotiations being opened for a compromise without admission of liability. He thinks the Secretary General should be authorised to offer anything up to \$25,000 for a settlement on an ex-gratia basis, but that if this is not accepted the matter should be allowed to go to litigation.

Mr. Gockson recommends that if possible the matter be settled out of Court, through the agency of the Chinese members.

Mr. Porter remarks that in view of the constantly expressed need for economy in the Council's administration, it seems unnecessary to offer to pay \$25,000 without any certainty that the Council is liable. He proposes that the case be allowed to proceed, and Mr. Calhoun supports this. Mr. Franklin says that in view of the divergence of opinion between Members he considers, with a certain amount of reluctance, that the case should go on. Members agree, and it is decided to resist the claim.

The meeting terminates at 6.35 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, September 16, 1936, at

4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Acting Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. S. L. Hsu.

The Minutes of the meeting held on July 22 are confirmed and signed by the Chairman.

36/3

Yangtszepoo Case in Court of Consuls. Arising out of these Minutes, the Chairman informs Members that Counsel for the Plaintiff in this case has now asked permission to plead 'in forma pauperis', and that this petition is at the moment being considered by the Court.

The Minutes of the Ricsha Special Committee meetings held on September 4 and September 15 respectively are submitted.

K25/1

Public Ricshas - Reduction in number. Arising out of these Minutes, Mr. Yulin Hsi says that he believes the number of public ricshas now plying for hire is not too great for the maintenance of a means of transport which, especially to the Chinese community, is quite essential. He is strongly opposed to the abolition of ricshas in Shanghai. If the total number must be reduced, he would prefer that the licences of private, rather than public vehicles should be withdrawn, since a public ricsha gives employment to four pullers and a private ricsha needs only one. He remarks that the withdrawal of 500 public ricsha licences will have the serious effect of throwing two thousand men out of work.

The Chairman explains first, that there is no intention to abolish ricshas altogether, but merely to control their number; and secondly, that it has been arranged that the proposed withdrawal of

vehicle licences will not be greater than will almost certainly be covered by the shrinkage in the number of licensed pullers through natural wastage. In this way, the measure need not entail any men at all being thrown out of work. The only argument against it is that men living outside the Settlement are prevented by the licence restrictions from coming in to earn a livelihood. This he considers is all to the good under present conditions, and no objection at all.

Mr. Franklin adds that the recommendation now before the Council was a result of the unanimous opinion of the Ricscha Special Committee.

Mr. Yulin Hsi gives as his opinion that there are too few ricschas licensed at the moment instead of too many, but the Chairman says that this view is not shared by the Commissioner of Police.

A vote is then taken, and the Minutes of the Ricscha Special Committee are approved with one dissentient.

Mr. Gockson mentions an appeal by the Ricscha Owners recently set out in the public press, and Mr. Kiang says that this will no doubt come up for discussion by the Ricscha Special Committee in due course.

The Minutes of the Health Committee meeting held on September 10 are submitted and confirmed.

f. 3/4 Postponed Parking Regulations. The Chairman says that the unfortunate illness of both the Commissioner of Police and the Commissioner of Public Works has deprived Members of the opportunity to question them verbally at this meeting. He thinks, however, that the position is quite clear. The Council announced its intention of imposing parking regulations as long ago as April 1935. The Automobile Club of China have recently raised objections, almost at the last moment, to the scheme, and as a result of these, and certain criticisms in the public press, it was decided to postpone enforcement of the regulations until after the Council's Recess in order to have the views of the Commissioner of Police, who was absent at the time. It is suggested that the detailed and comprehensive report now submitted by the Commissioner should be given full publicity and a copy sent to the Club. This report refutes the Automobile Club's contentions, deals with various criticisms made in the press, and recommends that the Council, in the general public interest, should not be dissuaded from putting the regulations into effect. The Chairman proposes that the commencing date should be October 15.

The Chairman also observes that additional space on the Bund has been allotted for a further 116 cars, between Nanking Road and Peking Road. In this connection General Macnaghten raises the question of the excavations at present being made on the Bund by the Public Works Department; and Mr. Porter asks whether this work has been planned some time ago, since he considers its effect is completely to spoil the turf recently put down at some expense on the site. The Chairman replies that the work only became essential a short time ago and is not part of a long-

standing plan. He explains that it is mainly necessitated by the condition of the sewers, and (in answer to a question by Mr. Calhoun) assures members that it will be completed, so far as land required for parking cars is concerned, before October 15.

Brig.-Gen. Macnaghten asks why a letter to the Automobile Club of China is necessary, since the Regulations will presumably be published in the Gazette. The Chairman remarks that these Regulations were postponed mainly at the instance of the Club, and the Secretary General adds that after an interview, officials of the Club left a long memorandum on the subject in his office, which should not be allowed to go unchallenged.

It is thereupon

RESOLVED

- (a) that amendments to Traffic Regulations Nos. 1, 28, 47 and 48, as approved by the Council at its meeting held on May 27, 1936 be enforced as from October 15, 1936.
- (b) that the report submitted on the matter by the Commissioner of Police be given full publicity and that a copy thereof be sent to the Automobile Club of China.

B4/5
B9/24

Financial Position. The Chairman refers to a recent article in the Nanchang Daily News outlining the Council's present financial position. He says

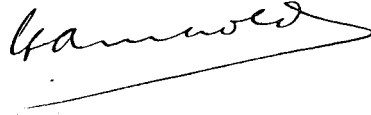
that the situation is, that for some years the Council has not been able to present a balanced Budget, and each time has had to depend upon drawings from reserve funds created largely as the result of the sale of the Electricity undertaking in 1929. These reserves are now almost exhausted and he considers it most unwise completely to use up this source of income in view of the possibility of emergency expenditure. He would therefore ask all members to prepare their nationals for a possible increase in the rates next year. In reply to a question by Mr. Yamamoto, the Acting Treasurer & Controller confirms that the Reserve Fund available for the Ordinary Budget now stands at the dangerously low figure of approximately Two million dollars. The Chairman adds that Shanghai residents probably pay the lowest taxes of those in any large city in the world, and reminds members that when the rates were reduced in 1930 on the sale of the Electricity Undertaking, no sort of guarantee was given or implied that this reduction would be maintained for an indefinite number of years.

Mr. Yulin Hsi says that he feels there are two ways of balancing a Budget - by increasing Revenue through higher rates, and by the curtailment of expenses. He would prefer the second method. The Chairman explains that any curtailment in services which would leave the Council organisation intact would not be sufficient to balance the Budget. The bulk of added expenditure in recent years has been due to

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expansion in Police and Education work. Both of these items are
essentials, and in both the Chinese community is especially concerned
and would presumably be opposed to a reduction.

The meeting terminates at 5.15 p.m.



Chairman.

Secretary.

At the meeting of the Council held on Thursday, October 1, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. C. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 The Acting Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Messrs. W. Gockson
 E. Y. B. Kiang
 Yu Ya Ching.

The Minutes of the meeting held on September 18 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on September 18 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on September 21 are submitted and confirmed.

KG/26

Artillery and Armoured Car Units, S.V.C. - Suggested Disbandment. Arising out of these Minutes, Brig.-Gen. Macnaghten says that while he is in agreement with the views of the Watch Committee that it is unfortunately necessary to disband the Corps Artillery, he has very pleasant memories of his period of command of the Battery for some three or four years, and he thinks its disbandment might suitably be marked by some expression of appreciation to the personnel. This could be coupled with the hope that all men would rejoin in other sections of the Corps.

Mr. Franklin supports this, and asks what is the best means for the Council to thank members of the Battery for their services. Brig.-Gen. Macnaghten thinks this can be best left to the Commandant to arrange, and the Chairman suggests that a circular be sent to each member, thanking him for past services and asking him to rejoin the Corps in some other Branch.

The Secretary observes that the proposed arrangement has not yet been communicated to the officers and men of the Battery, and that it is therefore desired that these proceedings should be treated as

confidential until the end of the week, when an official communique will be given to the press. On the Chairman's suggestion it is formally

RESOLVED that the Council express its great appreciation of the valuable service rendered by Officers and men of the Corps Artillery of the Volunteer Corps, and its regret that economic reasons should have necessitated its disbandment; and that it is hoped that all members of the Battery will rejoin the Volunteer Corps in some other Unit.

The Minutes of the Works Committee held on September 22 are submitted and confirmed.

F 5/1
F 6/1

Election of Council and Annual Meeting of Ratepayers - 1937. The Secretary says that as this matter may affect Leave arrangements for next year, a Member of Council has requested that it should be discussed thus early. In view of the Easter holidays in 1937 falling on March 26, 27 and 29, it is suggested that the Election dates be tentatively fixed for Monday and Tuesday, April 5 and 6, and that the Ratepayers' meeting be proposed to be held on Wednesday, April 14, in the Grand Theatre if available, the time to be arranged at a later meeting. Members agree, and it is

RESOLVED that it be suggested to the Consular Body that

- (a) the next Council Election be held on April 5 and 6, 1937, and
- (b) the Annual Meeting of Ratepayers be held on Wednesday, April 14.

B 6/3

Court of Consuls - Actions in forma pauperis. In connection with a case against the Council now sub judice in the Court of Consuls, a letter from the President of the Court to the Chairman of the Council is submitted, requesting a general ruling on the Council's willingness or otherwise to pay Court costs irrespective of the result of the action, in certain deserving cases. It is noted that those would embrace the Court fees prescribed by the rules as well as payment for any technical assistance the Court may require, including payment for a Court reporter to record the proceedings, but excluding fees for Counsel or allowances to witnesses.

The Chairman refers to previous negotiations on the subject, and says that an assurance has been given that the Court of Consuls will require the most thorough investigations before granting any application to sue in forma pauperis and that in all cases certificates of indigence from proper authorities will be required.

In view of this he considers it would be most improper to suggest to the Court of Consuls that the procedure which the Court proposes to follow in deciding whether or not a case is deserving should be first submitted to the Council for approval.

As regards the possibility of a dangerous precedent being established, he points out that the Court of Consuls originally intended laying down definite rules and regulations for the hearing of cases in forma pauperis which would definitely have committed the Council for all

time, and that it was only as a result of the various discussions which the Secretary General had with the Secretary of the Consular Court that the present modified procedure has been put forward.

He adds that the Secretary General will give any further information on the subject which Members require.

The Secretary General says that he considers the amount involved in the particular case is only a very trivial one. He only remembers about two cases of this sort within the last ten years, so that it is unlikely to present much difficulty on general grounds. He deprecates the formulation of set and formal rules governing actions in forma pauperis against the Council, because he considers that such rules, if generally known, might encourage frivolous or vexatious litigation.

Meritorious cases should not, however, be debarred merely by a question of cost from suing the Council. In such cases he points out that the Court of Consuls has all the necessary powers as to costs without reference to any set of rules.

Mr. Porter asks whether this means that if one party to an action cannot pay the Court fees the other party must do so. The Secretary General explains that this only arises when it is the Council which is being sued. In England such procedure is in effect allowed when proceedings in forma pauperis are taken against the Government. Here the Council is in the position of the Government, and the proposal is to defray costs in meritorious cases on a matter of public importance, out of the Council's funds which arise through taxation of the community at large.

Brig.-Gen. Macnaghten observes that he raised a query on Sir John Brenan's letter in the first place, but he is now satisfied that the Council should agree to the suggested payment. He hopes, however, that the scheme can in some way be safeguarded against the taking of personal profit by lawyers in the case.

The Secretary General points out that neither the Court nor the Council can interfere between a lawyer and his client, even if it is known that the lawyer has a large pecuniary interest in the case. That is one of the limitations in jurisdiction of the Court of Consuls, and since there is no regular Bar in Shanghai, any reputable lawyer who is entitled to plead in his own Country can bring a case here.

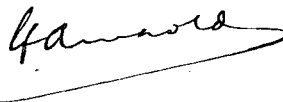
Mr. Mitchell says that it is necessary to remember that in the type of case under discussion there is no question of the Council undertaking any responsibility, direct or indirect, for payment of Counsel's fees for the other side.

It is thereupon

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RESOLVED that the Court of Consuls be informed that in applications to take action against the Council in forma pauperis, the Council is prepared (if the Court decides that any given case is a deserving one) to pay Court costs, irrespective of whether the judgment is or is not in the Council's favour. It is understood that the Court costs will embrace the Court fees prescribed by the rules as well as payment for any technical assistance the Court may require, including payment for a Court reporter to record the proceedings, unless one can be provided by the Council, but excluding fees for Counsel or allowances to witnesses.

The meeting terminates at 5.15 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, October 14, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Acting Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. W. J. Keswick.

The Minutes of the meeting held on October 1 are confirmed and signed by the Chairman.

The Minutes of the Library Committee held on September 29 are submitted.

H3/348

Librarian - Renewal of Appointment. It is noted that the agreement of the Staff Committee is necessary before this item is finally approved.

Subject to this limitation, the Minutes of the Library Committee are confirmed.

A 20/3
1189

The Minutes of the Education Board of October 2 are submitted.

School Fees; exemption from Non-Resident Charge. Arising out of these Minutes the Secretary observes that the question of principle included in the above item is strictly a matter for the Finance Committee, upon which the views of the Education Board were desired as a first step. He asks that Clause (a) of the recommendation be not finally confirmed until it has also been submitted to the Finance Committee.

Subject to this limitation, the Minutes of the Education Board are confirmed.

The Minutes of the Orchestra & Band Committee held on October 5 are submitted and confirmed.

The Minutes of the Watch Committee held on October 6 are submitted and confirmed.

K 5/28

Police Force, Reserve Unit; re-organisation. Arising out of these Minutes, Mr. Calhoun asks what is the character of the suggested re-organisation, and whether it is a purely internal arrangement within the Department or part of a comprehensive scheme of alterations.

Mr. Franklin explains that it involves strengthening the Reserve Unit by the addition of 16 Russians who have already been specially trained in Riot work. It involves a net saving to the Council because eight vacancies for foreign officers in the Police have purposely been left unfilled to compensate for these additions. The Chairman adds that the measure only concerns the Reserve Unit, and is presumably a mere internal reorganisation.

The Minutes of the Works Committee held on October 8 are submitted.

L 23/1

Squatters' Huts. Arising out of these Minutes, Brig.-Gen. Macnaghten asks the Secretary General whether he knows who gave the then Commissioner of Public Works authority in 1934 to issue instructions for demolition of the huts to be discontinued, thus apparently overriding the clearly expressed wish of the Council. The Secretary General says he has no information on the point.

The Secretary remarks that he requested during the Committee that the recommendation be not published in view of investigations agreed upon which may result in the quota mentioned being altered in the near future. He says that, in conjunction with the Commissioner of Public Works, he now considers that as it is a matter of public interest, publication of the general terms need no longer be delayed, so long as the actual amount of the proposed quota is not stated. Members agree.

Mr. Yulin Hsi suggests that the quota be fixed at the definite figure of 10%, with no provision for increase.

Mr. Kiang states that he thinks the plan of demolition by blocks is impracticable with fairness. He feels that huts ought only to be demolished in cases where it has been ascertained that the occupants can afford to move into other premises, and maintains that any fixed quota will involve hardship and disturbances. He considers that the Council should satisfy itself for the moment with forbidding the erection of any new huts. If the demolition scheme could be held up since 1931, he should imagine there would be no obstacle to its deferment for another year.

Alternatively he proposes that owners of land who are suffering through its occupation by squatters should be encouraged to pay a small sum to enable hut dwellers to move out to other more suitable premises.

The Chairman replies that it is incorrect to say that no reduction has been made since 1931. As recorded in the Minutes, it only ceased in 1934. The scheme now before the Council is the result of the unanimous recommendation of the Works Committee, and fire and sanitary considerations make block demolition the best method.

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Mr. Porter asks whether any notice of demolition will be given to hut dwellers, and Mr. Calhoun explains that the Commissioner of Public Works assured the Committee that there would be "adequate notice", but did not mention a specific period.

Mr. Kiang asks that the period of notice shall be a long one, and Mr. Mitchell, supported by Mr. Porter, is of opinion that this may well be left to the discretion of the Commissioner of Public Works.

The Chairman agrees. He says that if the Council's wish as to "reasonable notice" being given is put on record, that should be sufficient to settle the matter.

Mr. Hsu reverts to Mr. Yulin Hsi's suggestion that a maximum quota of 10% should be approved, and says he is in favour of this.

The Secretary explains that the Commissioner of Public Works will most certainly not consider raising the quota above that figure unless and until he has received satisfactory assurances from local Building Development Companies regarding alternative accommodation. The answers so far have been disappointing. Mr. Calhoun points out that the Commissioner feared that demolition in too small a quantity at one time may mean that no alternative accommodation at all will be provided and Mr. Franklin adds that he thinks discretion may safely be left with the Commissioner of Public Works, who is as anxious to avoid disturbances or undue hardship on evicted squatters as any Member who has spoken on the subject.

Subject to the foregoing discussion the Minutes of the Works Committee are thereupon confirmed.

The Minutes of the meeting of the Public Utilities Committee held on October 9 are submitted.

G 4/16

Shanghai Waterworks Co - Tariff of Charges and Rebates. Arising out of a reference in these Minutes, the Chairman asks if it is correct that the Company can apply funds in its Tariff Revision Suspense Account to meet a deficit on Current Expenditure. This seems to him a most unusual procedure.

The Acting Treasurer & Controller replies that the Company apparently has this power under the terms of Clause 11 of its franchise, which he reads to members. He states that he is already in discussion with the General Manager of the Company in connection with the points raised in the Public Utilities Committee.

In answer to a question by Mr. Calhoun as to whether the Council ordinarily requires any periodical reports or other information from the Company in connection with its Franchise, the Acting Treasurer & Controller states that the Finance Department has access, when requisite, to the Company's books, but that the Council's powers are limited as regards the internal organisation of the Company. Whilst it has no right to require details of Capital development additional capital cannot be raised without reference to the Council.

Mr. Mitchell asks whether the Council has the right to initiate arrangements for an alteration in the Company's tariff. The Secretary states that this is the case.

The Acting Treasurer & Controller adds that in his opinion the Company can effect further economies, though not to the extent of covering its estimated shortage. It is possible that it may agree to maintain the status quo for one more year by drawing on its reserves which are adequate for the purpose.

Subject to the foregoing discussion the Minutes of the Public Utilities Committee are thereupon confirmed.

The Minutes of the Ricscha Special Committee held on October 12 are submitted.

I 29/6

Public Pullers' Licence Renewal. Arising out of the Minutes on this subject, the Chairman comments on the basis of licensing pullers, so as to ensure that individual coolies obtaining pullers' licences do not use them for trading purposes, instead of pulling ricschas. He says that members will remember that when the licensing of pullers was originally discussed, he urged that the licensing should be done through the owners, every owner being called upon to produce four pullers per ricscha to be licensed.

Had that policy been followed, he considers that it would have ensured that the licences were issued only to coolies who would actually function as pullers; he states that the Police are of opinion that this is the only way to ensure that licences are not issued to coolies who do not function as pullers.

K 25/3

Ricscha Board - Abolition. Arising out of these Minutes, the Chairman says he wishes to state his views. He has never been in sympathy with past policy in this matter, since he felt that the Council's activities should be restricted to licensing the pullers, and to deciding how many ricschas were to be licensed from time to time. He considers it quite outside the province of the Council to regulate either hire charges or fares, or to direct the policy of the Mutual Aid Association. However, the Council having decided on this policy, it was his duty as Chairman to try and carry it through in such a manner as to obviate serious disturbances.

At the last Ratepayers' Meeting he informed the ratepayers that the time was coming when the functions of the Board would have to be handed over to the Police, and that this matter would no doubt have the consideration of the Council during the coming year, but in making this statement, he did not visualise the sudden and complete abolition of the Ricscha Board. Such a policy, in his opinion, would be looked upon by the owners as a great triumph, and there would be grave danger of the results of the work of the past three years being entirely lost.

About a month ago, the Chinese members of the Council invited him to attend two discussions on the Ricscha problem. They raised, inter alia, the question of the possibility of closing the Board, and he explained to them the reasons why he thought this should be a gradual

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process. They agreed to dispensing with one member of the Board at an early date, and after a period, the closing down of the Board altogether, possibly still retaining the services of Mr. Massey, either working directly under the Secretary General or in collaboration with the Police, for a period during which the Police could gradually take over the work which the Board was doing.

The view he then expressed was that the Board should be closed at the end of the year, and that Mr. Massey's services should be retained for a period of six months, working under the Police, or under the direct control of the Secretary-General; at the end of that period the question of retaining Mr. Massey's services could be considered, if desired by the Police.

The Commissioner of Police has pointed out to him that he would not wish to take over the whole of this work immediately but would rather have Mr. Massey co-operating with his Department for a period during which the Police would gradually take over the work.

The Chairman says that while he appreciates the necessity of economy, he would like to emphasise the fact that the abolition of the Board would not amount to a saving of \$55,000, as stated. The cost of the Board is \$68,000, but this includes the cost of the Licensing Stations, amounting to \$18,400. These would have to be taken over by the Police, thus reducing the net saving to \$50,000, and part of this would be absorbed by the additional staff required by the Police, which Department, he reminds Members, is already understaffed for reasons of economy.

He has discussed this matter with Mr. Lambe, who was Chairman of the Ricsha Commission last year, and who agrees that to dispense with the Board suddenly and entirely is to endanger the results of the past three years' work.

Whether the Ricsha Board has been successful in achieving what it set out to do is a matter of opinion, but it is beyond dispute that its achievements have been quite considerable, and it would be a pity if these were to be lost through precipitate action. The Chairman mentions that the Secretary-General is also of the same opinion.

It is for the Council to decide what policy it will pursue, but he considers it his duty as Chairman, having been associated with this problem from its inception, and having had to devote more time and thought to it than to almost any other question with which the Council has had to deal, to lay his views before members prior to a decision being taken. He therefore suggests an amendment to the resolution proposed by the Ricsha Special Committee, by the addition of the words: "but that Mr. Massey's services be retained for a period of six months, or so long as the Commissioner of Police may require, to assist the Police in taking over the functions of the Board."

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Mr. Mitchell says that the trouble with the Ricscha Board is that the Council is always being driven further into the wood by it. He feels strongly that now is the time to get out of all these complexities as quickly as possible. If the Police need extra assistance on Ricscha work they can ask for it in the usual way, and would naturally tend to invite the help of Members of the Ricscha Board in view of their long experience in these matters. He deprecates a resolution which would dictate to the Police the source from which they are to obtain assistance. He has spoken to Mr. Keswick, who is also strongly of this opinion and has asked him to express it for him in his absence.

The Chairman repeats his opinion that a gradual abolition is necessary to avoid ruining the whole work of the past three years.

Mr. Mitchell continues that to make a position in public work for a named individual is wrong in principle. Mr. Yulin Hsi supports this, and favours approval of the Committee's recommendation.

Mr. Porter suggests as a compromise that abolition be agreed to, and that a persuasive rider be added that the Police "may make use of any member or members of the Board during the reorganisation period." Mr. Yamamoto expresses himself as strongly in favour of adopting the Committee's recommendation as it stands.

Mr. Kiang says that the Commissioner of Police was not present to give his views to the Ricscha Committee, which is the reason the recommendation has been worded as submitted. Brig.-Gen. Macnaghten, Mr. Franklin and Mr. Mitchell refer to informal verbal remarks by the Commissioner on the subject, but the Secretary-General says that it is very unsatisfactory to quote such remarks by a Head of Department in his absence, with the object of influencing the Council in a permanent decision. In such cases regard should only be paid to views expressed officially and in writing.

Mr. Calhoun and Mr. Franklin speak in favour of adopting the Committee's recommendation, and leaving it to the discretion of the Commissioner of Police as to whether he makes use of the services of any members of the Board.

The Chairman says that since members appear to be unanimous in the matter, the recommendation had better be approved. He feels there will be future criticism, but that he has now done all that is in his power to point out the danger.

The Secretary asks when the proposed increase in ricscha licence fees can best be put in operation and Mr. Franklin suggests January 1, 1937 as a convenient date; Members agree.

Mr. Porter asks whether it is advisable to publish the last recommendation as it stands, since it appears from the Chairman's remarks that the figure of \$55,000 quoted therein is incorrect. The Chairman says he was just about to mention that point, and suggest the substitution of "a considerable saving" for the specific amount quoted. Members concur in

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the alteration.

Subject to the foregoing discussion and to clause (b) of the Recommendation concerning the abolition of the Ricsha Board being amended to read

"that the transfer of its functions to the Police will make a considerable saving to the Council."

the Minutes of the Ricsha Special ^{Committee} are thereupon confirmed.

H3/337 Press Information Office. The Chairman refers to the proposal for the abolition of the Press Information Office. He says that it was established in 1931, and the estimated cost for the current year is approximately \$60,000. About \$57,000 of this is attributable to pay, etc., the Press Information Officer's salary accounting for \$23,496, the Japanese and Chinese Press Information Officers being paid \$10,068 and \$9,228 respectively, and a stenographer at \$3,012 per annum being also employed.

It is proposed that the work of the Press Information Office be transferred to the Secretariat, and that Mr. J. W. Fraser, a Senior Assistant who has had considerable experience and who was once a journalist, should be appointed Publicity Assistant. He would issue communiques under the supervision of the Secretary and Assistant Secretaries. It is at present the practice that all communiques of a political nature are submitted to the Secretary General before issue, and this practice would, of course, be continued. It would not be necessary to add any additional foreign staff to the Secretariat.

It is further suggested that instead of the Japanese and Chinese Press Information Officers there should be employed two translators whose joint salaries would not exceed \$600 per month. The services of the Stenographer would be retained.

The result of these proposals would be an annual economy of approximately \$46,000.

The Secretary General and the Secretary would make arrangements to interview the Press at convenient times, and it is considered that direct contact is an advantage.

The Secretary General says that the Press Information Office was only originally intended as an experiment, at a time when the Council was being violently attacked in the press for the alleged secrecy of its administration. The project was suggested in the first place by local Editors, and had never been very popular with Chinese members. The Secretary General is of opinion that the experiment is now complete, and that in the present changed circumstances the Press Information Office is no longer required.

In answer to questions by Brig.-Gen. Macnaghten the Secretary explains that no replacement will be needed for Mr. Fraser, who will continue his work in the Secretariat, and that if any of the Staff in the Press Information Office wish to leave before the expiration of their formal

contracts, no obstacles are likely to be put in their way.

Upon the proposal of the Chairman it is thereupon

RESOLVED

- (1) that the Press Information Office be abolished as a separate unit as from December 31, 1936, and that the contracts of service between the Council and Mr. Burton Sayer, Mr. Tatsuoka and Mr. Pei-yu Chien be terminated in accordance with recommendations to be made by the Staff Committee.
- (b) that the work of the Press Information Office be transferred to the Secretariat which will require the services of two translators and a stenographer.

A 23/4 Appointment of Committee to consider Educational Policy. The Chairman says that it is proposed to form a small Committee to consider the Council's future policy with regard to foreign Schools, since owing to the growth of the community, the present arrangements are found to be somewhat out of date. Owing to the spread of business premises, several schools have been compelled to move into residential districts outside the Settlement, and thus have become ineligible for Grant. The American School is a case in point. Ratepayers have also had to move further out, with the result that their children have lost the benefit of Intra-Settlement rebates on school fees, and he feels that this rebate concession should now be extended. Moreover, there is the question of possible economies - on the lines of those proposed for Municipal Employees in general by the Economy Committee now in session - in the very large teaching staffs at the various schools.

He suggests a small Committee as being more fitted to think and act with speed, and proposes that it be made up of three Members - Mr. Porter, Mr. Calhoun and Mr. John McNeill.

Mr. Hsu suggests that a Chinese Member be added to the Committee, but the Chairman points out that there are only about five foreign teachers in Chinese Schools and approximately 130 in the Council's foreign schools.

The whole object, he says, is to keep the Committee small and capable of speedy work.

Mr. Yulin Hsi says that if the object is only to consider foreign schools, a Japanese member might well be included. If it is proposed to deal with the whole of the Council's future educational policy, he feels that a Chinese should also be included.

Mr. Yamamoto says that he hopes a Japanese Member will be appointed, and the Chairman says he is quite willing to support this, if it is desired, notwithstanding his wish for a small Committee and the fact that Japanese schools receive a lump sum grant over which the Council exercises no direct supervision. Members agree.

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Mr. Hsi proposes the appointment of a separate Chinese Committee on the Council's future policy in Chinese Schools, but the Chairman says that the two problems are inter-dependent and one must be settled before the other can be properly considered.

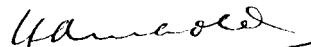
Considerable discussion ensues on the question of either increasing the size of the Committee or limiting its terms of reference, Mr. Kiang being strongly in favour of the inclusion of a Chinese Member.

Mr. Franklin finally makes the formal proposal that a Committee of three be formed to consider the Council's future Educational policy as regards foreign schools only, and that Messrs. Porter, Calhoun and Urabe be asked to compose its membership. Mr. Urabe wishes time to discuss with Mr. Yamamoto which of them shall serve, and it is

RESOLVED that a Committee of three be formed to consider and report on the Council's future Educational policy as regards foreign Schools; and that Mr. Porter, Mr. Calhoun and one of the Japanese Councillors be invited to compose its membership.

F 19/2 Land Regulations - Amendment. The Chairman reports, for the information of Members, that the Consular Body has now approved the amended reprint of the Land Regulations which was recently submitted to it. He considers that the Secretary General must be congratulated on this result.

The meeting terminates at 6.35 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, October 26, 1936, at 4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Commissioner of Public Health
 The Acting Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

The Minutes of the meeting held on October 14 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on October 16 are submitted and confirmed.

The Minutes of the Health Committee held on October 20 are submitted.

Milk Contract - 1937.
School Medical Service - Additional Chinese Staff.

In connection with these Minutes, the Chairman informs Members that the two above-mentioned items have also been considered by the Finance Committee at a meeting held prior to the present meeting of Council. In both cases the recommendations of the Health Committee were endorsed by the Finance Committee.

He explains that as regards the Milk Contract the Finance Committee felt that the Council, having induced local Dairies to produce T.T. milk, was now under a moral obligation to support this product. As regards School Medical Inspection, it had been pointed out at the commencement of the scheme that this would involve the Council in considerable expenditure; the position now was that once the work had been undertaken by the Council, facilities must be made available for it to be carried on in a proper manner.

The Minutes of the Health Committee are thereupon confirmed.

M 7/57
 A 16/1

5/19 Election Rules. New rules for the conduct of Council elections and for the counting of votes, are submitted in draft, for the Council's approval. The Chairman reminds members that these are resultant upon the report recently submitted to the Council by the Election Investigation Committee, and that, with three minor amendments, they follow the recommendations in such report.

The Chairman says that Members have been asked for their observations or criticisms of the details of the proposed Rules; as none have yet been received, he assumes that it is the general wish that such Rules be approved as submitted.

Brig.-Gen. Macnaghten notes that it is suggested that the keys of the ballot boxes should be entrusted to the officials appointed to conduct the election; he thinks it is a very minor point, but that it might possibly be better to give this responsibility to the scrutineers. The Secretary General points out that the scrutineers' duties have not yet started when the ballot boxes are locked, and General Macnaghten waives his amendment.

It is thereupon

RESOLVED that the proposed new Rules for the conduct of Council Elections and for the counting of votes be approved as submitted.

Staff Economies Committee. The Chairman refers to the increasing interest in the public Press as to the date on which the findings of the Staff Economies Committee will be made public, and asks Mr. Franklin, as Chairman of the Committee, if he can give the Council any information on the matter.

Mr. Franklin replies that the Committee has held twenty-six meetings to date, and the completed report will, he hopes, be able to be put in its final shape during the coming week-end. It is hoped that it will be in the Council's hands before the end of next week, i.e., by November 7. The Chairman thanks Mr. Franklin for the information he has given.

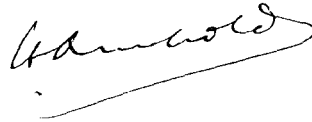
Next Council Meeting - Date. General Macnaghten observes that the next meeting of the Council would ordinarily fall on November 11, which is both Armistice Day and the chief Race Day of the year. He therefore suggests that the date of the meeting be altered.

Mr. Franklin proposes that the meeting be postponed one week, namely until Wednesday, November 18. He says that this will have the advantage of giving Members more time for full consideration of Staff Economies Committee's report. The Secretary says that there is no administrative objection to such a postponement, provided Members have no objection to confirming certain Committee decisions by circular. Members agree, and it is

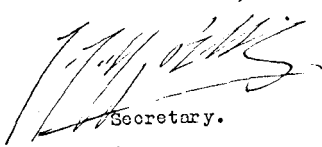
Oct. 28, 1936¹⁹²

RESOLVED that the next meeting of the Council be
held on Wednesday, November 18 at 4.30 p.m.

The meeting terminates at 4.50 p.m.



Chairman.



Secretary.

At the Special Meeting of Council held on Wednesday, November 4, 1936,

at 12 noon, there are:-

Present:

Messrs. H. E. Arnhold (Chairman)

A. D. Calhoun

W. Gockson

Yulin Hsi

S. L. Hsu

W. J. Koswick

E. Y. B. Kiang

Brig.-Gen. E. B. Macnughten, C.M.G., D.S.O.

Messrs. G. E. Mitchell

H. Porter, C.M.G.

T. Urabe

T. Yamamoto

Yu Ya Ching

The Secretary General, and

The Secretary.

Absent:

Mr. C. S. Franklin.

Mr. J. R. Jones - Terms of Retirement. The Council approves the issue to the press of a statement relating to Mr. J. R. Jones's retirement in the following terms:-

As considerable misapprehension appears to exist in various quarters regarding the terms upon which Mr. J. R. Jones retired from the Council's service, the Council has authorised the following statement:-

There appears to be a very general but quite erroneous impression that, upon his retirement, Mr. Jones was granted in addition to other benefits a pension of £500 per annum to which he was not strictly entitled under the general terms and conditions governing the municipal service.

These terms and conditions of service contain a provision that "the cases of professional employees joining the service over the age of 35 who have taken a number of years to qualify for their position will be separately considered when deciding as to whether they should participate in the pension scheme."

When Mr. Jones was invited to accept the post of Secretary he was a qualified barrister, who therefore came entirely within the requirements of this provision.

Mr. Jones was not prepared permanently to relinquish his profession to take up a new line of work without safeguarding to some extent his future security.

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Acting therefore under the authority of the Council's rules governing its municipal service, and in the exercise of its essential inherent discretion in matters relating to the interests of the municipal service, a pension was included by the Council's predecessors among the terms and conditions of Mr. Jones's contract with the Council.

In the normal course Mr. Jones under the terms of his contract would not be qualified to receive this pension unless he remained in the Council's service until 1937.

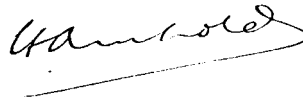
In addition to this pension Mr. Jones, under his contract, was entitled to his superannuation fund and exchange allowances.

On his retirement the Council, in the exercise of its discretion, decided that in consideration of his past services and in view of all the circumstances, Mr. Jones should be considered as having qualified for his pension and that he should receive in addition a sum equivalent to eighteen months' salary.

The recent changes in the Secretariat have resulted in an annual saving of some \$20,000.

The meeting terminates at 12.15 p.m.


Secretary.


Chairman.

At the meeting of the Council held on Wednesday, November 18, 1936, at

4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Yamamoto
 Yu Ya Ching
 The Commissioner of Public Works
 The Acting Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. T. Urabe.

The Minutes of the meeting held on October 28 are confirmed and signed by the Chairman.

The Minutes of the special meeting held on November 4 are confirmed and signed by the Chairman.

The Minutes of the Finance Committee held on October 28 are submitted and confirmed.

The Minutes of the Joint Staff & Library Committee held on October 29 are submitted and confirmed.

The Minutes of the Staff Committee held on October 29 are submitted.

H 3/631

Pay of Mr. W. E. Tingle, Physical Instructor. Arising out of the Minutes on this item, questions by Brig.-Gen. Macnaghten as to Mr. Tingle's duties, present pay, and permission or otherwise to engage in outside professional work, are answered by the Secretary, who reads the recommendation of the Education Board dated November 8, 1935, on the subject, which covers all the points raised.

H 3/337
 H 3/1285
 H 3/1146

Press Information Office - Termination of Officers' Services. Arising out of the Minutes on this subject, the Chairman draws Members' attention to further letters from Mr. Burton Sayer and Mr. Pei-yu Ghien, which have been received subsequent to the meeting of the Staff Committee and are now tabled for consideration. He is of opinion that the

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Committee's recommendations regarding the termination of these two officers' services are very fair and equitable, and that no new evidence has been brought forward in the subsequent letters to warrant any alteration in these terms. Brig.-Gen. Macnaghten supports this view. Members agree that the recommendations of the Staff Committee be approved as originally set out.

The Minutes of the Staff Committee are thereupon confirmed.

The Minutes of the Education Board of November 6 are submitted and confirmed.

The Minutes of the Watch Committee held on November 13 are submitted and confirmed.

M 4/9

Coronation Celebrations - Use of Kiaochow Park. The Chairman states that the British Consul-General has been in consultation with him regarding a suggested programme of celebrations for the British community upon the occasion of the King's Coronation next year. A request has been made that the Council should allow Kiaochow Park to be used for holding a childrens' Garden Party in this connection. Members unanimously agree that facilities for this should be granted, and it is

RESOLVED that permission be given for a childrens' Garden Party to be held by the British community in Kiaochow Park, in connection with the celebration of the King's coronation in May 1937.

H 1/2

Report of Staff Economy Committee. The Chairman observes that the Staff Economy Committee has now finished its work, after more than thirty meetings in four months, and its Report is now in the hands of Members. Chinese Members have requested that the Council's final decision on this Report be delayed for a week to enable further study of the recommendations beforehand. He would have supported this, had it not been that partial and not wholly accurate details of the Report have already been given to the press from an unknown source and published in one of the foreign newspapers. As it is, he feels it is only fair, both to the staff and the community in general, to settle the matter and make the whole Report public as soon as possible.

Brig.-Gen. Macnaghten observes that he has asked by letter to be allowed further time to consider the Report before giving an opinion on it. He is in favour of the matter being deferred for one more week.

The Chairman says that the terms of the Report have already been discussed with Heads of Departments and it is considered that they will be able to support it. There is, however, a certain very natural restlessness and anxiety among the staff generally, which will continue, possibly to the detriment of the service, until the matter is definitely settled one way or the other.

Mr. Porter asks whether the Report cannot now be provisionally approved by the Council as it stands, subject to possible future amendments as to detail.

Mr. Franklin says that perhaps at least that part of the Report which deals with Foreign Staff could be dealt with summarily in this manner. If desired by the Chinese Members, no opinion need yet be expressed on the remainder.

Mr. S. L. Hsu says that he and the other Chinese Members are not concerned only with the conditions proposed for Chinese employees. They would greatly appreciate more time to consider the Report as a whole, and he does not see any very great disadvantage in allowing an additional week or so for this purpose. Though press campaigns and staff anxiety during the interval are to be regretted, he cannot conscientiously vote for a measure until he has examined it fully.

Mr. Calhoun remarks that he personally is quite prepared to endorse the Committee's report without further delay. In reply to a question by him as to the Council's present expenditure in pensions, the Acting Treasurer & Controller explains that the Council's Pension list in Local Currency approximates \$400,000 per annum, and includes twelve maximum pensions. Under the terms of a Deed of Trust the Council is required to maintain a Pension Fund the income from which is available to meet pension payments. Exchange Compensation on Pensions, however, is an annual charge on the Budget.

The Chairman points out that further delays in approving the report will cost the Council no less than \$100,000 a month, bearing in mind the amount which it is estimated will be saved per annum if the Committee's recommendations are put into operation. Mr. Hsu, however, feels that the \$25,000 which on this basis represents a deferment for one week, would be fully justified by a more careful study of the proposals.

Mr. Yulin Hsi states that he understands members of the Foreign Staff Association were given the Committee's report prior to its issue to members of Council, and asks why this was done.

The Secretary replies that Mr. Hsi has been misinformed. The Executive Committee of the Foreign Staff Association was consulted on certain points which arose during the Committee's deliberations, but they were shown only draft proposals which were subsequently radically altered.

The Chairman suggests that immediate publication be authorised of the fact that the Report has been favourably received, and that a special meeting of the Council to take a final decision on it be called early next week.

Brig.-Gen. Macnaghten says that if, as stated, further delays are costing the Council \$25,000 a week, he will be glad to waive his objection to an immediate decision. He asks whether the payment of General Municipal Rate by employees in future will entitle them to votes

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in Council elections, and Mr. Franklin replies that this will be the case. As ratepayers they have a right to vote.

Mr. Franklin observes that though he would otherwise have preferred an immediate settlement of the matter, he is prepared to agree to the postponement of a decision on the Committee's report until next week, since that is the unanimous wish of the Chinese members.

Mr. Mitchell asks Mr. S. L. Hsu whether Chinese Members are prepared to deal with the Report summarily if the Chairman of the Committee goes through it item by item first, and explains any points that may arise. Mr. Hsu says he cannot give an answer to this until he has heard the detailed explanation suggested.

The Chairman then suggests, and members unanimously agree that a meeting of the Committee be called for Tuesday, November 24, at 4.30 p.m., which Chinese Members will be invited to attend, in order that the Report may be explained to them in detail, and full answers given to any questions they may put. A special meeting of the Council can then be called for the following day, November 25, when it is hoped that a final decision will be taken.

Brig.-Gen. Macnaghten says that he has noted down a few questions on details in the Report which he would like to put at some time, and he thinks if these are answered now, it may clear the ground. For instance, he would like to know what is the present distinction between Class "A" and Class "B" employees. Mr. Franklin says that at the moment there are no B Class employees: it is a category proposed in the report. The main distinction in future will be in relation to leave conditions and passage allowances.

Brig.-Gen. Macnaghten then asks why there should be a fixed cash allowance for passages on long leave when a man may elect to travel by a cheaper method. The Secretary explains the reasons for this, saying that it entails no additional cost to the Council, and may go a long way towards making economies in other directions less unpalatable to the staff.

Further questions are asked by Brig.-Gen. Macnaghten regarding the proposed rules for the accumulation of short leave, the scale of Widows' gratuities, the granting of marriage benefits to all employees not specifically forbidden to marry, "deferred pay" in the Indian Police, and the lack of Long Service Increments among the Chinese Staff.

As regards leave conditions Mr. Keswick points out that one object of the proposed changes has been to avoid future abuses of long leave privileges, particularly by Russian employees, who have up to the present been able to visit England and America at the Council's expense.

The Secretary points out that with regard to Widows' gratuities, the maximum sum payable is Tls.3,000 in addition to the husband's Super-annuation Fund, which, however, can be disposed of otherwise by will. "Deferred Pay", it is explained, is given to Indian members of the Police

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in lieu of Superannuation, since their service is not continuous and they all return to India at the expiration of a five years' contract. Mr. Franklin adds that when Chinese employees of the Council reach their maximum pay they can usually expect promotion, so that a Long Service Increment is not so necessary as in the higher grades where a foreign employee may have to wait for years before the appearance of a vacancy in the next grade.

The Chairman considers that the Committee's Report should not be published until after the special meeting of the Council next Wednesday.

The Secretary asks whether in order to allay the anxiety of the Staff he may assure them that full details will be available immediately after that date. Mr. Porter says that the Chinese Members' request for further consideration implies a distinct possibility of amendments and consequent further delay, but the Chairman points out that it is primarily the Committee's Report, and not so much what action the Council eventually decides to take on it, which the general public is waiting to read.

In a request that some early decision be made, the Secretary points out that in the interval, each uninformed letter to the press and each half truth or piece of inaccurate information such as has already been published, is making the position of the staff more difficult and increasing their anxiety and restlessness. The Chairman says he thinks a final decision on the whole matter next Wednesday can definitely be hoped for.

It is thereupon

RESOLVED

- (a) that a decision on the Report of the Staff Economy Committee be deferred until Wednesday, November 25, when a special Council meeting will be held to consider the matter, after Chinese members have had an opportunity of meeting members of the Committee and questioning them on matters of detail.
- (b) that publication of the Report be deferred until after such date.

Brig.-Gen. Macnaghten says that he would like to express his great appreciation of the Committee's strenuous work. The Chairman endorses this, and moves a vote of thanks - which is carried unanimously - to members of the Committee for their efforts.

L 27/1 North Thibet Road - Renaming. The Chairman reminds members that simultaneously with the decision to rename Thibet Road after Mr. Yu Ya Ching, the Council ruled that the name of North Thibet Road be changed to Thibet Road.

In order to avoid confusion it was considered advisable to defer changing the name of North Thibet Road to Thibet Road until January 1, 1937.

November 16, 1936.

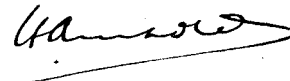
In a further report now submitted, the Commissioner of Public Works points out the confusion that might arise should such change take place. He says that all main roads west of the Bund retain their names, with the prefix "North" when they cross the Soochow Creek, and if any change is wanted, the new name should be "North Yu Ya Ching Road". But since this road has always been known as North Thibet^{Road} by the residents and property owners, by the public using it and by the postal and telegraph services, he thinks it is doubtful whether there are any reasons sufficient to justify a change.

The Chairman suggests, and members agree, that the name of the thoroughfare in question might well remain "North Thibet Road", as proposed by the Commissioner of Public Works.

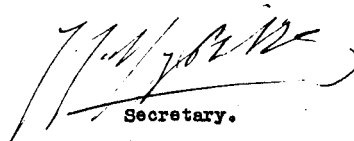
It is thereupon

RESOLVED that the Council's ruling dated July 22, 1936, whereby North Thibet Road was to be renamed Thibet Road, be rescinded; and that the original name of North Thibet Road for this thoroughfare be retained.

The meeting terminates at 5.55 p.m.



Chairman.



Secretary.

At the Special meeting of the Council held on Wednesday, November 25, 1936,

at 4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Yamamoto
 Yu Ya Ching
 The Acting Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. Urabe.

H 1/2 Report of Staff Economy Committee. The Chairman reminds Members that it was not found possible to come to a decision at the last meeting on the recommendations of the Staff Economy Committee, and that the delay in publication of these recommendations consequent on this is having a very disturbing effect upon the staff. He points out that the recommendations have already been carefully considered by Heads of Departments, and says that it is absolutely essential that some definite decision be made on the subject at the present meeting, when he hopes that Members will be able to support the adoption of the Report. He understands the Chinese Members were originally not in favour of it, and now asks whether they have reconsidered their attitude in the matter since their consultation the previous evening with members of the Economy Committee.

Mr. S. L. Hsu speaks on behalf of the five Chinese Members. He says they have several objections to the Report.

The first and main point arises out of the question of Exchange Compensation. The Report, he says, speaks of abolishing this, but actually is perpetuating it by incorporating it into basic pay. Chinese members disagree with this, and think it should be deleted altogether. Mr. Hsu states that exchange compensation was introduced seven years ago to counteract the effect of violent fluctuations in exchange rates. In his opinion it was even then a mistake, and in any case the reason for it no longer exists, since the dollar has been stabilised. He also points out that the Council's expenditure on Superannuation is actually increased

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by the amalgamation of an exchange compensation with basic pay.

The second objection is to the payment of a fluctuating exchange compensation on repatriation pay, which is defined as being one seventh of the new basic pay of foreign employees serving under Class "A" conditions of service. This Chinese members consider to be an unfair discrimination in favour of higher-paid employees.

Thirdly, he would point out that Long Service Increases are not made available in respect of any "L" Class post, nor to clerical grades below Grade 3(d), except in the case of grade 3(g). This, he holds, is another instance where the lower paid employee would suffer unduly.

As regards payment of Municipal Rates by employees, he observes that certain highly-paid officers are provided with quarters by the Council, and that unless some deduction from pay is made for rates which they would otherwise be charged, a further inequity will ensue.

Finally, he would like to invite consideration of the rates of increase proposed for the lower-paid members of the staff. These, he observes, are in almost every case less than the minimum increments on present pay, and he cannot support proposals which reduce both commencing pay, increments and maximum pay at the same time, as in many of these instances.

In reply to these criticisms, the Chairman states that exchange compensation was first given, not merely to counteract violent fluctuations in exchange rates, as stated by Mr. Hsu, but definitely as a protection to the staff against a heavy drop in the dollar-sterling rate, and that this drop has taken place.

Mr. Franklin, as Chairman of the Staff Economy Committee, continues the argument by saying that the Committee feel that their proposals do in fact abolish the system of exchange compensation. What is now proposed is closely analogous to the Council's action several years ago, as regards the Chinese staff. At that time employees' basic salary, a temporary bonus, and where applicable "rice money" were all combined into one flat rate of payment. He reiterates the Chairman's remarks that exchange compensation was not adopted merely to deal with exchange fluctuations, but in order to deal with the decreased purchasing power of local currency, owing to a heavy drop in the exchange rate.

As regards Superannuation payments, he agrees that the cost to the Council will be slightly increased by adoption of the new measures; this, however, he maintains will at least be offset by a decrease in the cost of pensions. The objection to exchange adjustments on repatriation pay will only become a practical issue if China's stabilised currency should fail, which he hopes is a remote contingency; and as regards Long Service Increases for lower-paid employees, he feels that the matter was discussed in sufficient detail at the meeting between Chinese Members of Council and members of the Economy Committee the previous evening.

The Chairman remarks that Mr. Hsu has spoken of free quarters for highly paid foreign staff in connection with the payment by employees of General Municipal Rate. There is only one officer at present to whom this could possibly apply, namely the Chief Officer of the Fire Brigade, who lives in Central Fire Station.

Mr. Hsu says he does not at the moment wish to defend the amalgamation of pay, bonus and "rice money" for Chinese Staff into one flat rate, so that even if it is admitted that there is a parallel between this action and the proposed scheme for Exchange Compensation, it is not strictly relevant to the case, and there is no particular point in it. He maintains that Exchange Compensation was a mistake from its inception, and that it would be a pity to perpetuate it any further.

The Chairman gives it as his opinion that Exchange Compensation or some equivalent allowance is an absolute necessity at the present moment if continuity of working and efficiency among the staff is to be maintained.

Mr. Kiang speaks in general support of Mr. Hsu, and asks if the comparative increase in Superannuation costs and decrease in Pensions under the new scheme can be particularised.

The Acting Treasurer & Controller replies that Superannuation expenditure will be increased by approximately \$60,000 a year, but this increased expenditure will be more than offset by savings affected as a result of the abolition of exchange compensation in future Superannuation fund accumulations. Furthermore, due to the higher contributions to employees' Superannuation Funds, there will in due time be a saving in pensions; it is not possible to assess what the saving will amount to, but over a period of years it should amount to a considerable figure. He explains in detail to Members the financial working of the Council's pension and superannuation schemes.

Mr. Mitchell shows by means of a concrete example, the point on which he thinks Mr. Kiang may be in doubt; and Mr. Keswick adds that the change in interest rates should not be overlooked in this connection. Interest will not be guaranteed at 6% on local currency and 5% on alternative currencies, as formerly, but merely on the average actual yield earned on the funds during the previous year.

In answer to further questions by Mr. Kiang, Mr. Mitchell says that an employee retiring at the present time on 25 years' service will be paid much more by the Council than a man entering the service tomorrow under the new conditions, and retiring 25 years hence. As regards Exchange Compensation, if, as Mr. Hsu says, it was a mistaken system, he can only reply that every firm and service in the Country made the same mistake about the same time. Mr. Porter adds that even the British Government must be included in the same condemnation, since it paid Crown employees a grant for this purpose. Mr. Franklin says that before this time there were various systems of special increases in pay to compensate for heavy

falls in exchange.

Mr. Keswick remarks that the main objection to the Report seems to be the amalgamation of present exchange compensation with basic pay. If Exchange Compensation were simply abolished it would mean a direct reduction of 16.4%. In the pay of foreign employees, apart from the various emoluments and privileges of which the Report recommends revision or discontinuance. This, he thinks, would without question be too heavy a burden on the staff. An eight per cent reduction, as recommended by the Committee, is in his opinion the utmost that can be done with fairness in the interests of economy.

Mr. Hsu says that hardship upon the Chinese staff will be proportionately greater if the Report is adopted than for the more highly-paid foreign employees. He suggests that a system of varying increments for posts of varying responsibility be worked out, rather than a fixed mathematical scale. The Chairman points out that no Chinese employee earning less than \$100 a month will suffer any reduction, and that the mathematical scale referred to will only concern future increments.

In reply to a question by Mr. Kiang, Mr. Franklin takes as a specific example the case of the armourers in the Volunteer Corps. Their pay, he says, will not be reduced. In 1937 they will have no increment; and in 1938 they will be transferred to the new scale at their present pay, with annual increments.

Mr. Hsu says that the principle of the pay scales does not seem right to him; Mr. Mitchell remarks that possibly his contention is that if the increments of Chinese staff are in future not to exceed 4% of their minimum pay, this should apply also to foreign staff. The answer to that is obvious; the foreign staff have a flat cut in their pay and their increments are triennial, not annual. Chinese staff (except employees at their maximum which must be more than \$100 a month) will not have their pay reduced. Hence this limitation in their increments.

Mr. Keswick considers that the basic ideas of the Report are quite simple. The maximum pay in all grades is reduced by 8%. As regards the commencing rates of pay no change is recommended where such rate is \$50 or less: where the minimum rate is more than \$50 but less than \$100 provision is made for a 4% reduction, in other cases the commencing rates of pay are reduced by approximately 8%. Annual increases have been worked out on a mathematical basis and only those employees at present on their maximum pay where it is in excess of \$100 are called upon to suffer a reduction in pay. In these cases the reduction is limited to the new increment for their grade. This general framework is of course subject to certain modifications of detail, but he thinks it is a sufficient rough outline of the proposals.

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Mr. Yulin Hsi opposes the payment of Exchange Compensation, saying that it was granted in 1929 when the Council was in a position to be generous, and that this is not now the case. The Chairman reminds him that in 1929 Municipal Rates were 16%, and a Commission on Staff Salaries was formed to discuss economies, just as has been done in the present year.

He adds that deletion of Exchange Compensation without any equivalent allowance is impossible without disorganising the service; that each delay in making a decision on the report is costing money that the Council can ill afford, bearing in mind the probable deficit of four million dollars on next year's budget; and that as yet Chinese members, while opposing acceptance of the Report, have not made any constructive alternative suggestions.

Mr. Yulin Hsi thereupon formally proposes that Exchange Compensation be abolished without any equivalent payment. By this measure alone, he says, the Council will save \$1,078,000 a year. Any or all of the other economies discussed in the Report can be considered later.

Mr. Mitchell asks if Mr. Hsi is prepared to go on record as saying "I propose that the pay of foreign employees be reduced by 16.4%". He says that is the practical effect of Mr. Hsi's proposal, which is in fact that all the burden of the Economy scheme should be laid on the foreign staff, and that Chinese employees should go free.

Mr. Hsi replies that he would not be willing to make a proposal in these words, because his wish is finally to abolish the scheme of Exchange Compensation, and also, so far as is possible, not to work hardship on the staff. He would therefore recommend that Exchange compensation be abolished without equivalent payments, but that if it is found to be necessary, the basic pay of the Staff be then increased.

Mr. Mitchell says that this is merely a matter of words. It would have been easy to word the recommendation differently. The staff will be given their basic pay as recommended, plus an increase of 8.41%, and Exchange compensation can be abolished without any equivalent payment.

Mr. Kiang recommends that the rule for increments of Chinese Staff in no case to exceed 4% of the salary paid, be extended to foreign employees also.

In answer to a question by Mr. Porter as to whether there is any provision in the Report to allow for future amendments in individual cases of hardship, the Chairman says that he thinks this is implied and will follow automatically during the period of notice given by the Council.

Mr. Kiang raises the point of "P" Class Employees, and Mr. Franklin assures Members that great care will be taken by the Head of each Department concerned in the engagement of such persons, and that there is no question of foreigners being appointed instead of Chinese in such instances.

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November 25, 1936.

Brig.-Gen. Macnaghten mentions the question of the voting powers of employees who will now be required to pay Municipal rates. He considers it most unsuitable that an officer of the Council should be permitted either to stand for Council membership, to address public meetings, or to write for the press, on public matters. Mr. Franklin strongly supports this, and says the provision can be added to the General Terms and Conditions of Service. The Chairman remarks that this point will no doubt be made clear to the Staff Association, and the Secretary General adds that the most convenient place for the necessary disabling clause might be in the Council's Standing Orders.

Mr. Gockson points out an apparent anomaly between the conditions of the Japanese, Russian and Chinese sections of the Police Force, but is assured by the Secretary that this is merely due to an error on the typed report. The final printed list rectifies this error. On Mr. Keswick's suggestion it is agreed that the correct sheet be circulated to Members for information.

The Chairman then points out that if acceptance or otherwise of the Report is discussed any further, it will have to be adjourned sine die. He thinks the effect would be unfortunate if it were generally known that Chinese Members voted against the Report, and wished it to be amended so that the pay of the foreign staff was reduced by 16.4% while the Chinese Staff was left untouched. If, however, Chinese members are unwilling to reconsider their views on the matter, it will have to go by a majority vote.

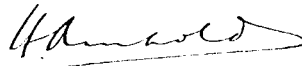
A vote is then taken, and by seven votes to five (the five Chinese members dissenting) it is

RESOLVED that the Report of the Staff Economy Committee be accepted, and the recommendations therein be put into force as soon as is legally practicable.

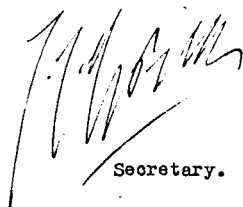
It is also unanimously

RESOLVED that the Report be approved for immediate publication in full.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, December 2, 1936, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.C., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.,
 T. Yamamoto
 Yu Ya Ching
 The Commissioner of Police
 The Commissioner of Public Works
 The Acting Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. Urabe.

The Minutes of the Meeting held on November 18 are confirmed and signed by the Chairman.

The Minutes of the Special Meeting held on November 25 are confirmed and signed by the Chairman.

The Minutes of the Watch Committee held on November 27 are submitted and confirmed.

H 26/9;
 H 26/10;
 H 26/11;
 H 26/13.

Volunteer Corps - Staff. Arising out of the Minutes on this item, Brig.-Gen. Macnaghten asks whether it is necessary for the question of extension of services to be decided on so far ahead - in one case nearly twelve months - when many changes in the general situation may occur in the meanwhile. Mr. Franklin says that this question was brought up at the Committee, and it was there pointed out that both the War Office - which sanctions the Appointments - and the Officers concerned require the maximum amount of notice, bearing in mind the necessary preliminary formalities which have to be arranged from London.

In answer to a further question by Brig.-Gen. Macnaghten, as to what difference, if any, will exist between Reg. Quartermaster-Sergeant Lee's present pay and conditions and those on his future civilian contract, Mr. Franklin says that this is a matter outside the jurisdiction of the Watch Committee, and will need to be discussed by the Staff Committee.

The Minutes of the Ricscha Special Committee held on November 30 are submitted.

K 25/1

Ricscha Board Report - November. Arising out of these Minutes, Brig.-Gen. Macnaghten asks why public ricschas should, as mentioned, be sold at auction, whether this implies an increase in the total number, and whether a licence is automatically transferred with the sale of a ricscha.

Mr. Franklin replies that the reason for the auction was to satisfy an Order of the Court where judgement had been given against a ricscha owner. It implied no increase in the total number of ricschas, and merely meant that the vehicles had changed hands. The matter was only referred to, in order to show that owing to the Council's work in rent reduction the market price of ricschas had fallen, but that ownership was still a profitable business.

The Secretary adds that the purchaser of a licensed ricscha has no right to a transfer of the licence; but that there is a general understanding that the licence will in fact be re-issued unless there is some very definite reason against it.

K 25/6

Increased Public Ricscha Licence Fees. Arising out of the Minutes on this matter, Mr. Porter notes that the recommendation states that the proposed increase in ricscha licence fees will be earmarked as a grant from the Council to the Pullers' Mutual Aid Association or for similar purposes. He thinks it might be well to make it clear that such similar purposes must be directly connected with the pullers, particularly in view of information which he has received, that the Chinese Authorities have levied a tax of 30 cents per ricscha of which the proceeds are to be devoted to the Education Funds.

The Secretary amplifies Mr. Porter's information by stating that the tax imposed by the Chinese Authorities is to pay for the education of pullers and their families only.

Mr. Porter further asks whether it is fully established that the Council is acting within its legal powers in increasing licence fees before a Ratepayers meeting; the Secretary General replies that there is a technical difficulty which he thinks can be risked.

Mr. Yulin Hsi notes that if the grant to the Pullers' Mutual Aid Association should stop, the increase will be "immediately reconsidered." He asks what is the exact implication of the last two words.

Mr. Franklin replies that he does not see how the matter could possibly be put more clearly. The Secretary General adds that this wording has been employed to leave the Council a free hand to assist the Pullers in some other way than by a direct grant, should it desire to do so at any future date.

Mr. Yulin Hsi remarks that he would prefer the words "immediately stopped" to "immediately reconsidered" in this connection, on the grounds of added precision. The Chairman however, explains that it is not possible

to bind the action of future Councils in this way.

After further brief discussion, the Minutes of the Ricsha Special Committee are confirmed.

M 5/4 Handbook of Municipal Information. The Chairman states that the Handbook of Municipal Information issued in 1931 is now out of date. It has, therefore, been revised by the Secretariat in collaboration with all Municipal Departments, and it is recommended that a new edition, with a Chinese version, be published in January next. It is anticipated that the total cost will not exceed \$1,000.

He notes that it is not proposed to make any radical change in the format. The principal alterations, apart from bringing material up to date, include the insertion of the new Abattoir, Meat Market and Cold Storage Regulations and the Regulations regarding Undertakers approved in March 1935. It is proposed to omit the Schedule of Rates, Taxes, Dues and Fees, which is liable to variation from year to year, and a note will be inserted stating that copies of the Schedule may be obtained on application to the Revenue Office.

Members generally agree with the suggested revision, and it is unanimously

RESOLVED that publication in January 1937 of a new edition of the Handbook of Municipal Information, together with a Chinese version, at a total cost not to exceed \$1,000, be approved.

H 1/16 Office Hours. The Chairman refers to a report submitted by the Commissioner of Public Works, recommending that the Council office hours should be advanced, both in the morning and the afternoon, by 15 minutes, in order to lessen traffic congestion during the rush period.

Opinions of other Heads of Departments are divided on the merits of the suggestion. The Commissioner of Public Health and the Chief Officer of the Fire Brigade are in favour of the change, the Commissioner of Police and the Acting Treasurer & Controller hold no very strong views on it, and the Superintendent of Education considers that the present hours are preferable. The Secretary is also strongly opposed to the suggested alteration for a variety of reasons which are detailed in a memorandum.

The Chairman says he is in agreement with the Secretary's views, that no change should be made. Mr. Porter asks whether the matter could not be left to individual Heads of Departments so far as their own staff is concerned, but Mr. Franklin and the Secretary point out the desirability from the point of view of the public of having uniform office hours throughout the Council Building.

It is thereupon unanimously

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RESOLVED that no alteration be made in the present
office hours of the Council's staff.

The meeting terminates at 5.20 p.m.

Hammond

Chairman.

J. W. G. H.
Secretary.

At the meeting of the Council held on Wednesday, December 16, 1936, at 4.30 p.m.,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 The Acting Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. S. L. Hsu
 E. Y. B. Kiang
 Yu Ya Ching.

The Minutes of the meeting held on December 2 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on December 4 are submitted and confirmed.

The Minutes of the meeting of the Public Utilities Committee held on December 14 are submitted and confirmed.

L 7/1

Land Commission - Membership. Members are informed that it is necessary under Land Regulation 6A for the Council to appoint a Land Commissioner each year.

The Secretary points out that Mr. H. Berents has been the Council's appointee for the past six years, and he is willing, if desired, to serve for a further period. It is thereupon unanimously

RESOLVED that Mr. H. Berents be appointed as the Council's representative on the Land Commission for the Municipal Year 1937/8.

F 5/18

Date of Next Meeting. In view of the next Council meeting falling normally within the Christmas holiday period, the Chairman proposes, and members unanimously agree, that the meeting be postponed for one week.

It is thereupon

RESOLVED that the next meeting of the Council be held on January 6, 1937, in view of the incidence of the Christmas Vacation.

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F 4/4 Education Board - Membership. The Chairman mentions a letter which has been received from the Rev. G. W. Sheppard, tendering his resignation from Chairmanship of the Education Board owing to his forthcoming departure for Europe. The Chairman nominates Mrs. J. S. Whitney, who is Chairman of the Joint Committee of Shanghai Women's Organizations and a member of the Sub-Committee on Grants-in-aid for foreign Schools, as a suitable person to fill the vacancy on the Board.

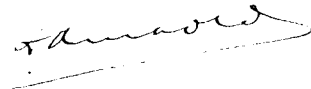
Members unanimously endorse the Chairman's nomination, and it is

RESOLVED that the Council accept with regret the resignation of the Rev. G. W. Sheppard from the Chairmanship of the Education Board, expressing at the same time its great appreciation of his valuable services to the Community; and that to fill the vacancy so caused, Mrs. J. S. Whitney be invited to serve on the Board for the remainder of the present Municipal year.

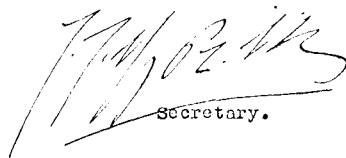
X 25/3 Ricsha Board - Membership. On the proposal of the Chairman, seconded by Brig.-Gen. Macnaghten it is unanimously

RESOLVED that letters of thanks and appreciation of their services be sent to members of the Ricsha Board, on termination of the Board's functions.

The meeting terminates at 4.45 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, January 6, 1937, at 4.30 p.m., there are:-

Present:

Messrs. H.B. Arnhold (Chairman)
 C.S. Franklin (Vice-Chairman)
 A.D. Calhoun
 Yulin Hsi
 Singloh Hsu
 W.J. Keswick
 Brig.-Gen. E.B. Macnaghten, C.M.G., D.S.O.
 Messrs. G.M. Mitchell
 H. Porter, C.M.G.,
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J.C.H. Wu.

Absent:

Messrs. W. Gockson
 E.Y.B. Kiang

The Minutes of the Meeting held on December 16, 1936 are confirmed and signed by the Chairman.

The Minutes of the Education Board of December 18 are submitted and confirmed.

Grant-Aided Schools - Removal of Premises. Arising out of these Minutes, Brig.-Gen. Macnaghten asks what constitutes "unauthorised removal" of grant-aided Schools into new premises. Mr. Porter explains that it has been laid down by the Education Board and approved by the Council that schools moving into new premises without previously obtaining departmental sanction run the risk of future grants being withheld. This rule has proved necessary owing to frequent removals by certain schools into new premises entailing a waste of the Council's grants expended on structural and sanitary improvements in their original buildings. He points out that in applying the regulation the individual merits of each case are considered.

The Minutes of the Education Board of December 29 are submitted and confirmed.

The Minutes of the Staff Committee of December 21 are submitted and confirmed.

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The Minutes of the Finance Committee of December 23 are submitted for information, having already been confirmed by circular.

K 8/1

Beggars. Brig.-Gen. Macnaghten remarks that the number of beggars in the Settlement appears to have increased very greatly recently, and asks if any steps can be taken to remedy the nuisance.

The Secretary observes that this matter was taken up and thoroughly investigated not long ago, in Brig.-Gen. Macnaghten's absence. He arranges to forward copies of the relevant reports to Brig.-Gen. Macnaghten for information.

Mr. Franklin says that he thinks the increase in the number of beggars is mainly seasonal, and the Secretary General adds that the problem is, and must always be, a very difficult one for the Police. If the beggars are arrested, they have no funds with which to pay fines. Their imprisonment for a few days in lieu of this would be both costly and useless. As an alternative, they are picked up in police lorries, and taken to the furthest boundaries of the Settlement, but inevitably they find their way back again within a few days or even hours.

The meeting terminates at 4.50 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, January 20, 1937, at 4.30 pm.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Yamamoto
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. Urabe.

The Minutes of the meeting held on January 6 are confirmed and signed by the Chairman.

The Minutes of the meeting of Education Board held on January 8 are submitted and confirmed.

The Minutes of the meeting of Public Utilities Committee held on January 11 are submitted and confirmed.

The Minutes of the meeting of the Library Committee held on January 13 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee held on January 14 are submitted and confirmed.

H 1/2 Recommendations of Staff Economy Committee. The Chairman refers to a subsidiary report submitted by the Staff Economy Committee, compiled as a result of various representations which have been made. This is an addendum to the main report, and recommends amendments or amplification of details in the original recommendations, under the following seven heads:-

H 12/2	Superannuation
H 10/6	(Long Leave
	(Leave Pay
H 19/3	Nursing Staff
H 26/4	Russian Detachment
H 19/7	Health Inspectors
H 3/118	Health Department Superintendent

He invites Members' views on the amended recommendations as submitted.

Brig.-Gen. Macnaghten says that in connection with the Nursing Staff he has not yet had time to read the communications submitted on the subject by the Shanghai Medical Society and others, as carefully as he would

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wish, nor have they been circulated to the Council. He therefore suggests that consideration of future pay of the Nursing Staff be deferred until the next meeting.

The Chairman supports this, saying that all members of Council are in the same position, and would probably like to study the whole of the correspondence before reaching a final decision.

The Secretary asks whether it is desired that consideration of the whole recommendation, or only that part of it which refers to rates of pay, shall be deferred. Brig.-Gen. Macnaghten suggests, and members agree, that the question of Nurses' leave and the status of Matrons might well be approved, and the remainder of the recommendation left for future discussion.

Mr. Calhoun considers that as regards Superannuation, the Council should expressly reserve the right to convert funds into sterling if required at the rate of 2/6 to the tael.

The Treasurer & Controller says that the Council already has the right to convert the investments of the fund into sterling under the investment clause of the Trust Deed. In principle he is in agreement with Mr. Calhoun's suggestions, but there are various difficulties attendant on its application in practice. It is possible at the moment to earn 5.6% per annum interest on the Silver Fund, whereas if it were converted into sterling it would only yield an average of 3% per annum. Thus conversion would entail a loss, either to the employee or the Council, of approximately 2.6% per annum. He suggests that the principle of the Council's right to convert "if and when desirable" be affirmed, but that no rider be added to the concession now proposed.

Mr. Franklin feels that any express reservation on behalf of the Council may give rise to anxiety. He therefore prefers that matters be left as they are, though he realises the value of Mr. Calhoun's suggestion. Mr. Mitchell and the Chairman support these views.

On the suggestion of the Chairman, members agree that conversion at the Council's discretion of Superannuation Funds into sterling, if and when desired, be approved in principle; and that the Treasurer & Controller be requested to investigate the matter further, it being noted that the principle under consideration will not be included as a condition among the recommendations of the Staff Economy Committee.

Brig.-Gen. Macnaghten next enquires as to the proposed pay of the Russian Detachment, and the disparity of approximately 8% between the pay of officers and that given to officers in the French Russian Detachment. The Secretary explains that the rate now suggested for officers brings them near to the French level of pay and is acceptable to the Commandant. Mr. Koswick adds that the French Authorities are contemplating a reduction in employees' pay which would result in roughly similar conditions obtaining under each Municipality.

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Mr. Calhoun says that as regards the Council's staff generally, he would like to know whether the recent sudden rise in commodity prices will be taken into account, in view of possible hardships to the lower grades through the economy proposals. The Treasurer & Controller states that he has already drawn the attention of Heads of Departments to this matter, and representations will be made in due course.

The Chairman replies that a lengthy memorandum from the Executive Committee of the Staff Association criticising the Economy proposals from the employees' point of view has been submitted. In reply to a question by Mr. Porter, he adds that the Committee has been requested to consider and report upon any representations made.

Mr. Yulin Hsi suggests that approval of the present additions and amendments be deferred for the moment, since there is still time for the staff to express further views. The Chairman, however, says that approval of amendments as and when made, as a result of representations from the staff, has the good moral effect of demonstrating that the Council is prepared to listen to any reasonable criticism.

Mr. S. L. Hsu asks if there is a time limit for the presentation of alleged grievances by the staff, and the Secretary replies that it is almost certain that the Foreign Staff Association will not raise any more points than those contained in the Memorandum already submitted. Departmental recommendations will be to hand during next week; and separate memoranda from the Police Force and the Chinese Staff Association should be in Members' hands before the end of the month. Broadly speaking, he thinks all staff applications will be complete by February 1.

It is thereupon

RESOLVED that the amended proposals of the Staff Economy Committee in its subsidiary report dated January 16, 1937 be approved, with the exception of that regarding rates of pay for the Nursing staff; and that this question be deferred for consideration at the next meeting.

F 3/42 Industrial Section Estimates, 1937 - Workers' Diet Demonstration. At the Chairman's invitation, Miss Hinder, of the Industrial Section, attends to answer Members' questions on this matter.

The Chairman notes that in a report submitted, Miss Hinder has drawn attention to one item on the Industrial Section Estimates for 1937, namely the provision of a sum of \$3,000 towards the establishment of a small experimental diet Kitchen and factory Workshops, catering for some 50 Boys. She states that this plan is approved by the Commissioner of Public Health, and that the Lester Institute has agreed to pay the remaining costs of the experiment, including medical and scientific supervision.

The Treasurer & Controller, however, reports that in his opinion a sociological experiment of this type is not a proper charge on public funds, and that he is therefore unable to endorse the proposal.

In reply to a question by Brig.-Gen. Macnaghten, Miss Hinder states that the workshops proposed for the scheme are owned by the Metropolitan Land Co., and would be rented by the Council. They are, she says, properly built workshops and not converted dwelling houses.

Mr. Mitchell observes that so far as it goes the scheme seems to him to be an admirable one. But it is obvious that arrangements for 50 boys are only a beginning; he would like to know what is the next step after the experiment is complete, and whether the Council is likely to get further and further involved.

Miss Hinder replies that it is proposed to limit the present scheme definitely to one year only. She cannot promise that it will be the last scheme of its kind, but she can assure members that it will be completed within twelve months and not cost more than \$3,000 to the Council. She adds that in Shanghai, unlike almost anywhere else in the world, so-called industrial disease is mainly a question of diet, owing to workers normally being fed on the premises. It is not a question of underfeeding but of improper feeding.

Mr. Porter supports Miss Hinder's statements from his experience with the Lester Trust. He remarks that the Council cannot afford to spend large amounts on the subject at the moment, but he heartily recommends that this most valuable experiment be allowed to proceed at the comparatively small cost of \$3,000.

The Chairman also speaks in favour of it, saying that in spite of the general need for economy, the objects of the scheme are so far-reaching and desirable that he thinks the money would be well spent, particularly since the Lester Trust has agreed to bear part of the cost of the work.

The Secretary General, Brig.-Gen. Macnaghten, Mr. S. L. Hsu and Mr. Kiang all speak in support of the proposal. The Treasurer & Controller, however, says that he thinks it is a matter for which the Factory Owners' Association should be financially responsible. If the Council starts this work he considers that it will be impossible to say where it will stop. Mr. Keswick agrees, saying that work of this kind is in a different category from other social welfare efforts assisted by the Council, such as Hospitals and ricscha pullers' shelters.

Mr. Franklin asks whether in Europe or America such a scheme would be a matter for Municipal Authorities or the National Government. Miss Hinder replies that in Shanghai, the Municipal Council is the only public body which could deal with the question.

After further discussion, a vote is taken, and by a majority decision it is

RESOLVED that approval be given to the inclusion in the Industrial Section Estimates for 1937 of a sum of \$3,000 as a contribution towards a twelve months' demonstration and experimental scheme

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in the prevention of industrial disease by means of diet; this demonstration to include the installation and maintenance of a diet Kitchen and model factory workshops to cater for 50 boys.

B 2/30 Mercy Hospital - Administration. The Chairman reminds Members that the Council

has expressed dissatisfaction with the constitution and management of the Mercy Hospital. In connection with this matter, the Secretary General has conferred with M. Verdier, of the French Municipal Council in an attempt to achieve uniformity of action between the two Authorities. He would like the Secretary General to explain to Members what transpired at the discussion.


The Secretary General states that M. Verdier told him of recent discussions between the Commissioner of Public Health and Dr. Rabaute of the French Municipal Council, in an attempt to establish, formally or otherwise, some joint Board of Administrative Control for the Hospital, representing both Authorities.

Apparently, however, the French authorities are even more dissatisfied than the Council with the Hospital administration; they are not anxious to take too much responsibility for its administration, as they take the view that it would be difficult if not impossible to control the administration effectively. They are, therefore, not prepared to join the Council in insisting that the representatives of the three local authorities should form a majority of the proposed Governing Board. They agree, however, that it should jointly be made clear to the Hospital authorities that further financial support must depend upon satisfactory management of the Hospital.

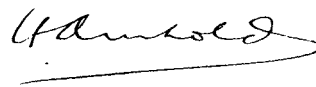
The Commissioner of Public Health would have preferred effective control by the method previously suggested, but failing agreement with the French Authorities it is impossible for the Council to proceed alone along these lines. The Secretary General therefore recommends that further support be given to this Hospital only if some satisfactory standard is maintained. He notes that the Council arranged to contribute, he thinks, \$150,000 towards the cost of the Hospital and the French Authorities offered a further \$85,000. The bulk of each of these sums has already been paid.

In answer to a question by Brig.-Gen. Macnaghten, he says that complaints regarding the Hospital administration are various and detailed. They include such matters as sanitation and the methods and conditions of feeding patients. The situation, however, has been explained for Members' information only, and at the moment no action is requested thereon.

The meeting terminates at 5.35 p.m.



Secretary.



Chairman.

At the meeting of the Council held on Wednesday, February 3, 1937, at

4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Deputy Commissioner of Police
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. W. Gockson.

The Minutes of the meeting held on January 20 are confirmed and signed by the Chairman.

H 1/2

Recommendations of Staff Economy Committee. Arising out of the Minutes on this subject, the Secretary reports that the various memoranda dealing with the pay of the Nursing Staff have not yet been sent to Members in view of a further memorandum which has been submitted subsequent to the last meeting, and which requires additional investigation by the Economy Committee. He also states that he hopes that all representations from various branches of the service regarding the new Terms and Conditions have now been submitted.

H 11/6

The Chairman refers to a letter regarding Conditions of Service which was written to the Council by the Staff Association on January 20 and appeared in the public press on January 21. He strongly disapproves of this publication by the Staff Association without the Council's consent and before the Council had time to consider the case presented. He wishes it to go on record that the Council desires that there shall be no recurrence of such action. Members unanimously agree.

The Minutes of the Watch Committee held on January 22 are submitted and confirmed.

The Minutes of the Education Board of January 27 are submitted and confirmed.

The Minutes of the Riecha Social Committee held on January 29 are submitted.

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K.25/1

Reduction in number of Public Rickshas - Method. Arising out of these Minutes, Mr. Porter asks whether the method of reduction in numbers recommended by the Committee would not work undue hardship on individual owners who might lose disproportionately through the fortune of the draw. He considers the Police suggestions more equitable, since they provide a safeguard against this.

Mr. Franklin explains that this point has already been fully discussed in Committee. He observes that under the Police scheme a man with a single ricksha could lose 100% of his holding, whereas a large holder could not be deprived of more than about 6%.

Mr. Porter then asks if some safeguarding clause could not be included, to prevent undue burdens falling on single individuals. Mr. Kiang outlines the Committee's discussion on this matter, and gives the reasons leading to the recommendation that everyone (excluding singly owned rickshas pulled by the owner) shall share equally in the draw.

Further questions by Mr. Porter as to the legality of the proposed action, which he regards as confiscation of property, are answered by the Chairman and Mr. Mitchell, who consider that the Council is within its rights in the matter. The Chairman also says that to start the exemption of small owners will only serve to intensify the present practice of subdividing holdings by fictitious ownership.

Mr. Yulin Hsi suggests that one ballot be drawn for every twenty licences in numerical order. This, he says, would prevent undue loss by anyone.

In reply to a suggestion by Mr. Porter that the reduction be approved in principle, but that its application be deferred in order to give owners a further opportunity of making suggestions as to method, the Chairman says he considers that any further delay would be interpreted as a sign of weakness, and prove a serious tactical error. Mr. Mitchell points out that it is thought that the Owners' Association has already organised a scheme for compensating dispossessed owners through group insurance.

Mr. Kiang proposes that Mr. Yu Ya Ching be asked by the Council to confer informally with the Owners' Association, and suggest that the Association should collect \$1 ahead per ricksha from all owners to aid in this compensation; but the Chairman deprecates any assumption of responsibility by the Council through direct contact with the Owners in the private and internal affairs of the Association. He adds that if further proposals are put forward by owners before the drawing, they will be duly considered. In answer to a further question by Mr. Porter, he says that any specific provision for cases of individual hardship could only result in more unfairness elsewhere, since a fixed number of licences have to be withdrawn in any case.

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Mr. Yamamoto asks what is the number of owners holding more than twenty licences, and the Secretary replies that owing to the system of fictitious sub-divisions of holdings it is impossible to give a true answer to this question.

A vote is taken on the matter, and the Minutes of the Riecha Special Committee of January 29 are thereupon confirmed as submitted.

The Deputy Commissioner of Police withdraws.

The Minutes of the Health Committee held on February 1 are submitted and confirmed.

C 11/5

General Hospital - Rebuilding. Arising out of these Minutes, Brig.-Gen. Macnaghten refers, in the course of his synopsis of the proceedings, to the report from the Commissioner of Public Health dated November 24, 1936 which states that though the General Hospital's needs are great, the hospitals belonging to the Council are relatively in a far worse position. Brig.-Gen. Macnaghten wishes to confirm and emphasize this point, particularly in regard to the condition of the Chinese Isolation Hospital premises.

B 6/3

Court of Consuls - Legal Action against the Council. The Chairman invites the Secretary General to outline for Members' information the circumstances of the case in a suit which has been filed against the Council in the Court of Consuls for personal damages.

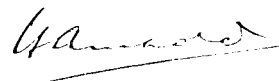
The Secretary General states that an accident occurred in the course of fire drill in Race Course Road. A coupling, weighing about 2½ lbs., fell into the room of an apartment house, striking the face of a lady who was standing close to the window, and disfiguring and seriously injuring her. A claim for \$222,000 had at first been submitted by the plaintiff's legal adviser, but after the Secretary General had explained that no negotiations could be entertained on this basis, the amount had been reduced to \$145,000, and a suit has now been filed in the Court of Consuls claiming that figure from the Council. The matter has been put in the hands of the Municipal Advocate.

The Secretary General adds that it is a very complicated case, and it is as yet impossible to predict the Council's chances of success in it. So far as he can see, no blame attaches to any officer of the Fire Brigade in the matter, since it was an accident which could not have been foreseen. Particulars are submitted for Members' information only.

The meeting terminates at 5.20 p.m.



Secretary.



Chairman.

At the meeting of the Council held on Wednesday, February 17, 1937, at 4.30 p.m., there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Commissioner of Police
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Messrs. W. Gockson
 E. Y. B. Kiang.

The Minutes of the meeting held on February 3 are confirmed and signed by the Chairman.

H 1/2

Recommendations of Staff Economy Committee. Arising out of the above Minutes, Brig.-Gen. Macnaghten enquires whether he is in order in commenting on the representations in the new Terms of Service which have been made to the Council by various branches of the staff. He then reads a memorandum embodying his proposals for various modifications in the Staff Economy Committee's Report. Members agree that this memorandum be handed to the Staff Economy Committee for detailed study and report.

The Minutes of the Education Board meeting held on February 5 are submitted.

A 7/1

Public School for Junior Boys - Assembly Hall. The Treasurer & Controller draws attention to the undesirability of making an appropriation for a first instalment only of a building. Members agree.

A 7/2

Public School for Junior Boys - Yu Yuen Road - Playground. Arising out of the Minutes on this subject, Brig.-Gen. Macnaghten says he thinks it would be unreasonable to ask the Military Authorities to release the plot of land required unless some alternative site could be offered them. He also mentions the cost of removing to such site, which would presumably be borne by the Council, saying that though the present huts may be serviceable as they stand, they would probably not survive the strain of demolition and re-erection.

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The Chairman refers to a petition for additional playground space which has been submitted from residents in the Western District; and Mr. Porter suggests that there may be suitable land still unoccupied at Jessfield and Great Western Road camps on which the huts could be re-erected.

The Secretary says that he will confer with the Commissioner of Public Works as to what spare land is available, and submit a report to the Council in due course. In the meanwhile he suggests that the Education Board recommendation be worded as follows:-

"that the practicability of approaching the British Forces with a request for the release of part of the plot of land immediately to the rear of the Public School for Junior Boys, in Yu Yuen Road be investigated, and that, if permission is granted, such land be utilised as an additional playground for pupils of the school."

Members unanimously agree that the minutes be amended in this manner. Subject to these amendments and to reference to the Finance Committee of the section relating to Annual Estimates, the Minutes of the Education Board are confirmed.

The Minutes of the Works Committee held on February 9 are submitted and confirmed, subject to reference to the Finance Committee of the section relating to Annual Estimates.

The Minutes of the Watch Committee held on February 9 are submitted.

K 1/11

Mui Tsai. Arising out of the Minutes on this subject, the Chairman says he thinks there may be considerable danger in approving the Committee's recommendation as it stands and asks the Secretary General to explain the situation.

The Secretary General observes that in his opinion the recommendation goes too far. The Council's general policy has been to enforce in the Settlement the laws promulgated by the National Government, but not to take official action on merely bureaucratic orders, or Chinese Local Government regulations. In the opinion of the Secretary General the Watch Committee's recommendation is inconsistent with this policy.

Apart from this he feels that the Council has as yet insufficient data to commit itself in the manner recommended. The number of Mui Tsai in Shanghai is unknown, and may be not less than 10,000.

The Secretary General therefore suggests that the Council shall at present confine itself to approving the second part of the recommendation, namely "that a Notification be issued calling for the voluntary registration of owners of Mui Tsai, and that Miss E. M. Hinder be appointed Registrar and Supervisor of Mui Tsai." Cases of abuse could then be dealt with according to the Chinese Criminal Code in the normal way. This he thinks, will sufficiently meet the wishes of the League of Nations and the British Foreign Office.

Mr. Franklin says that if the action suggested will satisfy these Authorities, he will gladly support it. He thinks, however, that more will be required, since on this basis the supervisor of Mui Tsai will have no

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executive powers beyond those of an ordinary policeman.

The Secretary-General remarks that the Consular Body would need to be advised before the Council embarked on a scheme of enforcing Chinese Local Government regulations in the Settlement, and he thinks it is unlikely that such a project would meet with approval.

The Chairman supports the Secretary General, saying that the action he proposes would be a gesture indicating the Council's agreement in principle with the scheme, and that this is as far as it is desirable or practicable to go at the moment.

Mr. Calhoun and Mr. Franklin express their agreement; Mr. Mitchell adds that Hongkong has gone very slowly and carefully in the matter, first calling for voluntary registration and then trying other means; he thinks the Council should follow the same procedure.

Brig.-Gen. Macnaghten feels it would be an added safeguard if the Council's resolution were to read as follows:-

"that Miss E. M. Hinder be appointed Supervisor of Mui Tsai; and that she be asked to make a study of the possibility of and procedure for registration, and report to the Council thereon in due course on the whole problem."

Members unanimously agree that the Watch Committee's recommendation be amended in this manner. Subject to this emendation and to the foregoing discussion, the Minutes of the Watch Committee are confirmed.

The Minutes of the Public Utilities Committee held on February 10 are submitted and confirmed.

X 25/1 Ricsha Reduction. The Chairman refers to a letter submitted by Dr. Chiling Yin, detailing methods by which he considers that the number of public ricsha licences could most equitably be reduced. A comment on this by the Deputy Commissioner of Police is read to members by the Secretary. Dr. Chiling Yin suggests in his letter that the methods employed in September 1924 for reducing the number of public ricschas should be repeated. He proposes that only owners of more than ten ricschas should be affected by the reduction, and that these owners should lose one ricscha out of every ten in their holding. Owners of less than eleven ricschas should be free from loss but for each ricscha they own they must pay to a fund for the compensation of dispossessed owners a sum equal to 5% of the assessed value of a ricscha which has been withdrawn. In order to permit small owners to raise the necessary funds for such compensation, Dr. Chiling Yin suggests that the reduction be postponed until June 1, 1937.

The Deputy Commissioner of Police states in his report that there are two objections to Dr. Chiling Yin's proposals; in the first place, the total reduction on this basis would amount to 481 instead of 484, and secondly there is the fact that the owners were notified of the reduction on September 21, 1936, and have done nothing for five months. He thinks however that these objections are not insurmountable, and recommends that the proposals be accepted - reduction to take effect from May 1 and not

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June 1 as suggested - subject to the following safeguards:-

- (1) that Dr. Yin be informed that if agreement is not reached by 12 noon Friday, February 19, the draw arranged for Saturday, February 20, will take place.
- (2) that the final agreement in writing must be handed to the Secretary before 12 noon, February 19, and contain a definite undertaking that the reduction of 484 ricschas will be completed by agreed date and no further obstruction will occur.
- (3) that if this agreement after acceptance is not carried out punctually and in detail the Council will reserve the right to reduce ricschas at the rate of 5 per day from February 20 to agreed date in addition to the reduction already approved. That is a further reduction of 350 to 505 ricschas.

As regards the proposed compensation fund, he considers that this is a private matter for the owners, with which the Council should not officially concern itself in any way.

In reply to questions by the Chairman, the Commissioner of Police observes that he agrees with the Deputy Commissioner's arguments, but if a draw is required he thinks that as a matter of procedure the drawing of owners' names rather than ricscha numbers would probably give more equitable results. By this plan, owners of 20 or more ricschas would automatically lose 5% of their holdings, which would give a total of 173 licences withdrawn. The balance of 310 withdrawals could be shared among the 1172 owners who hold less than 20 licences. The names of all these owners could be posted and every man out of the 310 names drawn would lose one ricscha independent of the size of his holding.

Mr. Porter supports this proposal, and the Chairman says that it is certainly simpler and probably fairer than the original scheme.

Mr. Mitchell, however, points out that the former plan was submitted at the instance of the Chinese members of the Ricscha Special Committee, and Mr. Franklin explains that the Commissioner's scheme makes the risk less fair to the smaller owner, who may lose up to 100% of his holding, whereas a larger owner cannot lose more than 5%. Mr. S. L. Hsu expresses his preference for the arrangements detailed by Dr. Chiling Yin, subject to the conditions suggested by the Deputy Commissioner of Police.

Members thereupon unanimously agree that the Deputy Commissioner's recommendations be approved.

The Secretary points out that if the owners do not agree to the new terms by 12 noon on Friday, February 19, the draw arranged by the Council will have to take place the next day, and it is therefore necessary to decide beforehand as to what form this draw should take. Members at first generally favour the scheme outlined by the Commissioner of Police, but on Mr. S. L. Hsu expressing a preference for the plan previously recommended by the Ricscha Special Committee and Mr. Mitchell's remark that it is a matter of merely academic interest, since it is hoped that the drawing will be rendered unnecessary, it is unanimously agreed that the draw shall be in the form already announced by the Council.

227.
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As regards the date for enforcement of the reduction, the Chairman favours the date being fixed at May 1, which would allow owners 2½ months in which to raise the necessary funds. The Commissioner of Police, however, remarks that to fix the date at June 1 would probably entail less hardship on owners, and offer no special drawbacks to the general scheme.

Members thereupon unanimously agree that the date for reduction be fixed at June 1, 1937.

Mr. S. L. Hsu asks if the words "in detail" cannot properly be omitted from clause (3) of the Deputy Commissioner's recommendations. He considers the penalty clause is complete without these words. Members agree.

He further asks whether the Council's formal approval to the scheme for reduction outlined by Dr. Chiling Yin cannot be given, in order to commit owners to these arrangements. Mr. Calhoun supports this, but the Chairman and Mr. Franklin consider that it is unnecessary for the Council to concern itself further with the methods by which the owners arrive at the necessary reductions. Members agree.

On the suggestion of Mr. S. L. Hsu the Chairman requests the Commissioner of Police to ask the Owners' Association to submit a list of the licences which they propose to offer for cancellation.

It is thereupon unanimously

RESOLVED

- (a) that the cancellation of 484 public ricscha licences already approved by the Council shall take effect from June 1, 1937 provided that there is received before 12 noon on February 19 a satisfactory undertaking regarding such reduction from the Owners' Association. Failing receipt of such undertaking, the cancellation of 484 licences by lot on February 20 will take place under the conditions previously arranged.
- (b) Such undertaking from the Owners' Association shall be to the effect that before June 1, 1937 the Association will hand to the Secretary of the Council a list containing the numbers of 484 public ricschas the licences of which are to be withdrawn as from that date. The Owners' Association must also undertake to accept without further opposition the Council's decision to reduce the number of ricschas by 484.
- (c) Should there be any failure to carry out this agreement after acceptance, the Council reserves the right to reduce ricscha licences at the rate of 5 per day up to a total of 505 (i.e. from February 20 to June 1) in addition to the reduction already approved.

The meeting terminates at 5.50 p.m.



Secretary.



Chairman.

At the meeting of the Council held on Wednesday, March 3, 1937, at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Messrs. W. Gockson
 E. Y. B. Kiang.

The Minutes of the meeting held on February 17 are confirmed and signed by the Chairman.

A 7/3

Public School for Junior Boys, Yu Yuen Road - Playground. Arising out of these Minutes, Mr. Porter asks, in view of recent press comments, whether any decision has yet been taken in the matter. The Chairman replies that with the collaboration of the Secretary and the Commissioner of Public Works he has discussed the question with the British Military Authorities, and that he hopes some definite results from these conversations will be available for report in a short time.

The Minutes of the meeting of the Education Board held on February 19 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee held on February 22 are submitted and confirmed.

H 3/1162
 H 3/330

Police Force - Messrs. R. C. Aiers and S. C. Young. Arising out of these Minutes, Brig.-Gen. Macnaghten asks what is the effect of counting extended service as double time for the purpose of computing Proportionate Long Leave Pay. The Treasurer & Controller states that this will result in six weeks' leave pay being granted for the additional year instead of three weeks' pay.

March 3, 1937.

H 3/1637

Police Force - Pay of Mr. G. F. C. McLorn. Arising out of these Minutes Brig.-Gen. Macnaghten states that he is prepared to agree to the proposed salary as a salary, but not to its being fixed with reference to an 8% cut.

B 9/22

The Minutes of the Library Committee held on February 25 are submitted and confirmed, the submission of the estimates for 1937 to the Finance Committee being approved.

Mr. S. L. Hsu explains that it was not intended by any member to reduce the appropriation for English books in order to purchase more Chinese books.

The Minutes of the Watch Committee held on February 20 are submitted and confirmed, the submission of the estimates for 1937 to the Finance Committee being approved.

B 9/16

Fire brigade - Ordinary Expenditure.
High-Powered Chassis.

Arising out of these Minutes Mr. Calhoun says that the continued use of 1915 model machines seems to him to involve risk and possibly to go beyond the bounds of desirable economy. The Chairman of the Watch Committee replies that it is proposed to purchase two out of the eight machines originally recommended for purchase, though the Treasurer & Controller had first recommended that no replacements be made this year. He understands the present equipment is in good working order.

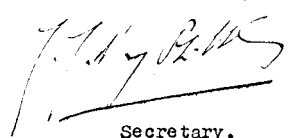
B 9/15

Police Force - Extraordinary Expenditure.
Ricsha Licensing Depot - Alterations.

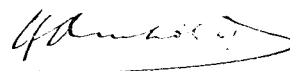
Arising out of these Minutes, Brig.-Gen. Macnaghten notes that the Ricsha Licensing Depot is to be moved from Sinza Road to Fearon Road, and asks what will happen to the old site in Sinza Road. The Secretary undertakes to obtain exact information on this point and to notify members by circular as to the position.

The Secretary requests Members' approval for submission by circular of the Minutes of the adjourned meeting of the Watch Committee held on Tuesday, March 2, dealing with the Estimates of Ordinary Expenditure for the Police Force for 1937. Members agree.

The meeting terminates at 5.5 p.m.



Secretary.



Chairman.

At the meeting of the Council held on Wednesday, March 17, 1937 at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. S. L. Hsu.

The Minutes of the meeting held on March 3 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Health Committee held on March 9 are submitted and confirmed, the submission of the Estimates for 1937 to the Finance Committee being approved.

C 9/12
 1786

Pootung Cemetery. Arising out of the above Minutes, Brig.-Gen. Macnaghten, as Chairman of the Health Committee, raises the question of Pootung Cemetery being possibly converted to other uses, such as a recreation ground. He states that he was informed that considerable difficulties lie in the way of removing graves, particularly those of British subjects.

L 5/66

Western Fever Hospital. Brig.-Gen. Macnaghten also expresses his regret that the building of the Western Fever Hospital should again have to be deferred, and feels that the building should be proceeded with at the earliest possible moment.

The Minutes of the meeting of the Orchestra & Band Committee held on March 11 are submitted and confirmed, the submission of the Estimates for 1937 to the Finance Committee being approved.

E 3/2

Business Sub-Committee. Arising out of the above Minutes, Brig.-Gen. Macnaghten, as Chairman of the Orchestra & Band Committee, expresses the Committee's appreciation and gratitude for the very fine work which has been carried out by the Business Sub-Committee (and in particular by

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Mr. de Luca) during the past season. This, he says, has resulted in making it one of the most successful on record. The Chairman says that he too would like to join in this expression of opinion, and that he wishes to convey the Council's sincerest thanks to the members of the Subcommittee for their untiring and highly successful work throughout the last season. The results, he says, are most gratifying. Members unanimously agree.

The Minutes of the meeting of the Education Board held on March 12 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on March 15 are submitted.

I 32/1

Handcarts - Pneumatic Tyre Equipment. Arising out of the above Minutes, Mr. Mitchell says he regrets his inability to have been present at the meeting of the Committee. He strongly disagrees with the recommendation that no steps be taken to alter the present regulations relating to tyre equipment of handcarts. This, he thinks, is a matter that should be decided on first principles, and on this basis it would be most reactionary not to give some inducement to owners to make use of rubber tyres.

Mr. Franklin, as Chairman of the Watch Committee, says he is in agreement with this opinion, but that the majority of the Committee held other views. Mr. Calhoun and Mr. Kiang also speak in support of Mr. Mitchell's argument.

The Chairman says he understands the weight of opinion in the Watch Committee was that the principle of making licence fee remissions for a matter which is mainly owners' private concern is undesirable, particularly if, as appeared likely, such concessions would be too small to be effective. On the other hand, a merely voluntary scheme such as that suggested could work hardship to no one, and might in his opinion be a good idea.

Mr. Keswick supports the original recommendation of the Committee. He considers the suggested alterations would create an undesirable precedent, and states that the Deputy Treasurer (Revenue) is of opinion that the proposed remission will be an insufficient inducement to effect any change; moreover, he feels that a 75% increase in the maximum load, which it has been suggested would be reasonable, would more than neutralise any incidental advantages so far as the flow of traffic is concerned and necessitate special brakes and equipment.

Mr. Mitchell remarks that all this cannot be proved until it has been tried. His concern is that the Council as a matter of principle should discriminate, as regards handcart licence fees, between iron tyres, which are obsolete and tear up the roads, and pneumatic tyres, which are a modern improvement and do not. Beyond that point, he considers that questions of detail and comparative costs are matters for the owners and not the Council to decide. He stresses the purely voluntary nature of his proposals.

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Mr. Calhoun supports these views by drawing a parallel with the conversion in the past of omnibuses and trackless tramcars from solid rubber to pneumatic tyres.

The Treasurer & Controller asks whether it is considered that the situation has yet been sufficiently explored, adding that the budgetary position makes the present year a particularly unfortunate one in which to incur loss of revenue through an unproved experiment.

Mr. Keswick speaks of garages and additional facilities required for vehicles equipped with perishable pneumatic tyres, but Mr. Mitchell says this is a question for the owners. The only point before the Council, he maintains, is what shall be the licence rates for iron-shod vehicles and for pneumatic tyred vehicles. Are they to be the same or different, and if different, by what extent?

Mr. Kiang adds that the actual number of vehicles converted under the licence remission scheme would be immaterial. It is the principle which is important, and as soon as even one or two rubber-tyred vehicles are actually seen in the streets as object lessons, the conversion will grow of its own accord, without further outside help. The proposed voluntary scheme, he maintains, paves the way for any complete change-over which may be decided on five or ten years hence.

Mr. Yulin Hsi states that he opposes any change in existing conditions, since the Council cannot at this time afford to contemplate any further loss of revenue, and also because owners are too poor to be able to afford conversion, unless the subsidisation is almost complete.

After further discussion, a vote is taken on the matter, and by a majority opinion (Mr. Yulin Hsi and Mr. Keswick dissenting) it is

RESOLVED that 50% of the licence fee payable in respect of handcarts be remitted for those vehicles which are fitted with pneumatic tyres in place of the old style iron rims.

Subject to this amendment the Minutes of the Watch Committee are confirmed.

Ratepayers' Meeting.

F 6/4

(a) Chairmanship. On the proposal of the Chairman it is unanimously

RESOLVED that Mr. A. D. Bell be asked to take the Chair at the forthcoming Annual Meeting of Ratepayers.

F 6/1

(b) Hour of Meeting. On the proposal of the Chairman it is unanimously

RESOLVED that the hour of commencement of the Ratepayers' Meeting for 1937 (which it has been suggested shall be held on Wednesday, April 14 at the Grand Theatre) shall be 2.30 p.m., as last year.

F 6/10

(c) Resolutions. On the proposal of the Chairman it is unanimously

RESOLVED that the five following customary Resolutions to be brought forward at the forthcoming Ratepayers' Annual Meeting be approved:-

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- (1) Appointment of Chairman and Secretary and adoption of Rules of Procedure.
- (2) Election by the Ratepayers of a Land Commissioner (the present ratepayers' appointee being Mr. S. H. Peek).
- (3) Election of four Governors of the General Hospital.
- (4) Adoption of Report and Accounts for 1936.
- (5) Adoption of Budget for 1937 and authorisation of Loan issue.

C 11/2 General Hospital - Board of Governors. It is pointed out that it is customary for four Governors of the Shanghai General Hospital to be elected by the Settlement ratepayers at their Annual Meeting. For many years past, the Council has arranged for the standing and nomination for office of the four ratepayers' appointees to the Board. It is customary for only four names to be brought forward at the Ratepayers' Meeting, thereby avoiding the necessity for an election contest. It has for some time been the practice of the Council to ensure that of the four names submitted to the ratepayers, two shall be members of Council and two doctors.

The Chairman states that last year the Council arranged for the nomination of the following, who were duly elected at the 1936 Annual Meeting of Ratepayers:-

Mr. A. D. Calhoun	(Member of Council)
Mr. H. Porter, C.M.G.	(Member of Council)
Dr. T. B. Dunn	
Dr. A. C. Bryson	

It is now proposed that subject to his nomination and election as a Councillor, Mr. W. H. Plant be invited to stand for election by the ratepayers to the Hospital Board, in place of Mr. A. D. Calhoun, and that subject to the same proviso, Mr. H. Porter be invited to stand again.

It is also suggested that Dr. T. B. Dunn, who has served for several years and is again available for re-election, be nominated, and that Dr. A. C. Bryson be also re-nominated.

Members unanimously agree, and it is

RESOLVED that, subject to their nomination and election as Councillors, Mr. W. H. Plant and Mr. H. Porter be invited to stand for election by the ratepayers to the Board of Governors of the General Hospital during the forthcoming year, and that Dr. T. B. Dunn and Dr. A. C. Bryson be re-nominated for election.

Grants-in-Aid.

B 2/19

(a) Royal Asiatic Society. It is reported that an application by the Royal Asiatic Society requesting continuation of financial support by the Council at the same level as was approved for 1936, i.e. a grant of \$7,000, was circulated to and approved by the Finance Committee, but that at the request of a member of Council the matter is submitted for consideration in meeting.

In a report submitted, the Treasurer & Controller states that, after taking into account interest on the Building Fund overdraft, the 1936 working of the Society resulted in a deficit of \$5,082.34. As

compared with 1935, the accounts disclose an increase in expenditure of approximately \$2,000, whilst subscriptions decreased by rather more than \$2,000.

The Treasurer & Controller is of the opinion that there is room for doubt as to whether continuance of the grant at the present level is fully justified. He does not recommend any reduction in the grant during the current year. Noting, however, that the 1936 deficit of \$5,082 followed upon one of \$2,458 for 1935, he considers it desirable that the Society be requested to state what steps it is proposed to take in regard to the present unsatisfactory financial position. Furthermore, the Treasurer & Controller considers that the Society might be informed that it is somewhat unreasonable for the Council to continue as the main financial support of an organisation whose cultural activities are of apparent benefit to the population of the whole Shanghai area, but which does not receive any grants from other Municipal authorities.

The existing grant of \$7,000 to the Society is made up of an original grant of \$1,400, an additional grant of \$4,200 out of which the Society pays rates, and a further sum of \$1,400 in recognition of the cultural services rendered to the Community since the occupation of the new building.

Brig.-Gen. Macnaghten says that the Society's annual deficits are increasing and its popularity appears to be on the wane. He suggests that a halt be called to the Council's expenditure in the matter, and recommends that in view of the unsatisfactory financial position disclosed, no grant be issued to the Society in respect of the forthcoming year.

The Treasurer & Controller remarks that in his report he has advocated a warning being given to the Society, but that if it is desired to go further than this at such short notice, it must be remembered that approximately \$4,400 out of the \$7,000 recommended is in effect tax remission.

Mr. Porter says that the Society arranges a very fine series of lectures, and that it deserves payment of some grant at least, on educational grounds alone.

Mr. Mitchell observes that if the Society's members can only produce a little over \$4,000 in subscriptions it is hardly reasonable to expect the Council to subsidise it to the extent of \$7,000 a year.

Mr. Keswick suggests that only a grant sufficient to cover the rates on the premises be approved, but the Chairman and Mr. Franklin think this would be unduly severe, in view of the lack of previous notice and possible commitments already entered into. They consider however, that a strict warning of probable reduction or non-continuance of the grant should be given to the Society.

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After further discussion, a vote is taken on the matter, and by eight votes to five it is

RESOLVED that a grant of \$7,000 to the Royal Asiatic Society be authorised for 1937; but that the Society be informed that it is probable that the amount of future grants will be reduced in view of the apparent absence of adequate steps being taken to improve its unsatisfactory financial position; and that the issue of a grant this year is not to be taken as committing the Council to the issue of any grant next year.

It is noted that future grants, if any, will be considered in the light of the Society's efforts to improve the situation, and that the Council will be glad to be informed what proposals the Society has in mind in order to effect such improvement.

B 2/27

(b) Boy Scouts' Association. The Chairman refers to an application submitted by the Boy Scouts' Association for continuation during the current year of the Council's grant-in-aid. The Treasurer & Controller, in his comment, also submitted, recommends that provision be made in the 1937 Budget for a grant similar in amount to that approved for 1936, i.e. \$500.

It is noted that for the period 1933-1935 an annual grant of \$700 was made to the Association, but that in 1936 it was decided that a lesser grant of \$500 would suffice.

The Chairman says that the matter has been circulated and the Finance Committee has endorsed the recommendation of the Treasurer & Controller. A member of Council has, however, requested consideration in meeting.

While inviting discussion of this matter by members, the Chairman remarks that he personally is in favour of a grant of \$500 being approved, as recommended by the Treasurer & Controller, and issued last year.

Brig.-Gen. Macnaghten states that the Association appears already to have adequate funds for its requirements, whereas certain municipal institutions are in very urgent need of expenditure on building and maintenance. He opposes issue of the grant on principle.

The Treasurer & Controller says that in his opinion it would be a great mistake to withdraw the grant. Bearing in mind the work that is being done among the youth of all nations in the Settlement through the Boy Scouts' Association and the small amount involved, he would be very sorry to see the item excised. Mr. Parter, Mr. Keswick and Mr. Kiang also speak in favour of a grant of \$500 being issued. Brig.-Gen. Macnaghten thereupon states that he does not wish to press the point, and it is unanimously

RESOLVED that a grant of \$500 for 1937 be approved for issue to the Boy Scouts' Association of Shanghai.

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B 3/3

Yu Yuen Road (Yu Koh Tseng Alleyway) = Barricading. On the request of the

Chairman the Secretary General outlines the position for the information of Members.

He says that the situation regarding the collection of rates on Outside Roads in the Western District has for some time become increasingly difficult. Arrears have increased, and more and more people have been defaulting on current rates; moreover, there has been agitation against, and organised opposition to the collection of any rates at all on Outside Roads. The Council has therefore been forced either to take some drastic action or let the whole question of Outside Roads go by default.

In these circumstances the Secretary General says that he requested authority from the Chairman to use his discretion in handling the situation, in collaboration with the other interested Heads of Departments.

Members will realise, he continues, that the Council has no ordinary legal means of collecting rates on Outside Roads, since the Land Regulations do not apply Outside the Settlement and the Chinese Courts take no jurisdiction in these cases. It has been an understanding that rates collected on Outside Roads are a payment for municipal amenities.

Having no ordinary legal methods to which it can resort, the only means by which the Council can deal with the situation is to apply sanctions, in the sense of refusing to permit people who will not pay rates to enjoy the amenities. Some years ago to enforce payment of rates, the Council cut off electric supply to certain premises. The Council was sued in the Court of Consuls and won its case.

At a conference of interested Heads of Departments regarding the present situation, it was the unanimous view that some positive action must be taken. Accordingly the sewerage was disconnected from one block of buildings, the owners of which were owing between \$2,000 and \$3,000 in rates and had flatly refused to pay. Proper notice of this was given and the rates were paid. Owners and ratepayers in other blocks of buildings, seeing the action the Council had taken, began to get in touch with the Deputy Treasurer (Revenue) about payment of their taxes. Then one block of premises in Yu Yuen Road by Tifeng Road (Lane 361, Yu Yuen Road, known as Yu Koh Tseng Alleyway) positively refused to make any payments, whereupon all the other property owners who had been prepared to enter into negotiations with the Council abruptly broke off such negotiations.

At another conference of Heads of Departments it was decided that property owners should be notified that failing payment the Council would be obliged to block access to their premises from the municipal roads. The owners were given ample notice of this, but thought that the Council would not actually carry it out. However, the entrances from Municipal Roads to Yu Koh Tseng Alleyway were actually barricaded.

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The tenants and landlords of this property then attempted to make it a political issue with the City Government. After conferences with Mr. O. K. Yui, at which it was confirmed that the City Government had similar difficulties, the Secretary General was promised that if the barricades were removed Mr. Yui would undertake to see that the necessary Council rates were collected.

The Secretary General consulted the Chairman on this point, and it was decided that if the rates were paid it would be better for the barricades to be removed. That afternoon he had another conference with Mr. Yui, who gave him a guarantee in writing that the City Government itself would pay the present rates and undertake to collect all the arrears for Yu Koh Tseng Alleyway in return for the removal of the barricades; and also that negotiations should be immediately resumed with regard to the general question of collection of rates on Outside Roads. It was hoped that when some definite form of agreement was arrived at on this point, they could proceed with the other stages of the Outside Roads Agreement.

The Chinese authorities seem to be very desirous of coming to some arrangement with the Council on the question of taxation or rates on the Outside Roads, and the Secretary General is quite confident that this can now be done. He remarks that the Council has had to take a certain amount of risk by undertaking such drastic action as barricading premises, but one result of the present case has been to reopen the deadlock on the Outside Roads negotiations, with every promise, so far as one can see, of getting an agreement regarding rates that will go a long way towards easing the Council's position. In his opinion the Council has come out of the situation with some very distinct advantages.

Mr. Porter asks if the arrangement for collection of rates by the City Government applies to Yu Koh Tseng Alleyway only, and the Chairman replies that the present arrangement is confined to this case, but that negotiations are now being reopened to solve the whole general problem.

Mr. Yamamoto enquires whether foreigners as well as Chinese are living in the barricaded premises. The Secretary General replies that in the premises under discussion it is possible that there may be one or two foreign tenants. One great difficulty with regard to blocks of property of this description is that some tenants are in arrears and some are not. The issue, however, in this case was so important to the Council and of such magnitude that these two classes could not be separate.

Mr. Yulin Hsi, while appreciating that drastic action has produced good results, asks if the Council has rendered itself liable to damages. The Secretary General states that he does not know, since there has as yet been no indication of what tenants may do. If the Council is faced by a lawsuit, it might be desirable to consider a compromise, and if that proved to be impossible the matter could go to the Court.

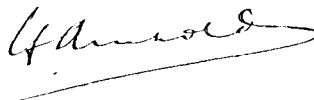
March 17, 1957.

In further answer, the Secretary General states that two cheques forwarded by tenants of the property after the barricades were put up were returned, and the tenants informed that cheques could not be accepted pending settlement of the matter. No rates had been collected on these premises for the current quarter. He adds that one suit has already been filed against the Council for an injunction ordering the Council to remove the barricades, but that as the barricades have now already been taken away there will not be much object in taking this Action any further.


In answer to Mr. Yulin Hsi, the Secretary General says the barricades would not have prevented the Fire Brigade doing duty in case of necessity, and that tenants of the enclosed property were not completely cut off from access to the outside world.

Brig.-Gen. Macnaghten says he wishes that Members could have been informed of the reasons for the Council's actions immediately the barricades had been put up. He is however in complete agreement with what has been done.

The meeting terminates at 5.55 p.m.



Chairman.


Secretary.

At the meeting of Council held on Wednesday, March 24, 1937 at 4.30 p.m.,

there are:-

Present:-

Messrs. H. B. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. S. Kiang
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Commissioner of Public Works
 The Treasurer & Controller
 The Deputy Treasurer (Revenue)
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

The Minutes of the meeting held on March 17 are confirmed and signed by the Chairman.

The Minutes of the Works Committee held on March 16 are submitted.

Passenger Landing Accommodation - The Bund. Arising out of the Minutes on this item, Mr. Franklin queries the wisdom of the Council adopting a recommendation to defer any action in the matter. He says the public has been waiting for so many years for some such accommodation, that now the Commissioner of Public Works has submitted a scheme which halves the original costs something might well be done in the matter.

The Chairman replies that the main reason for postponement is in order to give time to judge of the effect of recent arrangements made by the Customs Authorities for baggage examination on board ship. The Commissioner of Public Works adds that he understands the intention of the Customs Authorities may be to obviate the landing of baggage on the Bund at all, and that it is possible that passengers also will not disembark on the Bund in future. With this in mind he would recommend deferment of expenditure by the Council.

Mr. Franklin remarks that in any case some accommodation is required for passengers leaving Shanghai, and for their friends. Mr. Mitchell, however, states that even if a building of this kind were

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erected, there would still need to be a pontoon outside, between it and the water's edge, so that in bad weather passengers would still get wet. The Commissioner of Public Works explains that in a tidal river such as the Whangpoo, where the water-level varies by ten or twelve feet every day, it is impossible to avoid having a floating pontoon between the shipping and any building that may be erected on the bank.

The Chairman says that the force of these arguments against proceeding with the scheme at the moment appears to him to be unanswerable. Mr. Franklin asks that his comments be recorded.

Subject to the foregoing discussion the Minutes of the Watch Committee are thereupon confirmed.

The Minutes of the meeting of the Education Board held on March 19 are submitted and confirmed.

A 2/7

Fire Risks in Grant-Aided Schools. Arising out of the Minutes on this item, Brig.-Gen. Macnaghten says he is surprised that schools could have been given grants before they had been completely inspected.

Mr. Porter, as acting Chairman of the Education Board, explains that the reason for this is that the grant-in-aid system was first of all introduced, and only later have various safeguards in the form of departmental requirements as to fitness been gradually added. The fire-risk test is among the latest of these, and is quite a recent innovation, many schools not yet having been inspected.

A 6/1

Brig.-Gen. Macnaghten remarks that in these Minutes he also notices a statement by Dr. Ou that "a large proportion of the Council's own schools do not reach the fire safety standard which has been set for grant-aided Schools." He sees no record of this being later contradicted or confirmed, and would like to know if it is true.

Mr. Porter says that the subject was not pursued further at the meeting, and the Secretary adds that he will call for a report and lay the necessary information before the Council in due course.

The Minutes of the meeting of the Watch Committee held on March 19 are submitted and confirmed.

B 4/5

The Minutes of the meeting of the Finance Committee held on March 22 are submitted

Schedule of Rates, Taxes, Dues and Fees. The Chairman says that as regards this item of the Minutes he understands that Chinese members wish to express their views, particularly in connection with the increase in General Municipal Rate from 14% to 16% and of Special Rate from 12% to 14%.

He would point out that at the moment estimated Revenue is over three million dollars below estimated Expenditure. This gap cannot be bridged except by a rate increase. As it is, 18½ lakhs are proposed to be taken from reserves. The most stringent economies in municipal expenditure have been carried out during the past few years, and any

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further curtailment of the service would lead to impairment of efficiency, and in any case could make no appreciable difference to a deficit of over \$3,000,000.

Mr. S. L. Hsu states that at the meeting of the Finance Committee he suggested that the raising of General Municipal Rate to 16% should be postponed for one year. He still holds this view. He adds that business has only just begun to recover after a long period of depression, and that he fears there will be very strong Chinese opposition throughout the Settlement if the Rates are raised at the moment.

Mr. Kiang remarks that though the Council is in a difficult position, the equal difficulty of private citizens must not be lost sight of. He supports the proposal to defer an increase in rates for one year. If such deferment is quite impossible he would like to know the exact reason why.

The Chairman replies that Mr. Kiang's argument might be stronger if 1937 were the first year in which the Council was faced with a deficit. The fact is, however, that for several years in succession it has been found impossible to balance the Budget without recourse to reserves. In previous years, owing to the sale of the Electricity undertaking, there were ample reserves to draw on. These are rapidly coming to an end. If a 2% increase in rates were not agreed for 1937, it might be necessary to have a 4% increase in 1938. The Chairman also points out that the proposed increase will only come into force at the half year; so that for 1937 in effect only a 1% increase is contemplated.

Mr. Kiang asks why, if the Council has survived a deficit for several years, it cannot wait for one year more before making a change.

The Treasurer & Controller states that this year's Budget has been framed on reasonably optimistic lines and he does not anticipate that the financial position will be better than has been estimated. He remarks that the staff of the Council both this year and next will have made very considerable personal sacrifices in the cause of economy and it seems to him that the ratepayers must take their necessary share in the balancing of the budget.

Further, he states that after \$2,000,000 was taken from Reserves last year there was still a deficit of 7½ lakhs. Even allowing for the proposed increase in rates, a further 18½ lakhs will have to be taken to meet the estimated deficit. If the rates were not raised, the Council would be placed in a most difficult position.

Mr. Kiang thereupon requests that a decision on the matter be postponed for a week, but the Chairman reminds him that the completed Budget has to be published for general information at least ten days before the Annual Meeting of Ratepayers, which is this year on April 14.

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This being the case, a decision is imperative at the present meeting. The Treasurer & Controller states that each year for the last five, the Council has deferred action because of the depression. The point has now come where it can be deferred no longer. Mr. Franklin adds that the Ratepayers were warned of the probability of this at the last Annual Meeting.

In reply to a question by Mr. Kiang as to why only \$7,000,000 of Debentures were issued when a loan of \$12,000,000 was authorised, the Treasurer & Controller says that this is a measure of economy, and points out the saving on the ordinary budget involved by keeping a loan flotation below the authorised level.

Mr. Yulin Hsi speaks in favour of deferment of the increase for one year, since the Council has been able to deal with its deficits for so long without raising the rates. Mr. S. L. Hsu is of the same opinion, and mentions possible undesirable political repercussions which a rise in rates might entail.

Mr. Porter says that the probable reluctance of the Chinese community in the Settlement to pay higher rates may be due in part to the fact that they are also having to make payments to the Chinese Authorities by way of income tax and other dues.

The Chairman says that the Council cannot allow itself to get into an unsound financial position through fear of intimidation by one section of the community.

Mr. Yamamoto recommends postponement of a decision for one week only, in order to give the Japanese community an opportunity of becoming fully informed on the subject. Mr. Franklin then asks whether it will be in any way possible, if this is done, for the Budget to reach the Ratepayers on the required date. The Treasurer & Controller says he thinks not, if only on account of the printing. Apart from that, any material change would entail a recasting of the Budget.

In answer to a further question by Mr. Keswick along the same lines, the Secretary says that he imagines that the only way a completed Budget could be made possible for publication by the required date after a week's postponement would be if members had already made up their minds that there would be no change. If they had done so, deferment seemed unnecessary. If not, it would be impossible.

Mr. Porter remarks that an increase in rates is an unpleasant pill to swallow, but that no amount of deferment and reconsideration can make it more palatable. The money must be found. Brig.-Gen. Macnaghten says that to continue the simile, employees of the Council have recently had to swallow a very bitter pill in the shape of salary reductions, and to a much lesser extent it is now necessary for the ratepayers to do the same.

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A vote is then taken on the suggestion to postpone a decision for one week and opinions are found to be equally divided. The Chairman accordingly makes use of his casting vote against postponement which he says he does with great reluctance.

In comment on this decision, Mr. S. L. Hsu states that he thinks it inadvisable to force a decision in this manner, since Chinese ratepayers in the community are so much in the majority and since they pay more than half of the total rates and taxes.

The Chairman says he is sorry to have been forced to use his casting vote, but that this responsibility has been given him specially for use in cases of emergency such as the present one. He can see no other way out, and is convinced that a decision next week would have to be exactly the same as that arrived at to-day. It is impossible to go to the Ratepayers with an uncompleted Budget, and without the increases recommended it cannot be framed.

Mr. S. L. Hsu then formally proposes that the increase recommended for 1937 in General Municipal Rate and Land Tax be postponed for one year. Mr. Kiang seconds this.

A vote is taken and the motion is lost by four votes to six.

The Minutes of the Finance Committee are thereupon confirmed.

1 1/2

Staff Economy Committee Report. A further report from the Staff Economy Committee, modifying several of its original proposals, in view of various representations from the Staff, has been circulated to Members, whose views on its adoption are now requested.

B 10/11

Brig.-Gen. Macnaghten draws attention to the proposed payment of General Municipal Rate by employees. He suggests that the Staff Economy Committee should reconsider this point, on local political grounds rather than on the score of economy.

Mr. Franklin remarks that he knows of no other Municipality where municipal employees do not pay taxes or possess a vote, and the Secretary General says that he thinks Shanghai is unique on this respect.

The Chairman observes that he has always thought and often expressed the opinion that Council employees should be enabled to vote.

Brig.-Gen. Macnaghten also suggests that a guaranteed rate of exchange might be introduced in respect of the new Superannuation Fund, but Mr. Franklin states the Staff Economy Committee's objections to this proposal.

Mr. Calhoun says that he assumes the present report is not conclusive, in the sense that the mechanism will remain for individual cases of hardship to be discussed in the future as they arise. The Treasurer & Controller says this will be done, and Mr. Franklin adds that one such case has already been found and the conditions will be suitably adjusted. Further adjustments will be made as and when they are found to be necessary.

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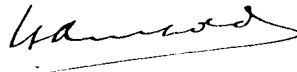
Brig.-Gen. Macnaghten says that though he is in favour of the report being adopted, he would like to record his reservation regarding voting qualifications and payment of General Municipal Rate.

The Chairman informs Members that if the Report is adopted it will be published after the Easter Holidays as a special issue of the Municipal Gazette. Until that date he would be glad if Members would treat it as confidential.

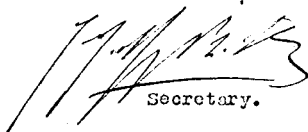
It is thereupon unanimously

RESOLVED that the report of the Staff Economy Committee making certain modifications and adjustments in its original recommendations be adopted.

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, April 7, 1937 at 4.30 p.m.

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 G. S. Franklin (Vice-Chairman)
 A. D. Calhoun
 W. J. Keswick
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Yamamoto
 The Treasurer & Controller
 The Secretary-General, and
 The Secretary.

Absent:

Messrs. W. Gookson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 T. Urabe
 Yu Ya Ching

Messrs. V. St. J. Killery, W. S. King, R. G. MacDonald,
 F. N. Matthews and W. H. Plant, Councillors-elect for the Municipal
 Year 1937/8 are also in attendance.

The Minutes of the meeting held on March 24 are confirmed and signed by
 the Chairman.

The Minutes of the meeting of the Staff Committee held on March 23 are
 submitted and confirmed.

The Minutes of the meeting of the Education Board held on April 2 are
 submitted.

Grants-in-aid to Chinese Schools, 1937 - Allocation. The Secretary
 asks if this item in the above Minutes can be confirmed subject to
 any necessary minor adjustments recommended by the Sub-Committee
 on Grants-in-Aid. He explains that subsequent to the meeting of the
 Board, two of the Schools for which the allocation of grants was
 recommended have refused to submit their accounts for inspection,
 and that it is felt that no allocation should be made until this is
 done. Members agree, and subject to this reservation the Minutes
 of the Education Board are confirmed.

Housing Committee and Special Education Sub-Committee. The Chairman
 observes that the reports of the Housing Committee and the Special
 Education Sub-Committee have both just been received. The former

A 2/7

K 12/3
 A 21

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has already been published and the latter will appear as a special issue of the Municipal Gazette on the day after the present meeting. There is no time left for the outgoing Council to attempt to deal with either of these reports, but on behalf of everyone present he would like to express his gratitude to the Members of the Committee and Sub-Committee, and his deep appreciation of their valuable work, Members agree..

Brig.-Gen. Macnaghten, as Chairman of the Housing Committee, replies to this by saying that the work was really done mainly by the Chairmen of the three Sub-Committees into which the Housing Committee was divided. He also feels that great gratitude must be expressed for the assistance which has been given members by the Commissioner of Public Works, Miss Hinder, and the Assistant Secretary, Mr. Nash.

The Chairman asks the Secretary to convey the Council's thanks and appreciation officially to these members of the staff.

F 5/9

Annual Meeting of Ratepayers - Speeches. The Chairman states that in accordance with the usual custom, Members of the incoming Council have been invited to listen to the reading of the Draft of the Annual Speeches.

The Chairman's speeches are then read. It is suggested that one portion of the Budget Speech, where comparisons are made with conditions in three English cities, namely Birmingham, Liverpool and Manchester, should be revised and confirmed by circular, since Members generally are of opinion that it is easy to over-emphasise such comparisons, which refer to one European country only.

After discussion, and subject to this amendment, the speeches are unanimously approved by Members.

The Chairman says that as this will presumably be the last meeting of the outgoing Council he would like to take the opportunity of thanking all Members for the generous manner in which they have supported him. He observes that it has been a difficult year, and that Councillors have been called upon to do a great deal more than is generally the case. He has no hesitation in saying that during his seven years' experience on the Council there has been no one year in which more has been achieved, or in which individual members have had to undertake such arduous duties. The appointment of a number of Special Committees out of the body of the Council itself has, he considers, thrown a tremendous burden on individual members, which they have accepted in the most unselfish manner.

He also desires to thank the Chinese Members for their support during the past three years in which he has been Chairman, and in particular for the manner in which they have assisted in

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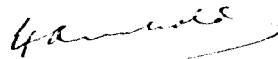
making it possible for the Special Riosha Board (which has since gone out of existence) to achieve the purpose for which it was formed.

Mr. Franklin, as Vice-Chairman of the Council, proposes a vote of thanks to the Chairman and to Brig.-Gen. Macnaghten for their very valuable services to the community during a long period of service on the Council, and also wishes to express his appreciation of the untiring efforts of Mr. Mitchell and Mr. Keswick, his colleagues on the Staff Economy Committee. Members unanimously agree.

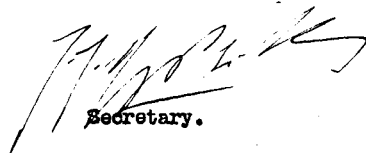
Brig.-Gen. Macnaghten thanks Mr. Franklin for his remarks, and says that as the oldest member of Council present he would like to state that in the whole of his Municipal experience he has never known a Committee which has worked harder or achieved more than the Staff Economy Committee has done. He offers them his heartiest congratulations.

The Chairman says that he fully endorses these remarks.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At the Special Meeting of Council held on Monday, April 12, 1937 at Noon,

there are:-

Present:

Messrs. H. E. Arnhold (Chairman)
 C. S. Franklin (Vice-Chairman)
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 Brig.-Gen. E. B. Maonaghten, C.M.G., D.S.O.
 Messrs. G. E. Mitchell
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. A. D. Calhoun.

The Minutes of the meeting held on April 7 are submitted.

f 5/18

The Chairman states that although under the Land Regulations, which of course cannot be altered by Standing Orders, the business which was transacted at the last Council meeting was legally completed, it has been the Council's practice, which is embodied in the Standing Orders, not to transact business unless nine members are present. The Chairman therefore asks members to authorise the Secretary to put on record the fact that confirmation of the Minutes of the meeting held on April 7 is to be taken as a ratification of all that was done at that meeting. Members unanimously agree, and the Minutes of the meeting held on April 7 are confirmed and signed by the Chairman.

B 4/5

Rate Increase - Postponement. The Chairman states that the present meeting has been called to discuss further the proposed increases in General Municipal Rate, Land Tax, and Special Rate. He says that it was to everyone's regret that the Council was compelled to adopt the increase without the support of the full Council. He now suggests that the Council should make it known that in order to give the fullest consideration to the views of the Chinese community it has been decided to accept an amendment to the Budget, whereby the increase in the Rate from 14% to 16% be postponed, to take effect on January 1, 1938. He adds that Chinese Members, realising the necessity of balancing the Budget, are prepared to support the proposal to increase Municipal Rate by 2%

April 12, 1937²⁴⁹

on that date. Should the Council accept this suggestion, he proposes that arrangements be made for an amendment to the Budget to be proposed from the floor of the House, and he suggests that Mr. W. S. King, one of the incoming Councillors, be asked to move the amendment. He remarks that it will also be stated at the time that should Municipal Revenue have increased sufficiently during the year to make the increase in Rate unnecessary, the new Council will review the position before the increase is put into force.

Members unanimously agree with the Chairman's proposal and it is

RESOLVED that Mr. W. S. King be asked to move an amendment to the Budget at the Ratepayers' Meeting, that the increase in General Municipal Rate from 14% to 16% be postponed until January 1, 1938, and that should Municipal Revenue have increased sufficiently during the year to make the increase in Rate unnecessary the position should be reviewed by the Council before the increase is put into force.

The meeting terminates at 12.10 p.m.

L. D. Franklin

Chairman.

J. W. B. W. S.

Secretary.

At the meeting of the Council held on Thursday, April 15, 1937, at 12 noon
there are:-

Present:

Messrs. C. S. Franklin
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. MacDonald
 F. N. Matthews
 W. H. Plant
 H. Porter, C.M.G.
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Secretary General, and
 The Secretary.

The Secretary states that the business before the meeting is the selection of a Chairman and a Vice-Chairman who shall, under Land Regulation XXI, hold office for one year.

F 5/14 Election of Chairman. Upon the proposal of Mr. Yu Ya Ching, seconded by Mr. V. St. J. Killery, Mr. C. S. Franklin is unanimously elected Chairman.

In expressing his appreciation of the honour conferred on him, Mr. Franklin says that with the co-operation of all Members he hopes it will be possible to make the forthcoming Municipal year a useful and successful one.

F 5/14 Election of Vice-Chairman. Upon the proposal of Mr. E. Y. B. Kiang, seconded by Mr. Yamamoto, Mr. H. Porter is unanimously elected Vice-Chairman.
The meeting terminates at 12.10 p.m.

C. S. Franklin

Chairman.

J. J. B. King

Secretary.

At the meeting of Council held on Wednesday, April 21, 1937, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)
 H. Porter, C.M.G. (Vice-Chairman)
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. MacDonald
 F. N. Matthews
 W. H. Plant
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Treasurer & Controller
 The Secretary General, and
 The Secretary.

The Minutes of the Special Meeting held on April 12 are confirmed and signed by the Chairman.

The Minutes of the meeting held on April 15 are confirmed and signed by the Chairman.

G 4/17 Shanghai Waterworks Company - Board of Directors. The Chairman proposes that Messrs. S. L. Hsu and H. Porter, C.M.G., be re-nominated by the Council to serve on the Board of Directors of the Waterworks Company. Members agree, and it is unanimously

RESOLVED that Messrs. S. L. Hsu and H. Porter, C.M.G. be re-nominated as the Council's representatives on the Board of Directors of the Shanghai Waterworks Company.

F 7/6 Outside Roads. The Chairman states that as the terms of the tentative agreement between the Council and the City Government of Greater Shanghai on this subject have only been circulated to members a day or two before the present meeting, and as the matter is a most important one, he considers that it is desirable to postpone discussion of the matter until the next meeting of Council, when members will have had more time to consider it. He also feels that before a decision is taken an opportunity should be given for expressions of opinion by the Heads of Departments concerned, particularly since he understands that the Treasurer & Controller has expressed his disagreement with the initialled agreement. Members unanimously agree that discussion of the Outside Roads question be deferred until the next meeting.

April 21, 1937.

M 4/9

Coronation Celebrations. The Secretary states that a report has been submitted by the Commissioner of Public Works stating that the Commissioner has been appointed Chairman of a Committee to organize an entertainment for British children on May 12 next, in connection with the Coronation of H. M. King George VI, and requesting that the portion of Kiaochow Park east of the Children's Playground may be used for this purpose from 12 noon on May 12, or in the event of inclement weather on that date, at a similar time on May 13.

Members approve of this request, and it is unanimously

RESOLVED that the Commissioner of Public Works be informed that the Council is willing to allow the portion of Kiaochow Park east of the Children's Playground to be placed at the disposal of his Committee for an entertainment for British children as from 12 noon on May 12, or in the event of inclement weather on that date, at the same time on the following day.

F 5/18

Date of Next Meeting. The Chairman notes that the next meeting of the Council would normally fall on Wednesday, May 5. This, however, is also the date of the chief Race Day in the Spring Meeting, and he therefore proposes that the Council meeting be held the following day. Members agree, and it is unanimously

RESOLVED that the next meeting of the Council be held on Thursday, May 6 at 4.30 p.m.

The meeting terminates at 4.40 p.m.

C. S. Franklin

Chairman.

[Handwritten Signature]

Secretary.

At the Special Meeting of the Council held on Wednesday, April 28, 1937,

at 4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)
 H. Porter, C.M.C. (Vice-Chairman)
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. MacDonald
 F. N. Matthews
 W. H. Plant
 T. Urabe
 Yu Ya Ching

The Deputy Commissioner of Police
 The Commissioner of Public Works
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. Yamamoto.

L 23/1

Squatters' Huts. The Chairman states that the present meeting is a special one, convened to deal with the situation which has arisen as a result of a resolution by the late Council that 500 squatters' huts should be demolished on May 1. He reminds Members that demolition of the hut settlement was first recommended in 1925, but that in spite of attempts to carry this out the number of huts has increased since that date from about 1000 to its present total of 5094. The demolition of 500 huts now impending is the first step in a comprehensive scheme for dealing with the matter, as recommended by the Works Committee in October 8, 1936 and subsequently endorsed by the Council.

The Chairman observes, however, that such strenuous objections have now been raised by the hut dwellers to the proposed action, that on the suggestion of one of the Chinese Members the present meeting has been called to investigate the matter more fully. He asks the Secretary General to explain the position to members.

The Secretary General says that for the last few days he has been somewhat uneasy regarding the situation, in view of the possibility of an incident. Demolition of the huts, if carried out without further parley will be forcibly resisted. Once the Police start to use force, they will need to carry it through to the end, no matter at what cost.

- April 23, 1937.

Since there are over six thousand squatters, highly organised for men of that class, and armed with iron bars and similar weapons, there is considerable risk that forcible Police action might involve loss of life which might result in a repetition along similar lines of the incident of May 30, 1925. He considers that the present situation is similar in some respects to that existing twelve years ago.

On these grounds the Secretary General feels that the possible repercussions are altogether disproportionate in their seriousness to the comparatively minor problem of Squatters' Huts. He therefore called a meeting of heads of the interested Departments, at which the Chinese Assistant Secretary was present, and it was the unanimous recommendation at that meeting that the effect of a small ex-gratia payment to evicted inhabitants of each of the 500 huts scheduled for demolition should be ascertained, before resorting to force. With this view he is in complete agreement, as he considers the expenditure involved would be small in comparison with the issues at stake, and since he is assured that this gesture would not be interpreted as a sign of weakness on the part of the Council. The sum recommended by Heads of Departments for payment in respect of each hut demolished is \$10 as a basis for negotiations, with \$15 as a maximum offer. He asks members to authorise him to open negotiations along these lines.

Mr. Kiang says he is in agreement with the Secretary General's remarks, but that he would prefer that the maximum offer were not limited to \$15. He thinks that it would be most undesirable to risk loss of life over one or two dollars per hut, and that the figure might well be raised to \$20.

The Treasurer & Controller replies that the first maximum mentioned at the Heads of Departments' meeting was \$10, which was only later increased to \$15. He considers that as a maximum this sum is reasonable and should be adhered to. Mr. King agrees, saying that whatever is offered, more will inevitably be asked.

The Chairman thereupon proposes that the Chinese Assistant Secretary be empowered to make an offer of \$10 in respect of the demolition of each hut as a compassionate grant, with authority to increase the offer, if necessary, to a maximum of \$15.

Mr. Yulin Hsi asks that the maximum should be increased, since only 500 huts are involved. The Chairman replies that it is important to bear in mind that action regarding the 500 huts at present under review is only the first step towards complete demolition of the Hut Settlements. Any compensation given now will be treated as a precedent.

The Secretary thereupon states that at the conference of Heads of Departments it was also suggested that other hut dwellers (apart from the occupants of the 500 huts to be demolished forthwith) be informed that any of them can also qualify for a compassionate grant of equal amount

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if they voluntarily demolish their huts forthwith, but that this offer will not hold indefinitely. Members agree that all hut dwellers be allowed to participate in any scheme which is decided on.

In answer to a question by Mr. Matthews, the Commissioner of Public Works states that the building of further new huts has been completely frustrated by his Department, since in each case it has been found possible to discover the existence of unauthorised structures within 48 hours of erection and to compel them to be taken down. In connection with a query by Mr. Porter he gives details of the scheme by which huts are chosen for demolition and gives reasons for the methods employed.

Mr. Killery asks whether any form of co-operation exists between the Council, the City Government and the French Administration to prevent rebuilding of huts. The Secretary General says that he believes not, and that the Council has no power or desire to interfere with hut settlements in other areas. The Commissioner of Public Works adds that he believes there are between 20,000 and 30,000 squatters' huts in the City Government area, but comparatively few in the French Concession.

Mr. Matthews remarks that if \$15 or \$20 compensation is offered for the first 500 huts, quite probably \$20 or \$25 will be asked for the next batch. Each successive increase will entail demands for more, and he therefore suggests that the figures quoted in the Heads of Departments' recommendation be adhered to. The Chairman supports this view, and the Secretary General also speaks in favour of it.

The Secretary says that he assumes reasonable discretion will be allowed to the staff as to the actual day by which the huts have to be removed. Members agree that such discretion be given.

Mr. Kiang again speaks in favour of a \$20 maximum offer, but the Treasurer & Controller points out that any money which may be paid is not a question of compensation to the hut owners, who are merely squatters who have erected buildings without right or permission, but that it is intended as an ex gratia payment, on humane grounds, to hut dwellers who have been evicted.

The Commissioner of Public Works observes that it is most important that the Council shall decide on a definite amount for its maximum offer. If this is not done, there is a certainty of unrest and trouble.

Mr. Matthews asks whether any negotiations entered into by the Chinese Assistant Secretary and the Commissioner of Public Works will be with individual owners or with representatives of the hut dwellers. The Chairman says that this may well be left to their discretion; Mr. Matthews agrees, but points out that it must be understood that all hut dwellers

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will get the same grant, whatever the amount may be. There must be no difference between separate bargains.

The Chairman endorses this, saying that the whole group of hut dwellers concerned must either accept or refuse the offer en bloc. It would be useless, he explains to have half the occupants agreeing to demolition and the other half prepared to resist it by force.

Mr. Yulin Hsi says he hopes that if no agreement is reached as regards the amount of compensation, the matter will be brought up for reconsideration by the Council before forcible measures are taken. The Chairman says that he fears this is impossible.

Mr. Yulin Hsi adds that he disapproves of the use of force in any case in this connection, as it is very likely to cost the lives of hut dwellers.

Mr. Kiang agrees with the Chairman that a final decision must be taken and that this must be made clear to the hut dwellers.

The Chairman, on behalf of members, expresses the Council's appreciation of the work already done by the Chinese Assistant Secretary in dealing with petitions and deputations from hut dwellers. He hopes that his further negotiations will be successful.

It is thereupon

RESOLVED

- (a) that the Chinese Assistant Secretary and the Commissioner of Public Works be authorised to negotiate with the occupants of the 500 huts scheduled for demolition on May 1, offering on behalf of the Council, provided all agree to peaceful demolition, the payment of a compassionate grant not exceeding \$15 per hut to hut dwellers who will themselves peaceably demolish their own huts, such demolition to take place immediately.
- (b) that notice be given that any other hut dwellers who wish to participate in the scheme may qualify for issue of a grant of equal amount in consideration of immediate voluntary demolition, but that this offer will not hold indefinitely.

The meeting terminates at 5 p.m.

C. S. Franklin

Chairman.

J. T. M. K. 7

Secretary.

At the meeting of the Council held on Thursday, May 6, 1937, at 4.30 p.m.

there are:-

Present:

Messrs. C. S. Franklin (Chairman)
 H. Porter, C.M.G. (Vice-Chairman)
 W. Gockson
 Yulin Hsi
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. Macdonald
 F. M. Matthews
 W. H. Plant
 T. Urabe
 T. Yamamoto
 Yu Ya Ching

The Commissioner of Public Works

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. J. C. H. Wu.

Absent:

Mr. C. L. Hsu.

The Minutes of the meeting held on April 21 are confirmed and signed by the Chairman.

The Minutes of the Special meeting held on April 23 are confirmed and signed by the Chairman.

L 23/1

Squatters' Huts. Arising out of the Minutes on this subject, the Chairman asks the Commissioner of Public Works to inform Members what progress has been made to date.

The Commissioner of Public Works states that up to 4 p.m. on the day of the present meeting 166 of the huts scheduled for demolition have been completely removed, and that a further 140 are half demolished. Considering that notices to demolish have only been in the hands of occupants for two days, he considers that this total of 306 huts wholly or partially removed is very satisfactory. Members agree.

The Minutes of the meeting of the Watch Committee held on April 29 are submitted and confirmed.

The Minutes of the meeting of the Orchestra & Band Committee held on April 27 are submitted and confirmed.

Re-engagement of Conductor, Deputy Conductor and Bandmaster. Arising out of the Minutes on this subject, Mr. Killery asks if it is intended that the Conductor, Deputy Conductor and Bandmaster are still to be under

H 3/641
 H 3/673
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yearly agreements and subject to termination of their contracts at the end of any municipal year. The Chairman says that this is the case. Members agree.

The Minutes of the meeting of the Education Board held on April 30 are submitted and confirmed.

L 12/6

Passenger Landing Accommodation on the Bund. The Chairman reminds members that at its meeting on March 24 the Council adopted the recommendation of the Works Committee that having regard to financial and other considerations, no appropriation should be made this year in respect of the cost of constructing a Building on the Bund for Passenger Landing Accommodation and/or baggage examination.

He notes that protests against the postponement of the project have subsequently been received from the General Chamber of Commerce and endorsed by the German, Swedish, Danish, Norwegian, American, Polish and Italian Chambers of Commerce.

The Chairman points out that decisions taken by the Council during the previous six months cannot be referred back to Committee for reconsideration without the instructions of the Council. He states that he personally strongly favours reference back, since he considers the present passenger landing accommodation to be a disgrace to Shanghai, and that he went on record at the previous meeting as being opposed to postponement of the project.

In reply to a question by Mr. MacDonald, the Commissioner of Public Works states that the estimated cost of his predecessor's scheme was \$400,000 whereas the scheme he has submitted, consisting of a waiting room only, would not cost more than \$200,000.

Mr. Killery says he agrees with the Chairman regarding the present inadequacy of passenger landing accommodation, but asks whether anything further has yet been heard of alternative proposals by the Customs Authorities. The Chairman says there has been no new development.

In reply to a question by Mr. King, the Chairman states that it is usual for Municipal Authorities in most of the great ports of the world to provide passenger landing accommodation. The Secretary General supports this. Mr. Killery asks if there is any provision in the present Budget for the cost of the work.

The Treasurer & Controller replies that the answer is in the negative.

Mr. Gockson, Mr. Porter and Mr. Kiang all speak in favour of referring the matter back to the Works Committee.

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Mr. Yamamoto asks whether it would not be possible to arrange that proper facilities were erected by the Customs Authorities themselves. The Chairman replies that he thinks there was once probability that the Customs Authorities would agree to the erection of a building at their own expense, over which, however, they would exercise complete control and jurisdiction. The Council did not however agree to this.

It is thereupon unanimously

RESOLVED that in view of various protests which have been received against postponement of a scheme for ensuring passenger landing accommodation on the Bund, (as resolved by the Council at its meeting on March 24), the matter be referred back to the Works Committee for further consideration.

A 23/4

Special Education Committee Report. The Chairman says that the report of the Special Education Committee, which has just been completed, is now submitted for preliminary consideration only. He thinks before any further action is taken on it, the Education Board should have an opportunity of discussing the report and giving their views. Mr. Porter supports this proposal, and it is unanimously

RESOLVED that the report of the Special Education Committee be referred to the Education Board for consideration before a decision on the adoption or otherwise of the proposals contained therein is taken by the Council.

F 7/6

Outside Roads. The Chairman states that proposals on this matter have been submitted by the Japanese Consul-General to the Secretary General, who has passed them for comment to Mr. O. K. Yui. As details of these proposals have not been made public, he feels that further discussion of the matter might embarrass negotiations, and he therefore proposes that consideration of the subject be deferred.

Members agree, and the Secretary General explains to them the substance and effect of the proposals made by the Japanese Consul General. The meeting terminates at 5.20 p.m.

C. S. Franklin

Chairman.

[Handwritten Signature]
Secretary.

At the Meeting of the Council held on Wednesday, May 19, 1937, at 4.30 p.m.,
there are:-

Present:

Messrs. C.S. Franklin (Chairman)

W. Gockson

Yulin Hsi

E.Y.B. Kiang

V. St. J. Killery

W.S. King

R.G. MacDonald

F.N. Matthews

W.H. Plant

T. Urabe

T. Yamamoto

Yu Ya Ching

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. John C.H. Wu.

Absent:

S.L. Hsu

H. Porter, C.M.G.

The Minutes of the Meeting held on May 6 are confirmed and signed by the
 Chairman.

K 12/3 The Minutes of the Works Committee Meeting held on May 7 are submitted.

Housing Committee's Report. Arising out of the Minutes on this subject, Mr. Matthews states that though the recommendations were carried nem. con., subsequent to the meeting he has been informed, as Chairman of the Works Committee, that Chinese members of Council and the Chinese community in general are somewhat disturbed by the possible results of adoption without further investigation of the Housing Committee's report. They fear the effect in practice may be to render many poor people homeless and to turn them on the streets.

The Chairman says that Mr. S.L. Hsu has called on him, and expressed similar opinions. He therefore recommends that no immediate action be taken on the adoption of the Housing Committee's report; but that a small sub-committee of the Council itself be formed to investigate the practical effects of the recommendations therein, and to study how they can best be carried out with the minimum of hardship to the Chinese

May 19, 1937.

community. He would suggest that Mr. King, Mr. Kiang and Mr. Yulin Hsi be asked to make up this sub-committee, and that the whole matter of the Housing Committee's report, and possible repercussions therefrom, be referred to them for study and subsequent report to the Council. Mr. Matthews speaks in support of this and Members generally express agreement.

After a short discussion, Mr. King, Mr. Kiang and Mr. Yulin Hsi agree to constitute the Sub-Committee; the opinion is expressed that the sub-committee should be able to complete its work reasonably quickly, so that a decision by the Council need not be long deferred; and it is unanimously

RESOLVED that no immediate action be taken on the adoption of the Housing Committee's report, or the recommendations thereon by the Works Committee at its meeting of May 7; but that a sub-committee be formed, consisting of Mr. King, Mr. Kiang and Mr. Yulin Hsi, to study the Report of the Housing Committee and consider how the recommendations contained therein can best be given practical effect, and in due course to report its findings to the Council.

The Commissioner of Public Works withdraws.

B 6/3

Mrs. W.E. Schneider v. Shanghai Municipal Council. The Chairman refers to a letter which is submitted from the Acting Consul-General for Germany regarding the judgment given in the Court of Consuls against the Council on behalf of Mrs. W.E. Schneider in the sum of \$9,400. The Acting Consul-General contends that this sum is inadequate compensation for the injury suffered, and asks whether the Council would be prepared to pay an additional \$15,000 to Mrs. Schneider as^a compassionate grant.

The Secretary General's comment is that if the Council were to make a voluntary compassionate grant to Mrs. Schneider of \$15,000 in excess of the amount awarded by the Court of Consuls, it is highly probable that the Court of Consuls would resent it; such action on the part of the Council, could, he thinks, hardly be construed in any other light than as a gratuitous expression of a lack of confidence in the Court of Consuls, a deliberate repudiation of its considered judgment, and a serious affront to its dignity and prestige.

Moreover, the Secretary General points out that the legal right of the Council to pay out of public funds a much greater sum than that awarded by the Court of Consuls is a point which cannot well be disregarded.

He adds that it would also create a precedent which would undermine the whole position of the Court of Consuls.

In a report also submitted the Treasurer & Controller concurs with the views expressed by the Secretary General, also observing that it is necessary for the published accounts of the Council accurately

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to reflect its financial transactions, and that it would therefore be impracticable to maintain the element of secrecy indicated in the Acting Consul-General's letter.

The Chairman remarks that he thinks there can only be one answer to this question. The application for a compassionate grant cannot be entertained. Mr. Kiang speaks in support of this and members generally agree.

It is thereupon unanimously

RESOLVED that the Acting Consul-General for Germany be informed that his application for a compassionate grant to Mrs. W.E. Schneider by the Council cannot be entertained.

F 7/6

Outside Roads.- The Chairman refers to a statement by Mr. O.K. Yui on this subject, which Mr. Yui has authorized the Secretary General to submit to members, and which has already appeared in the Chinese press. Mr. Yui states that the memorandum submitted unofficially to the City Government by the Japanese authorities is being considered, but that since the Council is the party for the City Government to deal with, he considers that the Japanese opinion can only serve as a reference.

He adds that the Shanghai City Government will not alter its policy of preserving the sovereign rights of China, and though it is willing to accept any reasonable suggestion from other authorities, it would prefer to delay the solution of the Outside Roads question indefinitely, rather than risk any derogation from these sovereign rights.

The Chairman notes Mr. Yui's remark that the Japanese memorandum is being considered by the City Government, and says that in view of this, the Council can take no further action at the moment. He very much hopes some definite progress can be reported at the next meeting.

The Secretary General says, however, that Mr. Yui's statement that the Japanese memorandum is being considered must be looked at in the light of previous negotiations. Two similar proposals by the Japanese have previously been specifically rejected and the present suggestion is in essence almost identical with these. Mr. Yui has told the Secretary General verbally that he be not prepared to discuss the memorandum, and the Secretary General believes that no answer will be given to the proposals for several months at least. Meanwhile he notes that the situation as regards non-payment of rates in Outside Road areas is steadily growing worse. He thinks the situation in brief is that the Chinese authorities feel that if their sovereign rights are clearly recognised they are willing to negotiate; but that if this is not officially expressed beyond all doubt, they do not wish to discuss the Outside Roads question at all.

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Mr. Killery says that Mr. O.K. Yui's statement appears to him to contain an unjustified implication, from which it might reasonably be inferred that the sovereign rights of China were being interfered with by the Council. As this statement has already appeared in the public press, he thinks some action should be taken to correct the misunderstanding. Mr. MacDonald supports this, and suggests that the point should be raised with Mr. Yui.

The Secretary General, however, remarks that he has only submitted Mr. Yui's memorandum to members as a matter of interest, and that it would be hardly fair to apply too strictly technical an interpretation to the phraseology. He would therefore deprecate a discussion on the question with Mr. Yui. Mr. Kiang suggests that further negotiations be left in the hands of the Secretary General and Mr. Yulin Hsi supports this. Mr. Gockson states that he personally favours the present agreement, but that if that is not the view of the majority he hopes that the Secretary General will negotiate further with Mr. O.K. Yui.

The Chairman remarks that he thinks no useful purpose would be served in the meanwhile by further discussion at the present time. Members agree.

The meeting terminates at 4.55 p.m.

C. S. Franklin

Chairman.

[Signature]
Secretary.

At the meeting of the Council held on Wednesday, June 2, 1937, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)
 H. Porter, C.M.G., (Vice-Chairman)
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. MacDonald
 F. N. Matthews
 W. H. Plant
 T. Urabe
 Yu Ya Ching

The Treasurer & Controller
 The Secretary General
 The Secretary, and
 Dr. J. C. H. Wu.

Absent:

Mr. T. Yamamoto.

The Minutes of the meeting held on May 19 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on May 21 are submitted.

123/1

Proposed additional Chinese Primary School. Arising out of these Minutes, the Treasurer & Controller states that the establishment of an additional Chinese Primary School has already been approved in principle, subject to funds being available. The present recommendation commits the Council to the erection of a school on a particular site, in regard to which the consensus of departmental opinion is unfavourable. He suggests that the Board's recommendation be amended, to provide only that this site should be considered, among others, when it is found that the financial situation will allow of work on a new school being started. Mr. Porter agrees with this proposal.

The Chairman says that in view of the request which he understands will probably be made by the Board in the near future for a Sub-Committee to be formed on policy regarding Chinese Schools, he thinks that the present question can well be left in abeyance, so far as a definite site is concerned. He suggests that recommendation (a) be approved with the exception of the last line, which mentions the Singapore Road property by name; and that recommendation (b) might well be deleted.

The Treasurer & Controller states that this is in substance what he wished to suggest. Members agree, Mr. MacDonald remarking that it might be as well to add the words "when funds are available", and it is unanimously

RESOLVED that the recommendation of the Education Board at its meeting held on May 21, be amended to read as follows:-

"That the Council approve in principle the suggestion made by Chinese members of the Education Board in a memorandum dated April 24, 1937, that an additional Primary School for Chinese be established when funds are available."

Subject to this amendment and to the foregoing discussion, the Minutes of the Education Board are confirmed.

The Minutes of the meeting of the Staff Committee held on May 24 are submitted and confirmed.

The Minutes of the meeting of the Health Committee held on May 25 are submitted.

1 9/3

Hawkers and Municipal Markets. Arising out of the Minutes on this point, Mr. Matthews says he feels that the 300 yard radius mentioned may possibly be considered excessive. He thinks 200 yards would be enough, and he would also favour deletion of specific reference to the discretionary powers of the Commissioner of Public Health. In reply to the Secretary, who explains that he understands that the object of the discretionary clause is to make allowance for differing conditions obtaining near the various markets, Mr. Matthews says that he considers its inclusion is an unnecessary burden on the Commissioner of Public Health, in view of the constant ill-informed charges against the Council of unfair discrimination.

Mr. Killery notes that the recommendation only mentions "about" 300 yards, and Mr. Plant suggests that it might be a suitable emendation to specify "up to a maximum of 300 yards."

In reply to Mr. Kiang, the Secretary states that the cost of a hawker's licence is \$2 per month.

The Chairman considers that in order to avoid disputes it is important for both the area concerned and the extent (if any) of the discretion to be exercised by the Commissioner of Public Health to be clearly set out. Mr. Kiang supports this. Mr. Yulin Hsi proposes that the area be 200 yards in all cases, and that no discretion be given to the Commissioner of Public Health.

On the suggestion of the Chairman it is unanimously

RESOLVED that the Health Committee's recommendation of May 25, regarding Hawkets and Municipal Markets, be referred back to the Committee for an amended form of wording, which shall set out clearly the exact size of the areas affected, and the extent of discretion which it is proposed that the Commissioner of Public Health shall exercise in the matter.

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Subject to this amendment and to the foregoing discussion, the Minutes of the Health Committee are confirmed.

The Minutes of the Public Utilities Committee held on May 26 are submitted and confirmed.

64/16

Shanghai Waterworks Company - Staff Provident Fund. In connection with the Minutes on this subject, Mr. Porter informs members that at a conference of the Board of Directors of the Waterworks Company held the day before the present meeting, the whole question of the Staff Provident Fund was discussed. He believes that at least a month will be needed for full investigation of this very complicated matter, but he would like it to be known that the question is being considered by the Company.

The meeting terminates at 5.5 p.m.

C. S. Franklin

Chairman.

[Handwritten Signature]
Secretary.

At the meeting of the Council held on Wednesday, June 13, 1937, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)
 H. Porter, C.M.C. (Vice-Chairman)
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. MacDonald
 F. H. Matthews
 W. H. Plant
 T. Urabe
 Yu Ya Ching

The Commissioner of Public Health
 The Commissioner of Public Works
 The Assistant Treasurer (Mr. E. P. Cliver)
 The Secretary General, and
 The Secretary.

Absent:

Messrs. H. Gockson
 T. Yamamoto.

The Minutes of the meeting held on June 2 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on June 4 are submitted and confirmed.

23/4

Report of Special Education Committee on Policy regarding Foreign Schools.

Arising out of the Minutes on this subject, the Chairman notes that one portion of the recommendation just endorsed provides for the appointment of another Committee which shall be concerned with future policy in Chinese Schools. He suggests that Mr. Yu Ya Ching, Mr. E. Y. B. Kiang and Mr. Yulin Hsi, three Chinese Members of Council, be asked to compose this Committee. Members agree, and it is unanimously

RESOLVED that a special Education Committee on policy in regard to Chinese Schools as recommended by the Education Board at its meeting of June 4, and approved at the present meeting of Council, be formed forthwith; that Mr. Yu Ya Ching, Mr. E. Y. B. Kiang and Mr. Yulin Hsi be invited to compose its membership; and that the function of such Committee shall be to consider and make recommendations with reference to the Council's future policy in regard to Chinese Schools.

The Minutes of the Watch Committee held on June 3 are submitted.

16/8

Riverside Power Station - Smoke Nuisance. Arising out of the Minutes on this subject, Mr. Patters says he thinks the recommendation as submitted carries insufficient force. He says that the Secretary has supplied him with the file of previous correspondence with the Power Company, and from this he recapitulates the history of the controversy from 1929 to the present date. In conclusion he observes that the trouble started in or before 1929, and that the Power Company stated then that the improvements contemplated would probably abate the nuisance; they have been continuing to say so ever since, but conditions ^{now} are worse than before, owing to the use of inferior coal with higher sulphur content. This state of things he considers to be intolerable, and he thinks the Council should perhaps take outside legal advice, and should bring an action even if it is lost. He remarks that if any person holds an incense stick near another's face this would be, presumably, a nuisance; but if this is aggravated to the nth degree, the Council's legal adviser states that this is not a nuisance under American Law. Mr. Matthews observes that as far back as June 1933, Dr. Jordan had no hesitation in saying that the present conditions were of such a nature that it would be difficult for persons who lived in the sulphurous atmosphere engendered by the Power Co. not to be affected sooner or later."

Mr. Matthews adds that in June 1933 the Power Co. stated they "will build a high stack to see if it will remedy the problem." In March 1936 apparently they still had decided to build a high chimney; and at the present date, in June 1937, they still apparently have decided to build a high chimney, but not at House G where the trouble is. If the high chimney they have decided to build for so many years, but have not apparently yet started, proves a success, then and not till then, will they build a high chimney at House G.

He considers the Power Company are swamping the Council with technicalities; they are full of sympathy, of hopes and of promises, but the result so far is precisely nil.

He understands that a mixture of one fourth hard coal would improve matters; and he is also informed that in Japan, in towns of over a certain population, the use of anthracite coal in factories is compulsory. Consequently he feels the Power Company should use entirely or practically non-sulphurous coal until the one or two projected smoke stacks have proved their efficiency, and he considers the Committee's recommendation, in view of past history, to be not nearly strong enough. He therefore suggests that the recommendation be referred back to the Watch Committee for amendment.

The Chairman says he believes the Power Company have made genuine efforts since 1929 to improve conditions. At first they experimented with

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the high stack method; when their investigations seemed to show that washing plant would be more efficacious; and it was only as recently as November 1935 that this was found to be unworkable, and a return was made to the original idea of a high stack.

In answer to questions the Commissioner of Public Works states that the height of the proposed stack must depend on the height of the buildings beneath; these buildings are not yet constructed, nor is their height definitely ascertained. The new stack will at first take over the greater part of the smoke output from No. 3 Boiler House, but later on it will gradually be more and more fully occupied with other work. The two other remedies he can visualise are either the use of better coal, or the employment of alkali washing plant for the present type of fuel. Either would almost certainly remove the nuisance, but the Company states that both are too expensive to be practicable. For the alkali washing plant an installation figure of four million dollars is quoted, with maintenance costs at one million dollars a year.

Mr. Killery explains his Firm's interest in the matter, and asks if the Commissioner agrees with him in the opinion that the above estimates of cost are unduly high. The Commissioner of Public Works replies that these estimates contemplate the use of only a limited supply of water, which would have to be purified periodically and used over again. In Shanghai he thinks the Shanghai River provides ample water for the "effluent system", which would be much cheaper.

The Chairman asks if he is correct in stating that the Commissioner of Public Works expressed the opinion in Committee that a high stack was the best way of solving the problem. The Commissioner of Public Works replies that a few years ago this was undoubtedly the case, but that at the moment it is a moot point. The efficacy of smoke stacks naturally remains unaltered from year to year, but progressive inventions in connection with washing plants in recent times have made a marked improvement in their capability, and in a year or two this method may not only catch up with the other, but surpass it.

The Chairman says he also understands Mr. Urabe stated some time ago that it was impossible to get non-sulphurous coal locally. Mr. Urabe remarks that this is still the case, since importation from Japan and Manchuria has been prohibited.

The Commissioner of Public Works notes that No. 3 is the only "stoker-fired" Boiler House, and Mr. Plant thereupon asks whether the style of firing could not be changed. The Commissioner replies that as the Boiler House is over 15 years old, the Company would probably prefer to demolish it completely and erect a new one. While the stack is in process of erection he feels the Company should be pressed to use better coal.

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The Chairman says he strongly deprecates the institution of a legal action against the Company. If, as seems probable, the Council were not successful in such an action, the result might be for the company to abandon its present co-operative attitude and to make no attempt to do anything further in the matter. He suggests that the Commissioner of Public Works be asked to obtain information as to means by which better coal can be obtained locally, and how much it will cost. The Power Company could also be asked for the same information independently, for purposes of comparison.

Mr. Matthews says that in view of the Chairman's remarks he would like to withdraw his suggestion regarding legal action, but he thinks that a recommendation "noting with favour" a proposal to do work which was promised two years ago, is somewhat unnecessary.

The Chairman proposes that the recommendation shall stand as worded, and that when Mr. Killery has obtained further information from England as to the cost of adequate washing plant, the matter be reconsidered by the Watch Committee. In reply to a question by Mr. Matthews, the Commissioner of Public Works states that the materials for the proposed new stack have already been ordered, but not yet delivered.

Members thereupon agree that Mr. Killery be asked to obtain from England the cost of adequate washing plant, and that the Commissioner of Public Works and the Power Company be requested independently to supply details of the cost locally of better quality coal; and that when these data are received, the matter be again referred to the Watch Committee. In the meantime the Committee's recommendation as submitted is endorsed.

Subject to the above discussion the Minutes of the Watch Committee are confirmed.

The Commissioner of Public Works withdraws.

19/3

Hawkers and Municipal Markets. The Chairman explains that following a discussion at the last Council meeting of the Health Committee's recommendation on this matter, an amended resolution was circulated to members for approval. This provides "that all hawkers operating stalls within a radius of about 500 yards of municipal markets shall, unless the Commissioner of Public Health otherwise determines, be required to purchase foodstall licences....etc." This resolution, he notes, received the unanimous approval of the Health Committee. A Member of Council, however, remains of the opinion that no discretion should be given to any one in this matter, and the question is therefore again raised for consideration in meeting.

The Chairman understands that the purpose of granting discretionary powers is to provide for possible cases of individual hardship, particularly where privileges have been enjoyed since before the markets were established. He asks whether there is any precedent for the authorisation of such powers of discretion to Heads of Departments, and the Secretary says that it is difficult offhand to cite an exactly parallel case.

The Commissioner of Public Health remarks that he has no personal wish to be given discretion in the case under review, and in fact a set rule without exceptions will be much less trouble for his department to administer. It may however lead to occasional individual hardships which could otherwise be avoided.

Mr. King says he cannot see why there should be any objection to the exercise of reasonable discretion. The definition of "about" 300 yards would appear to accept that principle.

Mr. Matthews feels that such a rule as the one now proposed should be subject to no exceptions, and that any other attitude is merely inviting trouble. He does not however wish to press the point against a majority opinion.

A vote is then taken and (with Mr. Matthews abstaining) it is agreed nem: con: that the resolution as circularised shall stand. It is thereupon

RESOLVED that all hawkers operating stalls within a radius of about 300 yards of municipal markets shall, unless the Commissioner of Public Health otherwise determines, be required to purchase food-stall licences in lieu of hawkers' licences at a fee of from 15 to 30 a quarter in order to obviate unfair competition with markets.

110/4

Anti-Opium Measure - Despatch from City Government. The Chairman refers to a Despatch submitted from the City Government of Greater Shanghai, making the three following proposals regarding anti-opium measures:-

- (1) that the City Government should establish in the Settlement a special office for the registration of opium addicts and issuance of permits.
- (2) that addicts should be allowed to purchase opium on production of permits.
- (3) that smuggling should be strictly prohibited.

The Despatch, which is signed by the Acting Mayor, states that a six year plan of which these measures would form part has already been approved by the Anti-Opium Advisory Board of the League of Nations.

In comment on the proposals, the Chairman says his personal opinion is that while the six-year plan, if it is in fact approved by the League of Nations, should be accepted in principle, further investigations should precede agreement in detail. He would like, for instance, to be fully satisfied that the office, if approved, would in fact be a Government office, and not the perquisite of a private individual; also whether the permits mentioned would sanction the purchase of opium inside the Settlement as well as outside. He considers the former possibility to be most undesirable.

The Secretary General explains that at a meeting he had with Mr. O. K. Yui recently, at which a number of Chinese officials and others were present, his views were asked on anti-opium measures, and in reply he

suggested that some concrete proposal should be made. This resulted in the despatch now under consideration. The French Consul-General was also approached, and later conferred with him on the subject. It was then agreed that the two Authorities ought to act in conformity in any action that might be taken.

Mr. O. K. Yui requested that before taking official action the Secretary General should let him know his personal views as to the proposals. The Secretary General expressed the opinion to him that there would be formidable opposition to the establishment in the Settlement of an office for the registration of opium sellers and the licensing of opium smokers.

The Secretary General points out to members that to permit City Government offices to be operated in the Settlement for purposes which might conflict with Municipal functions is in direct contradiction to a precedent and principle which it has always been considered most important to maintain.

He adds that he attended a meeting of the Consular Body at a later date and explained the situation to them. He gained the impression from the discussion that the Treaty Consuls would not approve of the establishment of an office of the City Government in the Settlement for the sale of opium, but would not oppose assisting the City Government to some extent in the registration of opium smokers, in order to avoid political capital being made out of a charge that the opium suppression scheme was being defeated by a refusal of the Settlement authorities to render any assistance in the matter.

He also mentions that at the meeting referred to above, one of the persons present was formerly the head of the so-called "opium ring" which existed for many years in the French Concession. The Secretary General has good reason to believe that there is a number of opium merchants in the Settlement who are scheming to take advantage of any measures which might be adopted therein for the suppression of opium traffic, to further their own ends. There is also considerable doubt as to whether any effective control of the opium suppression scheme really exists, as various departments of the Chinese Government and also private Chinese organizations all appear to be actively interested in the matter.

Mr. O. K. Yui, after being advised of the Secretary General's personal opinion as to his proposals, suggested that no decision be taken regarding them until he had had time to consider the matter further, after which he might possibly be prepared to amend it. The subject was however already on the Agenda at this time, and is now brought up for members' information.

The Chairman informs members that the French Consul-General approached him also, and asked what the Council intended to do in the matter. On his reply that it had not yet been up for consideration, the

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Consul-General informed the Chairman that the French Authorities had considered a suggestion that offices for the voluntary registration of opium addicts might be established in both areas, and that duplicate documents of such registration might be forwarded to the Chinese Authorities outside the Settlement, who might then issue licences for the smoking of opium; these licences could thereupon be visaed by the respective authorities of the Settlement and the French Concession. In view of the Secretary-General's remarks the Chairman feels however that no action by the Council is required at the moment.

Mr. Porter notes that the first proposal "that the City Government should establish in the Settlement a special office....." would give an outside Authority considerable executive powers in the Settlement. He suggests that in any case, should the matter be reconsidered in future, the proposal should read "that a special office be established in the Settlement." The Chairman and members agree, Mr. Matthews expressing his strong disapproval of the City Government's present proposal.

Mr. Kiang considers that approval in principle should be given, no matter how guarded and general its terms.

The Secretary General remarks that to the best of his knowledge the City of Nanking itself does not possess a system of licensing such as that now proposed, so that the matter can well be deferred.

Mr. Yulin Hsi asks that enquiries be made as to how far the League of Nations has so far actually approved the suggestions made by the Chinese Government.

It is thereupon

RESOLVED that as requested by Mr. C. K. Yui, no action be taken at present on the Chinese Government proposals with regard to anti-opium measures in the Settlement.

5/5

Centenary Album. The Chairman informs members that an application has been received from the proprietor of Joseffo's Photo Studio for permission to publish an illustrated "Album of Shanghai" to celebrate the Council's Centenary in 1942. The applicant wishes to display the Council's history in the form of photographs, showing all the members from the Council's inception up to the present time, as well as municipal buildings and the development of the town, as far as it is controlled by the Council. He undertakes to bear all expenses in connection with the undertaking, and requests permission from the Council before he incurs any outlay on it.

The Secretary has pointed out that this project would probably involve some assistance in the form of access to the Council's photographs and archives. The Council might possibly itself wish to publish some form of centenary album. If, on the other hand, it is thought better that any such thing should be left to private enterprise, he feels that Members may

wish to consider whether they are prepared to give any necessary facilities either to the first applicant only, or to any person who applies. Personally he would favour the applicant being told that the Council will assist so far as giving access to the archives is concerned, but that similar facilities will be afforded to other responsible persons who apply.

Mr. MacDonald observes that there is no guarantee that the firm in question will be either solvent or in existence in five years' time. There is accordingly a possibility that the time of the Secretariat in supplying facilities will be expended to no purpose. He thinks the application is premature.

Mr. Matthews supports this view, suggesting that it be repeated in 1940 or 1941, when the necessary facilities might very well be given. Mr. Yulin Hsi speaks to the same effect.

The Secretary states that the discussion has given him sufficient guidance to enable him to reply to the application.

4/7

Watch Committee Membership. The Chairman informs Members that Mr. T. Co, who has for some time been a very able Member of the Watch Committee, has found himself forced to tender his resignation, owing to his forthcoming departure from Shanghai. He suggests, and Members agree, that the Secretary be requested to write a letter of appreciation to Mr. Co, expressing the Council's gratitude for his valuable services. It is also suggested and on the nomination of the Chairman unanimously

RESOLVED that Mr. H. Satch, the Manager of the Shanghai Branch of the Mitsui Bank, be invited to serve as a Member of the Watch Committee, to fill the vacancy caused by the resignation of Mr. Co.

5/18

Annual Recess. The Chairman suggests that in conformity with the practice followed in previous years, the Council's Annual Recess shall commence on Thursday, July 29 and conclude on Tuesday, September 7. Members agree.

Mr. Matthews asks whether it is likely that the Outside Roads question will be settled during this period, and if so, or if any other important matter should need decision, what would be the practice.

The Secretary General replies that he has had a further talk with Mr. O. K. Yui, and that there is no prospect of an agreement until the Japanese memorandum is withdrawn or modified. He thinks a decision is unlikely to be required before the end of Recess. Regarding Mr. Matthews' second point the Secretary explains that there is nothing to prevent Council or Committee meetings being called during Recess in case of need. The main purpose of an official Recess is to define some set period during which a certain proportion of the Council's staff may be instructed to take their annual Short Leave and during which only emergency meetings are held.

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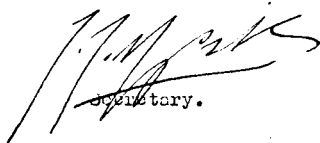
It is thereupon unanimously

RESOLVED that the period of the Council's Annual Recess for 1937 be from Thursday, July 29 to Tuesday, September 7, both dates inclusive.

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 30, 1937, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)
 H. Porter, C.M.G., (Vice-Chairman)
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. MacDonald
 F. N. Matthews
 W. H. Plant
 T. Urabe
 Yu Ya Ching

The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. Yamamoto.

The Minutes of the meeting held on June 16 are confirmed and signed by the
 Chairman.

The Minutes of the meeting of the Education Board held on June 18 are submitted
 and confirmed.

The Minutes of the Watch Committee held on June 23 are submitted.

3/3
 3/9

Licensing Policy. Arising out of the Minutes on this subject the Chairman
 says he has served on the Watch Committee during the past four years and he
 knows that during that time every appeal to the Committee against the refusal
 of a tavern or restaurant with liquor licence on sufficiency grounds has
 been successful. He considers it is a waste of the Committee's time, as
 well as that of the Police, for a licensing policy to remain in existence
 when it is overruled every time it is questioned.

Mr. Porter explains that the Watch Committee wished to retain
 the power of disallowing any very considerable increase in the number of
 licences which might arise at a particular time or place. As yet there
 has only been a total increase of four tavern licences in the Settlement
 during the past four years. If there were an increase of say, ten or
 twenty in a single year, the Committee would like to make use of its
 powers under the policy at present laid down. The reasons for previous
 appeals having been successful are, he thinks, twofold; firstly, the slow
 rate of total increase in tavern licences; and secondly, the fact that
 free competition tends to eliminate the less efficient establishments.

The Chairman says that even if a very large number of applications were received at the same time for the same district, it is his opinion that the Council should not refuse them; this of course is provided that the personal qualities of each applicant were satisfactory, and that he had enough money at least to start his establishment on a proper basis, with full knowledge of the competition with which he would have to contend. Moreover, he thinks it a mistaken policy for the Police to be invariably overruled on any matter. Either they should be given different instructions or the Council's policy should be altered.

Mr. Kiang says he fully endorses the Chairman's views. He also has been for some time a member of the Watch Committee, and he thinks the present position gives rise to much dissatisfaction.

Mr. Killery says that when the matter was being discussed by the Watch Committee it was realised that the position was somewhat illegal, but that it was thought best still to keep some sort of check on a possible sudden increase in tavern licenses.

Mr. MacDonald observes that in his view, apart from the question of moral character which should be left entirely to the Police, the question of sufficiency should be entirely a matter for the Watch Committee.

The Chairman suggests that with this understanding as a basis, the Police might be empowered to grant all satisfactory license applications, and that when any appeared to them to be undesirable owing to existing sufficiency, the applications could be referred direct to the Watch Committee for decision, without previous formal refusal by the Police. He asks the Secretary whether this is practicable, and the Secretary replies that as the constitution of the Watch Committee changes from year to year, he still feels that some general policy ought to be laid down and normally followed.

Mr. Kiang states that it is only fair to give the public some information as to the general grounds on which tavern licences will not be granted.

Mr. Kiang asks how "sufficiency" can be defined; the Chairman replies that none has been able to give an exact answer to this, that being the main reason why he suggests that the number of Taverns should be open to free competition. Mr. King says that in this case he wishes to support the Chairman's views, and Mr. Plant also speaks to the same effect, suggesting that the present policy should remain in existence as a safeguard which would not be used except in most unusual circumstances.

The Chairman then suggests that as a compromise the policy be based on "undesirable excess" rather than on "sufficiency"; he would, however have preferred a system of free competition.

Mr. Kiang considers that it is hard to distinguish in practice between the two terms, and proposes that free competition be permitted, subject to public notice when it is considered that areas are already sufficiently supplied with taverns. Mr. Yulin Hsi expresses his agreement with this.

The Secretary feels that the distinction suggested by the Chairman would be worth making, and might be of assistance to the Police. Mr. Killery thinks that the whole question can be solved by instructing the Police to apply the existing rules "with latitude", as the Watch Committee has recommended.

A vote is then taken on the matter, and by seven votes to six it is

RESOLVED that the Council's general licensing policy as set out in the Minutes of the Licensing Session of March 22, 1929 be amended, to permit of mere sufficiency of establishments no longer being a ground for refusal of a Liquor licence, the granting of licences to remain subject to satisfactory Police reports on the character and stability of applicants, and the Police to report in the event of there being any special circumstances attached to the application.

Subject to this amendment and to the foregoing discussion, the Minutes of the Watch Committee are approved.

The Minutes of the meeting of the Staff Committee held on June 25 are submitted.

Revised Conditions of Service - Memoranda from the Foreign Staff Association, the Chinese Staff Association and the Superintendent of Education. Arising out of the Minutes on this subject, Mr. Yulin Hsi refers with regret to the deferment for one year of increments to the Council's Chinese Staff. The Chairman points out that one half of the year in question is already over.

Mr. Kiang asks why reductions in the pay of foreign staff are stated as commencing only from July 1, 1937, whereas the new conditions apply to Chinese employees from the beginning of the year. The Chairman explains that this is because the Chinese staff have not had their salary reduced, but merely forfeited their annual increments for the year 1937, whereas Foreign employees are actually suffering a minimum reduction of 8% from their pay, effective from the earliest possible date consistent with the six months' notice provided in their Letters of Appointment.

Mr. Yulin Hsi enquires whether the loss of an increment can be more serious than an 8% cut, and the Chairman says that depends on whether the particular employee is subject to a yearly increment of more than 8%, which is certainly not usually the case. Moreover the deferred increments will be given under the new scales in 1938.

Mr. Porter asks whether the ordinary Civil Service standards should not be applied to applications by the Staff for Press publication of correspondence, saying that he should imagine any local Bank or large commercial undertaking would strongly object to its employees writing to the

1/2
6/22
19/1
H 11/6

Press on staff conditions; he thinks it would be considered an example of indiscipline.

The Chairman explains that it is important for the Council not to appear to be avoiding any reasonable criticism, and the Secretary suggests that in view of the fact that the Council is elected by the Ratepayers and has published the reasons for its decisions, the situation may be considered different from that obtaining in commercial firms.

The Minutes of the Staff Committee are thereupon approved.

The Minutes of the meeting of the Public Utilities Committee held on June 28 are submitted and confirmed.

G 2/16

Shanghai Telephone Company - Reincorporation under the Hongkong Companies' Ordinances. Arising out of the above Minutes on this subject, Mr. Porter, as Chairman of the Public Utilities Committee informs members that since the meeting in question he has discovered that the cost of reincorporation will be considerably lower - possibly by 50% - than the figure of \$100,000 to \$150,000 which was quoted. In addition the title deeds of the Telephone Company are registered at the British Consulate in the name of the Yangtze Insurance Company, and there will accordingly be no question of their transfer from American to British registration.

K 10/4

Anti-Opium Measures. In a report submitted, the Secretary General states that since the last meeting of the Council, Mr. O. K. Yui has modified his original proposal, and suggests an arrangement along the following lines:

1. That the City Government delegate to the Shanghai Municipal Council the authority to register and licence on its behalf opium addicts residing in the Settlement.
2. That the Council sets up its own office for that purpose, the staff of which shall include an agreed number of appointees of the City Government; the office to be under the complete control of the Council.
3. That the City Government's licences be supplied to this office for delivery to licensed smokers.
4. That the Council issue an official notice to the effect that smokers must register and secure a licence, and that persons found smoking without a licence will be prosecuted.
5. That the Council undertake the prosecution of such persons.
6. That fees will be charged for registration to cover expense of operating the office.

(Note: If the fees collected should not be sufficient the City Government would probably be willing to make up the deficiency.)

He adds that if an arrangement is concluded between the City Government and the Council, the City Government would be prepared to consider the question of contributing to or sharing the cost of maintaining opium offenders serving sentences of imprisonment at Ward Road Gaol.

In response to an invitation by the Chairman to make a further statement on the situation, the Secretary General says that there is a great difference between the real and the ostensible aims of the opium suppression scheme. He had at first assumed that licences for smoking opium were to be limited merely to sick and elderly people who might die

if they were suddenly deprived of the drug. He now finds that the Chinese Military Authorities have persuaded the Central Executive Committee to make the scheme in reality a means of obtaining revenue, through licence fees and the sale of opium.

He notes that the President of the High Court has given him valuable help with the legal aspect of the matter. The Secretary General has discovered that it is proposed to issue a licence to practically anyone who wishes to smoke opium, if he is willing to pay a fee and submit to any further regulations on which the City Government may decide.

The Secretary General feels that the whole plan as suggested does not bear the mark of sincerity. He comments on the Council's previous clean record in the matter of opium, and remarks that some years ago a confidential investigator in connection with the opium question was sent to China from Geneva by the League of Nations. When his work was complete, the investigator approached the Secretary General and told him that in his opinion the Shanghai International Settlement was the only clean place with regard to opium in the whole of China.

The Secretary General says that if the Council is to keep its present good reputation it ought not to consent to take any part in the issue of opium smoking licences, though there is no harm in its assisting the City Government with its plan for the registration of addicts. The Police have no objections to helping in this registration scheme; in fact, since a large proportion of opium smokers also have a criminal record, the photographs and finger prints of addicts which would be taken might be of use as supplementary to the police dossiers.

In regard to the question as to whether the League of Nations has actually approved the details of the "opium suppression" plan now submitted, the Secretary General says he has ascertained that no details of opium licences have been mentioned at Geneva. Only the scheme as a whole has been discussed, in the most general terms, and as such has received a general approval. He is sure that the International Commission is not aware of the true facts of the case.

The Chairman asks what the Secretary General recommends shall be the Council's resolution on the matter; the Secretary General replies that in his opinion the Council should do what it can to assist the City Government with the registration of opium addicts, but should not commit itself further, and very definitely should take no part in the licensing of opium smokers.

Mr. Kiang says that in his opinion licensing of addicts is an essential part of the scheme. He understands that no opium addict can ever have more than one renewal of his licence. After that he is sent, if necessary, either to Hospital or Gaol, and should he again relapse he is handed over to the military, and in some parts of the country the

death penalty is enforced.

The Secretary General states that he has recently visited two hospitals where very fine work is being done in curing opium addicts. He was impressed by the fact that the treatment did not include licensing of smokers. After treatment lasting for about 15 days to six weeks the average patient is discharged as cured. The Director of the Hospital told the Secretary General that though it was impossible to give any sort of close estimate, there might be 50,000 opium addicts or more in the Settlement.

Mr. Yulin Hsi remarks that owing to the small fees charged he thinks the licensing system cannot be regarded as primarily a revenue producing scheme. He also considers that some of the worst possible cases of opium poisoning exist at present in the International Settlement. The Secretary General explains that it was the Council's Administration and not the entire population of the Settlement which had been represented to him as the cleanest in China on the opium question.

Mr. Porter suggests that a Sub-Committee be formed to study and report on the proposals set forth by Mr. O. K. Yui, and Mr. Kiang and Mr. Yu Ya Ching support this proposal.

The Chairman, however, is in favour of a decision forthwith, and suggests that the six proposals noted above should be accepted, with the following modifications.

In Clause (1) he suggests that the words "and license" be deleted.

In Clause (2) he proposes the addition of a statement making it clear that the proposed office would accept from and transmit to the City Government applications for licenses, but that it would only act as a channel through which the licences would be transmitted, and not as the licensing authority itself.

The Chairman considers that Clause (3) is superseded by the proposed additions to Clause (2), and that Clauses (4), (5) and (6) can remain unaltered, with the express proviso that while registration fees may be charged, no fees will be accepted for licensing smokers.

Mr. Porter says that it is necessary to provide under Clause (5) that the Council will take no financial responsibility for such opium addicts as are prosecuted, and that they will not be accommodated in the Municipal Gaols.

The Chairman agrees, saying that it could no doubt be arranged for prisoners to be handed over to the military authorities, and subsequently sent away from Shanghai to serve their sentences.

Mr. Killery asks how licensed smokers will obtain their opium if the Council should approve the suggested scheme as modified by the Chairman.

The Secretary General replies that in theory they would need to get it from outside the Settlement; in answer to a question by Mr. Matthews as to how much opium a man can obtain once he has been licensed, he says that in theory there is a check on this, but in practice the amount is practically unlimited owing to the large amount of opium smuggled into the Settlement.

Mr. Porter suggests that Clause (4) should read ".....as smokers must register and secure a licence issued by the City Government... ..", and Mr. MacDonald states that he is in favour of the registration scheme, but only so far as it is entirely distinct from any system of licensing by the Council.

The Chairman recommends that approval be given in principle to the general sense of Mr. O. K. Yui's proposals, as modified by members in the foregoing discussion, and subject to agreement on matters of detail, and ways and means of carrying out the suggestions in practice. He suggests that for the latter work a Sub-Committee be formed, consisting of the Secretary General, the Commissioner of Police and the Municipal Advocate.

Members agree, and it is unanimously

RESOLVED

- (a) that the City Government be informed that the Council approves in principle the general effect of Mr. O. K. Yui's proposals regarding anti-opium measures in the Settlement, subject to a clear understanding that while the Council is prepared to assist in registration of addicts it will not undertake the licensing of opium smokers.
- (b) that a Sub-Committee be formed, consisting of the Secretary General, the Commissioner of Police and the Municipal Advocate, to investigate and report to the Council on matters of detail, such as the amendments to the original proposals suggested during the present discussion, and on the ways and means of carrying out the City Government's scheme in practice.
- (c) that the Council's general approval is conditional upon ways and means being found by the Sub-Committee to carry it into practical effect.

Debenture Issue - Loan of 1937. The Chairman asks Members' formal approval of a Draft Notification announcing the issue of Debentures for \$3,000,000 at 99 per cent, in respect to the 1937 Loan. The loan will bear interest at 5%.

Members agree, and it is unanimously

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RESOLVED that authority be given for the publication of a
Municipal Notification, inviting applications for debentures for
\$3,000,000 in the Loan of 1937, such loan being issued at 99 per
cent and bearing interest at 5 per cent per annum.

The meeting terminates at 6.35 p.m.

C. S. Franklin

Chairman.

J. M. B. V.
Secretary.

At the meeting of the Council held on Wednesday, July 14, 1937, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. Gockson

Yulin Hsi

S. L. Hsu

V. St. J. Killery

W. S. King

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

T. Yamamoto

Yu Ya Ching

The Commissioner of Public Works

The Superintendent of Education

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Messrs. H. Porter, C.M.G.

E. Y. B. Kiang

The Minutes of the meeting held on June 30 are confirmed and signed by the Chairman.

K 10/4

Anti-Opium Measures. Arising out of the Minutes on this subject, the Secretary General says that he would like to refer to the Sub-Committee formed at the last meeting, and to explain why it will not be possible for it to submit the desired recommendations.

He states that he has discussed the question at various times with the Commissioner of Police, and has decided that it was highly important if possible to find out in the first place the exact situation regarding opium suppression in Chinese areas. The Shanghai Municipal Police Narcotic Squad was therefore instructed, and a report on the matter was submitted. In view of this report the Commissioner of Police agreed with him that the Council should not proceed further with the question until the situation in the Chinese areas had been cleared up. It appears from the report that the so-called opium suppression has been going on in Chinese areas for two years. Despite that fact anybody can go to the retail opium shops in the Chinese area regardless of whether or not he possesses a licence, and can buy any quantity of opium up to 100 ounces without any questions being asked. All he has to do is to pay cash, and for payment of a further small fee the retail opium shops in Chinese areas

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undertake to deliver opium anywhere within the Shanghai Area, which, the Secretary General understands, includes the Settlement. As regards the issue of these permits in Chinese territory up to the present time, although two years have elapsed, no attempt has been made to issue permits so that the holders can be identified. No fingerprints or photographs or accurate descriptions of the person to whom the licence was issued are required, so that anybody can use the permits. Licences are issued by Police Stations as well as the City Government Bureaux, and also by the retail opium hong themselves. The so-called permits are in two forms - one involving a fee of \$5 and the second a fee of 60 cents. With the \$5 licence anyone can obtain ten times the amount of opium specified, and with the 60 cents licence three times the amount. As there is no method of identification, the permits can be repeatedly presented to the opium hong, so that anybody can obtain an unlimited supply of opium, not only for his own use but for purposes of traffic.

In addition, it is well known that opium suppression so far as the Chinese areas are concerned is entirely in the control of the so-called opium ring, and the shadow of that ring has fallen over the entire Shanghai area. There is a curious "hush-hush" which suggests terrorism in Chinese circles in regard to this matter, and it is difficult to secure authentic information.

Licences are valid for six months, and according to the practice followed in the Chinese areas can be renewed up to the full period of the time for opium suppression. In theory when permits are renewed supplies of opium are decreased, but this is not the case in practice.

When the discussions were first opened with Mr. O. K. Yui, it was on the understanding that the opium suppression in Chinese areas was genuine, and was to be carried out in accordance with the letter and rules of the Nanking Government. Nothing of the sort has taken place. The only opium interfered with is smuggled opium. He is informed that 400 cases of Government opium arrives every week for sale by this organization in the Chinese area.

The Secretary General says he puts this information before the Council because he was previously under the impression that a really bona-fide attempt was being made to carry out General Chiang Kai-Shek's scheme.

In these circumstances he submits to the Council that so long as these conditions exist outside the Settlement it would be not only useless but an embarrassment for the Council to assist the present scheme in any way. If he had had this information sooner, he would have made no recommendation to the Council even in the matter of registration. He suggests the Council notify the City Government that it cannot identify itself in any way with the present movement. He adds that Members will also have read articles in the local Press, strongly opposing the Council having anything to do with the movement.

The Chairman suggests that a Sub-Committee be formed to investigate the whole question, and make a report to the Council in due course. He proposes that Mr. S. L. Hsu, Mr. MacDonald and Mr. Plant should compose its membership. Mr. S. L. Hsu is unable to serve; and the Chairman thereupon requests Mr. Yulin Hsi to serve.

Mr. Plant asks what the proposed Sub-Committee could do which the Secretary General, with his special sources of information, could not. The Chairman says that the Secretary General can be asked to give evidence before the Committee. In reply to a question by Mr. MacDonald he agrees that it may possibly be found necessary for the Committee to defer final action until the return of the Commissioner of Police from leave in six weeks' time.

It is thereupon

RESOLVED that a Sub-Committee be formed, consisting of Messrs. Yulin Hsi, R. G. MacDonald, and W. H. Plant, to investigate the whole question of opium suppression measures, and make a report to the Council in due course.

The Minutes of the meeting of the Works Committee held on June 29 are submitted.

L 12/6

Passenger Landing Accommodation on the Bund. Arising out of the Minutes on this subject the Chairman asks whether the Treasurer & Controller has anything to add to his previous reports on the matter. The Treasurer & Controller reminds Members that Budgetary provision has already been approved on two previous occasions for carrying out this work by means of a more elaborate and expensive scheme than that now proposed. He recommended that this item (totalling \$199,000) be deleted from this year's Budget because at that time negotiations had broken down and it seemed almost certain that the money would not in any case be required.

The present scheme, he adds, really represents a charge on the ordinary budget of between \$10,000 and \$15,000 per year. If nothing is done now in spite of the growing public demand, the Treasurer & Controller considers that the Council will have to pay a much larger sum for the work in the future. He offers no objection to making provision for the necessary expenditure, up to a maximum of two lakhs, in the Budget for 1938.

Mr. Matthews thinks the Council should not authorise this expenditure, and proposes that it be financed, if at all, by contributions from the two large Shipping Companies, concerned.

The Chairman, however, considers the project to be to the benefit of the community as a whole, in that it will remove a civic disgrace. He emphasises the fact that it will only cost two lakhs, whereas an expenditure of four lakhs has already been authorised for the project.

The Commissioner of Public Works remarks that the Dollar Line alone brings in eleven passenger ships every month opposite the Bund. This

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means that each month at least eleven sets of passengers are trying to use the present inadequate facilities, and it does not seem to him material whether they are from a single steamship line or half a dozen. It is the passengers, and not the steamship companies, who must be considered.

Mr. Yamamoto notes that the N.Y.K. has spent about \$30,000 of its funds in constructing its own wharf, and that the O.S.K. and D.K.K. Lines have taken similar steps. He agrees that some accommodation is badly needed on the Bund, but thinks that in the circumstances it would not be altogether fair if the whole cost were defrayed by the community at large. He therefore suggests some levy being made on ships for which the facility would be afforded. The Chairman points out that though the N.Y.K. line has constructed its own wharf, the entrance road to it is paved and maintained out of the general rates.

In reply to a question by Mr. Killery, the Commissioner of Public Works says that there has probably been a slight decrease lately in the number of passengers landed on the Bund, but they still amount to about two thousand a month, apart from their friends and relatives, and he anticipates that the number will increase in the future. In answer to Mr. MacDonald, he adds that the proposed accommodation will be of some incidental assistance in the examination of baggage, by avoiding congestion in the sheds, passengers being able to wait in the new Building until their turn comes. The Customs Authorities, he says, have expressed agreement with the scheme.

A vote is then taken, and by a majority decision (Mr. Matthews and others dissenting) it is

RESOLVED that the modified scheme for passenger landing accommodation on the Bund as detailed in the report of the Commissioner of Public Works dated June 16, 1937, and recommended for adoption by the Works Committee of June 29 be approved for commencement forthwith, it being noted that expenditure thereon will be a charge on the Budget for 1938.

Subject to the foregoing discussion the Minutes of the Works Committee are confirmed.

The Minutes of the Finance Committee held on June 30 are submitted.

A 7/3

Western District Public School - Additional Playground Space. Arising out of the Minutes on this subject the Chairman notes that additional reports have been submitted subsequent to the meeting from the Commissioner of Public Works and the Superintendent of Education.

The Commissioner has reported that the work required to convert 12.8 mow of land on the Island Site into a football field will cost about \$2,500. The alternative scheme for providing a playground attached to the school will cost about \$18,000 at present, though if recovery of the site

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is delayed, and the Military Authorities decide to spend on Tifeng Road Camp any of the money that they expect to receive for improving their accommodation, the project will become much more expensive in the future.

The Superintendent of Education states in his report that an extension of the school premises is required for two purposes (a) to relieve overcrowding in the compound and (b) to provide playing space for organized games.

The Island site proposal, he considers, covers the second point, but does not touch the first and more important one. He notes that this comparatively small playground is used daily before assembly, during morning and afternoon recess, and to some extent after school hours by no fewer than 310 pupils. When all the pupils are present it is practically impossible for them to play any games, while the overcrowding that exists is liable to cause accidents for which there is a growing tendency to hold the school authorities responsible. It is estimated that the school will ultimately accommodate about 450 pupils.

The Chairman asks the Treasurer & Controller's views on the matter, and the latter replies that his main objection to the original scheme is that in his opinion the Council is being asked to pay too much for removing and reconditioning huts on its own land.

The Chairman says his own views are also unchanged, and he thinks the Council should not spend \$18,000 on the project at the present time when there is an alternative costing only \$2,500.

Mr. Matthews speaks in favour of the original suggestion, saying that if the Council can spend over two lakhs on passenger landing facilities it can surely afford \$18,000 for the benefit of three or four hundred school children.

The Treasurer & Controller points out however that in the one case, in his opinion, the community is getting value for its money, whereas in the other it would be paying an excessive cost for what it would get. In answer to a further question he says that he thinks the estimated cost of the scheme is \$4,000 or \$5,000 more than its value such being represented by what the British Army Authorities could contribute. The Commissioner of Public Works explains that all the work would be done by competitive contract. There would be no question of waste in that sense; but outside circumstances have unavoidably rendered the cost somewhat high.

After further brief discussion Members unanimously agree that the recommendation of the Finance Committee be approved.

Debenture Issue - Loan of 1937. Arising out of the Minutes on this matter, the Treasurer & Controller informs Members that the Loan was over-subscribed within three minutes of issue, and that except for amounts reserved for overseas holders of the original loan now converted, the full sum of \$9,000,000, including conversions, is in hand. The Chairman expresses

B 11/12

satisfaction at this very successful operation.

Subject to the foregoing discussion the Minutes of the Finance Committee are confirmed.

The Minutes of the meeting of the Education Board held on July 2 are submitted.

A 2/7

Fire Risks in Grant Aided Schools. Arising out of the Minutes on this matter, Mr. Matthews asks whether the Council has the right to require schools which do not comply with Fire Brigade requirements to bear entire responsibility for any risks taken.

The Secretary explains that when the Council licenses an establishment such as a Theatre or restaurant, it thereby assumes a measure of responsibility for its safety. Schools, however, are not licensed; the Council helps them by making grants, which procedure involves a measure of inspection and control. The present recommendation is an attempt to avoid putting certain schools out of business altogether, while impressing on them the necessity of safety precautions. He does not think that the mere giving of financial assistance involves the Council in legal responsibility for safety.

Mr. King says that in the Minutes he notices a remark that since in case of fire children will usually need to come down from the upper floors, the steepness of the stairs is not a material factor. He wishes to contradict this as a misleading and rather dangerous theory.

Subject to the foregoing discussion the Minutes of the Education Board are confirmed.

The Minutes of the meeting of the Library Committee held on July 9 are submitted and confirmed.

K 12/3

Report of Housing Sub-Committee. The Housing Sub-Committee's report is submitted, and the Chairman expresses the Council's gratitude for the valuable services rendered by its members. He suggests it be approved as submitted unless any Member wishes to discuss any particular point. Members agree, and it is unanimously

RESOLVED that the Housing Committee's Report as modified by the Housing Sub-Committee be approved as submitted.

The meeting terminates at 5.55 p.m.



Secretary.



Chairman.

At the meeting of the Council held on Wednesday, July 23, 1937, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G., (Vice-Chairman)

W. Gockson

Yulin Hsi

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

W. S. King

R. G. MacDonald

F. H. Matthews

W. H. Plant

T. Urabe

Yu Ya Ching

The Deputy Commissioner of Police

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Mr. T. Yamamoto.

The Minutes of the meeting held on July 14 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Health Committee held on July 12 are submitted and confirmed.

C 11/5

Report of Country and General Hospitals Co-Ordination Sub-Committee. Mr. Matthews inquires as to the cost of the repairs necessary to the East Wing of the General Hospital. The Treasurer & Controller states that the original estimate of the Public Works Department was \$40,000. He informed members of the Sub-Committee that he would be prepared to recommend to the Council that it assume liability for the interest on an additional overdraft up to a sum of \$40,000.

The Minutes of the meeting of the Staff Committee held on July 16 are submitted and confirmed.

F 7/8 &
K 16/4

The Minutes of the meeting of the Watch Committee held on July 22 are submitted.

Night Clubs in Residential Areas. Lengthy discussion ensues on the recommendation submitted by the Watch Committee on this question. Mr. Porter states that since the meeting of the Watch Committee he has ascertained that the Secretary General and the Police have had very satisfactory discussions with the Chinese Authorities and that a point has been reached where joint action can now be taken without further difficulty.

At Mr. Porter's request, the Secretary General informs members that on the day after the Watch Committee meeting he met Mr. O. K. Yui and explained to him the Council's attitude in regard to these Clubs, i.e., that if they could not be regulated in any other way the Council would like to barricade them. Mr. Yui thought there was no need to take such action as the Chinese Authorities were prepared to co-operate with the Council, even to the point of barricading if necessary, and that he would send one of his officials to confer with the Commissioner of Police next day. On his return, the Secretary General found that a Chinese police officer had already been in communication with Major Bourne and it had been agreed that the Chinese Authorities would co-operate with the Shanghai Municipal Police in seeing that all cabarets on outside roads were closed at 2 a.m. on week days and 4 a.m. on Saturdays. This he understands is now being done in the Western Area. There has been a slight hitch regarding Farren's and Del Monte, which are in a different Chinese Police area from the others, but instructions have now been given to the proper Chinese officials to deal with these two places and he understands these instructions will be carried out.

If the Chinese Authorities keep their promise to co-operate, all Western Area cabarets will in future be closed at 2 a.m. on week days and 4 a.m. on Saturdays without the Police having to resort to the erection of barricades. Mr. Yui wished the regulations to apply also to Northern Area cabarets. The Secretary General understands that with one or two exceptions the cabarets in the Northern area are not on municipal roads. They are situated on Chinese roads in Chinese territory and also they do not cater to the same class of trade as those in the Western Area. There therefore should not be too much emphasis laid on the question of discrimination between the Western and Northern areas.

The Chairman states that he formed the impression from the Watch Committee minutes that the Council would be asked to give its approval in principle to the stopping of access from municipal roads to such night clubs in the Outside Roads area as did not observe the Settlement closing hours but that no definite action would be taken before the Council was informed. Before the recommendation comes before the Council, however, - as he now understands - it has been proceeded with.

The Secretary General explains that the Watch Committee discussion was entirely confined to the question of unilateral action by the Council. The Shanghai Municipal Police and the Chinese Police had already gone ahead on the lines of the previous agreement as a routine police matter. He had consulted Mr. Yui not on a routine police matter but on the question of unilateral action.

Mr. Porter informs members that the underlying idea of the Watch Committee recommendation was that the Council should not go ahead and do any specific act without having first consulted Mr. Yui as it might lead to trouble regarding the question of jurisdiction on the outside roads. It is now clear that this difficulty has been satisfactorily adjusted.

The Chairman states that he retains the view he has expressed for 4½ years against early closing. He has always been opposed to it, he has always been in a hopeless minority, and he probably still is in a minority. But he wishes to reiterate that he considers early closing a mistaken policy. The mistake has been in giving licences to cabarets to operate in the Western residential area. There should be no cabarets in residential areas but he never has thought and does not think now that they will improve the morals of Shanghai by requiring cabarets to close at 2 a.m. It is common knowledge that the cabarets in French Town and Chinese territory remain open as long as they wish to. The Del Monte was closed by the Chinese last January and as it is American-owned the matter was investigated by the American Consul-General who ascertained that none of the other cabarets in Chinese territory were being closed at 2 a.m. The Chairman considers it a mistake to require properly conducted places to close at 2 a.m. and force people to go to places surreptitiously run and serving bad liquor and food.

The Secretary General states that several clubs on Yu Yuen Road near Jessfield Park undoubtedly constitute a public nuisance as there have been complaints from residents in the vicinity of their inability to obtain sleep at night consequent on the noises from these clubs. This decreases the value of land and property in the district and would not be allowed in any other city in the world, as being against public interest.

The Chairman agrees with this point of view but considers they are trying to remedy the situation in the wrong way. It is, in his opinion, unfair to enforce regulations in one area and not in another. They should distinguish as regards individual cabarets which are nuisances and not as regards districts.

The Secretary General points out that many of the Cafes in the Northern area are in slum districts and not in residential areas.

Mr. Kiang is of opinion that it is unsound to adopt a policy of closing these cabarets by force. He thinks it would be advisable to leave the closing of cabarets in Chinese territory to Mr. Yui.

The Secretary General reminds members that the erection of barricades without the consent of the Chinese Authorities might jeopardise the whole Outside Roads situation which just now is progressing satisfactorily in respect to policing, road repairs, etc. It is therefore

essential to secure Chinese co-operation and the Chinese are not prepared to discriminate between one cabaret and another.

In answer to Mr. Porter, the Deputy Commissioner of Police states that he does not think it will be necessary to use barricades. But if negotiations with the Chinese Authorities fail, force is the only remedy. The negotiations are working very well just now and in two or three days the whole situation regarding cabarets in the Western Area should be cleared up. It is his intention thereafter to take up the situation in the Northern Area. Cabarets will be kept under supervision after the 2 a.m. closing hour is enforced.

The Secretary General thinks it is a question of public interest against the interests of the cabarets. 2 a.m. is a very reasonable closing hour and he does not think any cabaret will be ruined if the same closing hour is observed by all. It is unnecessary, in view of what has been done, for the Council to endorse in principle the erection of barricades.

Mr. Kiang recommends deferring further consideration of the Watch Committee recommendation until Mr. Yui's views are obtained but the Secretary General points out that Mr. Yui has stated that he is perfectly willing to agree to the erection of barricades so long as it is done jointly with the Chinese Authorities.

Mr. Porter suggests that in view of the fact that consultations have taken place between the Settlement and the Chinese Authorities and that, as a result, action of a more peaceful character likely to be successful is contemplated no action be taken by the Council on the Watch Committee recommendation.

In answer to Mr. MacDonald, the Deputy Commissioner of Police states that in conjunction with the Chinese Police the Shanghai Municipal Police have visited all cabarets in the Western Area and turned out the lights at 2 a.m. with the exception of Farren's and Del Monte. The Chinese Police did not turn up at Farren's on the first agreed night but on the second night they came and remained outside while he is assured that tonight they will turn out the lights at 2 a.m. At Del Monte the Chinese Police would not enter the premises as American interests are involved. The matter has been taken up with the American Consul-General who has no objection to the Police action so long as no discrimination is shown. The American interests make the Del Monte matter a little more difficult but action is being taken through the proper legal channels and he thinks a satisfactory conclusion will be reached to the whole Western Area cabaret question in two days' time. He intends to deal with the Northern area thereafter and put it on all fours with the Western, so far as cabarets on municipal roads are concerned.

The Secretary General states that he is in correspondence with the American Consul-General on the subject and hopes he will be able to

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satisfy him that if necessary, cabarets in the Northern Area could reasonably be treated somewhat differently from those in the residential Western Area.

Mr. MacDonald proposes that the Council approve the joint action of the two Police Forces as outlined by the Deputy Commissioner of Police and direct that a close watch be kept to ensure that cabarets are not surreptitiously opened after 2 a.m. on weekdays and 4 a.m. on Saturdays.

Mr. Porter seconds Mr. MacDonald's proposal.

In answer to Mr. Plant, the Deputy Commissioner of Police states that despite a close watch the Police have been unable to prosecute motor-drivers for noise nuisance as the evidence has been insufficient.

Mr. Kiang again expresses the view that they should not resort to force, and, as the Secretary General has informed them that Mr. Yui is willing to co-operate, the recommendation submitted by the Watch Committee should not be approved.

In answer to the Chairman, the Secretary General states it would be possible to take up with Mr. Yui the question of whether he would agree to co-operate in closing only those cabarets that are in fact a public nuisance.

Mr. King considers that cabarets which constitute a nuisance should not be allowed at all. They have set themselves up in residential areas at their own peril. It is with the issue of nuisance only that the Council is concerned.

The Deputy Commissioner of Police states that the present scheme will only be successful provided there is absolutely no discrimination. If any discrimination is shown, co-operation with the City Government will again become difficult.

The Secretary General adds that the Council has declined to issue licences to cabarets who want to open in residential areas. As the cabarets complained of are all on Chinese territory they have Chinese licences and the whole difficulty arises from that fact. Control can only be obtained by co-operation with the Chinese Authorities who are at present prepared to give that co-operation. If the Council had full control cabarets of this description would never have been allowed in residential areas but the Council had been powerless to prevent their establishment.

In answer to Mr. Killery, the Secretary General states it will be possible to take up with Mr. Yui the question of whether the licences of cabarets which constitute a public nuisance should not be renewed.

Members thereupon approve the joint action, without discrimination now being taken by the Shanghai Municipal Police and the Police of the Shanghai City Government regarding cabarets in Outside Roads Areas.

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7/4

Small-size Hire Cars. In view of the letter received that day from the Ford and Taylor Hire Car services, it is agreed to refer this question back to the Watch Committee for further consideration.

2/16

Police Recruiting. The Chairman informs Mr. Yulin Hsi that all possible local recruiting has been done and it is not possible to get any more men of the right calibre locally. The language difficulty makes it impossible to take further recruits from the Russian Regiment.

Subject to the above decisions regarding Night Clubs in Residential Areas and Small-size Hire Cars the minutes of the Watch Committee of July 22 are confirmed.

The meeting terminates at 6.00 p.m.

Cornell S. Franklin

Chairman.

J. J. [Signature]

Secretary.

At the meeting of the Council held on Wednesday, November 3, 1937, at 4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

W. Gockson

Yulin Hsi

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

W. S. King

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

T. Yamamoto

Yu Ya Ching

The Treasurer & Controller

The Secretary General, and

The Secretary.

The Minutes of the meeting held on July 28 are confirmed and signed by the Chairman.

The Minutes of the Library Committee held on October 15 are submitted and confirmed, with the exception of the last recommendation, referring to the renewal of the Librarian's Appointment.

Librarian - Renewal of Appointment. Following on the Committee's recommendation on this matter, a memorandum has been submitted by the Secretary, giving the full history of the case. The Secretary feels it should be pointed out that it is contrary to the traditions of the Municipal service to impose upon an employee a condition of continued employment which was not made known to him at the time of his engagement. He adds that the Secretary General has expressed the opinion that in his view the decision of the Library Committee is unjust. The Secretary General considers that no man of the age of the Librarian could reasonably be expected to qualify himself in Chinese of the kind contemplated by the Committee within the time allotted. He therefore states that he is in complete disagreement with the decision of the Committee.

The Secretary suggests that apart altogether from the possible injustice to Mr. Avshalomoff, it is very much open to doubt whether the Chinese subscribers in the Library are not more interested in foreign than in Chinese books. He notes that at a meeting of the Library Committee in February 1937 the Librarian stated that there was

little demand for the Chinese books than in the Library. The Chairman of the Committee pointed out that the majority of Chinese subscribers join the Library in order to borrow books in English rather than in Chinese, and the Librarian stated that practically all the Chinese fiction in demand consisted of translations from English, which he thought most Chinese would prefer to read in the original.

In his memorandum the Secretary has also drawn attention to the fact that the Library Committee has formulated a definite policy for the further purchase of Chinese books, and that this has been approved by the Council. This he says would tend to show that with the present staff the Council has been able to adopt a policy which should be satisfactory to Chinese subscribers to the Library; and the choice of Chinese books has been superintended by the Deputy Secretary, Mr. T. K. Ho, who has expressed his willingness to continue this service.

The Chairman observes that he is in full agreement with the Secretary's memorandum in this matter, which he notes also embodies similar views by the Secretary General. He understands that Mr. Avshalomoff's service as Librarian has been quite satisfactory. There was no question of any requirement as to a knowledge of Chinese when he accepted the post, and he considers that it would be most unjust to condition his retention on such a requirement. He thinks it appears that the question was put in the Library Committee by Mr. Barry in such a way as to make it difficult to support the continuance of the policy approved by the Council with regard to Chinese books, and at the same time to recommend the continuance of Mr. Avshalomoff's service.

The Chairman does not agree that the two matters are necessarily connected. He would propose that the Librarian be retained, and a qualified Chinese Assistant be appointed. Mr. T. K. Ho's kind offer of honorary help should also continue to be taken advantage of. The Chairman considers that no further qualifications are necessary for the Librarian than those required when he took up the appointment.

In answer to Mr. S. L. Hsu, who remarks that the majority of the Library Committee were very definite in their views that the Librarian's appointment should not be continued, the Chairman notes that one Chinese member of the Committee stated in meeting that for a variety of reasons he does not think that many Chinese are likely to patronise the public library. The Chairman is altogether in favour of popularizing the Library among the Chinese Community if possible, but he does not consider that for this to be achieved it is essential for the Librarian to speak Chinese. He adds that a new condition of this type when an employee has given satisfactory service for four

years would create a most unfortunate precedent for the rest of the staff.

Mr. Kiang says that though he is in general agreement with the Chairman's views on the subject, he thinks that as a matter of logic there are two points which should not be overlooked. In the first place, the Librarian's contract was for three years in the first instance; now this period has expired, the Council has a perfect right to give him a new contract under new conditions. Secondly, he considers it undesirable for some of the Librarian's work to have to be done on an honorary basis by the Deputy Secretary (Mr. T. K. Ho). However, if a Chinese Assistant can be found who is qualified to do this work, he is in favour of retaining the services of Mr. Avshalomoff in his present position.

The Chairman observes that the second point has been cleared up by Mr. Kiang himself. With regard to his first point, considered on a strictly legal basis only the argument is perhaps tenable. It is, however, a general principle, on which the staff have a right to rely, that the Council's service may be considered as a continuing service. If an employee is giving satisfactory service, and the work on which he is engaged is still to be carried on, he has at least a moral right to expect continuance of his services until the age for retirement.

Reverting to the particular instance under review, the Secretary General remarks that it would be quite impracticable to obtain a Librarian qualified both in Chinese and in English for anything like as low a salary as that now paid.

Mr. Kiang suggests that it might be a pity to overrule the Library Committee summarily. He proposes that the matter be referred back to the Committee for reconsideration, with the remark that Mr. Avshalomoff's satisfactory service makes the Council wish to retain him, and an expression of the view that the appointment of a qualified Chinese Assistant may possibly solve the problem.

In answer to a question by Mr. Matthews, Mr. T. K. Ho explains that the present Chinese Assistant Librarian has been in the service for 15 years. He is a good worker, but having been promoted from an office boy, he has not the necessary educational qualifications for the work required.

Mr. King points out that if the Library Committee's recommendation were endorsed as framed, it would make a precedent for dismissing any single employee in the service, by demanding an impossible qualification from him at any time.

Mr. Kiang feels that the present Librarian should be retained, but that the Council should not create the bad precedent of approving

a definite requirement a year ago, and now, when it has not been complied with, merely withdrawing it. Mr. Porter replies to this that the recommendation last year was the result of a Joint Staff and Library Committee, in which he protested strongly against the imposition of the suggested condition. He still holds the same view. The Chairman adds that he took the Chair at this Joint meeting, and also expressed his disagreement with the condition. He explains that last year's recommendation, as framed, was intentionally not a specific requirement for which there was no alternative but compliance or withdrawal. Mr. Avshalomoff has attempted to comply with the Committee's wishes, but - quite naturally, in the Chairman's view - has failed. He has behaved with complete honesty, and informed the Committee of this failure. The Chairman proposes that he be retained in his present position, that the existing Chinese Assistant Librarian be transferred to other work within the service, and that in his place a more highly qualified Chinese Assistant Librarian be appointed.

The Secretary General points out that there is no constitutional necessity to refer any recommendation back for reconsideration by the Committee concerned. The Council has every right to overrule a Committee and make a direct resolution.

Mr. Killery proposes that the Library Committee be informed that the Council considers it undesirable that the Librarian's resignation should be called for on the grounds stated; that the Librarian be released from his obligation to study Chinese; and that the Library Committee be requested to recommend other steps to strengthen the Chinese staff of the Library.

The Chairman and Members support this proposal, and it is unanimously

RESOLVED that the Library Committee be informed that the Council considers it undesirable that the Librarian's resignation should be called for on the grounds stated in the Committee's recommendation; that the Librarian be released from his obligation to study Chinese; and that the Library Committee be requested to recommend other steps to strengthen the Chinese staff of the Library.

The Minutes of the meeting of the Staff Committee held on October 27, are submitted and confirmed.

The Minutes of the meeting of the Finance Committee held on October 29 are submitted and confirmed.

B 8/2

Wharfage Dues. Arising out of these Minutes, Mr. MacDonald asks why a guaranteed minimum of wharfage dues was first assured to the French Authorities. The Chairman explains that as he understands it, this was because it was the only way by which the French Authorities would

consent to be included in a general agreement. It was a method of keeping peace on the Whangpoo. The Secretary General adds that if the Council had not consented to some such arrangement, the French Authorities threatened to jettison the whole arrangement, which would have necessitated the Council establishing machinery similar to that of the Customs in order to obtain its revenue.

K 25/9

The Minutes of the meeting of the Special Ricscha Committee held on October 29 are submitted and confirmed, and the answers given to the four questions on which the Committee's views were asked are noted and approved. The Chairman congratulates the Special Ricscha Committee on a very able and valuable piece of work.

Mr. Porter says there is one point on which he would like information. He understands that the reduction in P.M.A.A. contributions has been based on curfew regulations. He asks if the restriction in area available for ricschas has also been taken into consideration.

Mr. Kiang, as Chairman of the Special Ricscha Committee, says that it has. It was however pointed out that so far the P.M.A.A. has received no contribution since the commencement of hostilities, whereas the owners have suffered only some loss in the reduction in actual rental, probably not exceeding one seventh. In reply to a further question by Mr. Porter as to whether the large percentage of unlicensed pullers could not obtain immediate P.M.A.A. benefits on payment of the usual contributions, he says he is informed by the Ricscha Control Officer that this would be too complicated a matter to be practicable. Licensing of public pullers has already commenced, and pullers can obtain P.M.A.A. benefits as soon as they care to come forward to be licensed.

F 4/4

Education Board - Honoraria. The Chairman refers to a report submitted by the Treasurer & Controller, suggesting that from January 1, 1938, membership of the Education Board should cease to carry the present honorarium of \$1,049 (Tls.750), on the grounds that the reasons for instituting such payments at the time the Board was originally constituted do not apply at the present time, and furthermore that there are no other Council Committees which carry an honorarium for membership.

The Chairman says he fully supports the Treasurer & Controller's recommendation. When the Board was instituted, in June 1936, it consisted of a body of professional educationalists, who were, in a sense, definitely giving professional service. This is not now the case, as the constitution of the Board has altered, and even if it were, he observes that other professional men, such as Doctors on the Health Committee, do not receive an honorarium for their public services. There is now no difference in constitution between the

Education Board and any other Committee of the Council.

Mr. Yamamoto and Mr. Porter, as Council members of the Education Board, both state that they fully agree with the Chairman's remarks and would like to support the recommendation made by the Treasurer & Controller.

Mr. Kiang also speaks to the same effect.

It is thereupon unanimously

RESOLVED that as from January 1, 1938, membership of the Education Board shall cease to carry the present honorarium of \$1,049 (Tls. 750), in order to bring it into line with membership of all other Committees of the Council.

The meeting terminates at 5.30 p.m.

Cornell S. Franklin

Chairman.

[Handwritten signature]
Secretary.

At the meeting of the Council held on Wednesday, November 17, 1937, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

W. Gockson

Yulin Hsi

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

T. Yamamoto

Yu Ya Ching

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. John C. H. Wu.

Absent:

Mr. W. S. King.

The Minutes of the meeting held on November 3 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on November 5 are submitted and confirmed.

The Minutes of the meeting of the Library Committee held on November 10 are submitted, and confirmed as regards the non-purchase of certain reference books.

H 3/348

Librarian's services. In connection with the statement made by the Library Committee that it adheres to its previously expressed opinion that the services of the Librarian should not be continued, the Chairman says that he feels members would wish that the Committee be informed that the Council did not intend to show any lack of consideration for or confidence in the Library Committee by its resolution. The Council has however already made its decision that it is not necessary that the Librarian be required to learn Chinese. As regards the views expressed by the Committee that his work in other directions makes him unsuitable for his present position, the Chairman considers that since the employee has served for the last four years without this matter having been previously raised, the Committee's recommendation in this regard cannot be considered. The Committee should, he thinks, further be informed that the Council insists upon its normal procedure at meetings being followed by the Library Committee. Its ruling as regards the Librarian's

position remains unchanged. Members unanimously agree.

The Minutes of the meeting of the Staff Committee held on November 11 are submitted and confirmed.

P 7/6

Western External Area - Special Rate. The Treasurer & Controller forwards and endorses, together with a covering report of his own, a report by the Deputy Treasurer, Revenue, in which it is suggested that owing to the fact that the cost of all essential services and of the maintenance of security in the Western External Area within the defence perimeter falls entirely upon the Settlement budget, it would appear that sound practical grounds exist justifying steps being taken to preclude interference by City Government collectors especially while the present situation obtains.

The Deputy Treasurer, Revenue, further suggests that the same grounds would appear to justify the payment of Special Rate by all residents occupying premises normally rateable by the Council.

The Deputy Treasurer, Revenue, recommends that as a special measure so long as present circumstances obtain

- (1) the Police be instructed to prevent City Government tax collectors functioning in the Western Area defence perimeter;
- (2) the supply of water be discontinued to normally rateable premises whereon payment of Special Rate is refused, provided such refusal is the result of unwillingness and not inability to pay.

The Treasurer & Controller endorses the Deputy Treasurer, Revenue's proposals and urges that the Council should take all necessary action to protect the interests of the Ratepayers of the Settlement proper on whose shoulders the cost of providing services in the Extra Settlement areas ultimately falls.

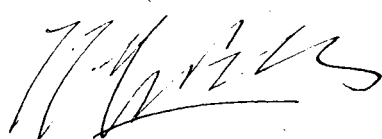
The Chairman states that he has already discussed this matter with the Chinese Members of Council and that they agree - and he is sure that all Members will agree - that in the present circumstances the Council should take every step to secure the payment of rates by all residents in the Western External area.

Mr. Kiang suggests, and Members agree, that it should be made clear that the arrangements contemplated are subject to future adjustment.

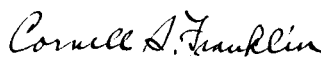
It is thereupon unanimously

RESOLVED that the Council should take all practicable steps to ensure the payment of Special Rate by all residents in the Western External area within the defence perimeter, it being noted that these arrangements are subject to future adjustment.

The meeting terminates at 5.05 p.m.



Secretary.



Chairman.

At the meeting of the Council held on Wednesday, December 1, 1937, at 4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)
 H. Porter, C.M.G.
 W. Gockson
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 V. St. J. Killery
 W. S. King
 R. G. MacDonald
 F. N. Matthews
 W. H. Plant
 T. Yamamoto

The Treasurer & Controller

The Secretary General

The Secretary, and

Dr. John C. H. Wu.

Absent:

Messrs. T. Urabe

Yu Ya Ching.

Apology for Absence. The Chairman states that he has received a letter from Mr. Yu Ya Ching apologising for his absence from the meeting owing to illness.

The Minutes of the meeting held on November 17 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on November 19 are submitted and confirmed.

2/7

Outstanding Grants. Arising out of these minutes Mr. Porter, as the Board's representative on the Council points out that there is a possible ambiguity in the General Ruling set forth as follows:- ".... that non-compliance for six months from date will involve a proportionate cancellation of the Council's grant." He says that the date referred to is that on which Departmental requirements were notified to the School concerned. The Secretary notes that the subject is on the Agenda for the next meeting of the Education Board on Friday, December 3, and the wording can no doubt be finally cleared up at that meeting.

The Minutes of the meeting of the Watch Committee held on November 22 are submitted and confirmed.

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The Minutes of the meeting of the Works Committee held on November 26 are
submitted and confirmed.

The meeting terminates at 4.50 p.m.

Cornell S. Franklin

Chairman.

J. J. [illegible]
Secretary.

At the meeting of the Council held on Wednesday, December 15, 1937, at 4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

Yulin Hsi

S. L. Hsu

V. St. J. Killery

W. S. King

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

T. Yamamoto

Yu Ya Ching

The Chief Officer, Fire Brigade

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

E. Y. B. Kiang.

The Minutes of the meeting held on December 1 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board held on December 3 are submitted.

2/7

Outstanding Grants - Schools situated in war zones. Arising out of these minutes, a report by the Treasurer & Controller is submitted, drawing attention to the Board's recommendation as regards grants payable to (a) Medhurst College, (b) Schools in the northern and Eastern District classified as satisfactory or working on Public Health Department's requirements only, prior to hostilities, and (c) Schools which re-opened in October, as compared with those which did so in September. The Treasurer & Controller in his report has expressed some doubt as to the equity of these recommendations.

In reply to a question by the Chairman, the Treasurer & Controller states that he has nothing to add to his written report, except to say that since its submission his third point - that concerning the date of re-opening of schools - has been satisfactorily cleared up. He has raised the matter mainly because he considers that Medhurst College has not qualified for the issue of the grant for the first and second quarters of 1937.

On the proposal of Mr. Porter it is unanimously agreed that the Minutes of the Education Board be confirmed, subject to reconsideration by the Board of the first two points raised by the Treasurer & Controller in his report dated December 10.

The Chief Officer of the Fire Brigade withdraws.

B 8/2

Wharfage Dues. The Chairman draws members' attention to a letter which has been received from the French Authorities regarding Article 4 of the Agreement of 1931 relative to the distribution of wharfage dues collected by the Chinese Customs Administration. The French Authorities state that according to this agreement they are, by priority, entitled to participate in the distribution, to the extent of a sum of Tls. 150,000 per annum, i.e. \$52,477.55 per quarter, and that any deficit is to be borne by the co-signatories. In view of the possibility of the total receipts falling below the share accruing to the French Authorities, the Council has requested exemption from payment of the difference should this possibility eventuate; and the French Authorities state in reply that they are willing in this event to accept as payment of their share the total amount of receipts collected during the quarter, and to waive their right as regards any deficit chargeable to the two other co-signatories of the 1931 agreement.

The Treasurer & Controller says that the effect of this suggestion is to exempt the Council from any potential cumulative adjustment of wharfage dues in the future.

The Secretary General observes that the letter is the result of a discussion between himself and M. Verdier. Under the existing agreement the Council is getting only what it is strictly entitled to under the Land Regulations. It is hardly possible, moreover, to do anything further in the matter until it is known that collections have been made during the present quarter. He has referred the matter to the Treasurer & Controller and would suggest that a decision be postponed until the returns of wharfage dues for the present quarter are available. The Treasurer & Controller expresses his agreement with this view, saying that he will confer with the Secretary General in the meantime in order to take whatever preliminary measures may be desirable.

In reply to a question by the Chairman, the Secretary General states that deferment of further action will not, in his opinion, in any way commit the Council to eventual acquiescence in the proposal.

It is observed that the letter from the French Authorities contains an ambiguity regarding "the total amount of receipts collected during the quarter." The Secretary considers that this should be interpreted as "the total amount of receipts collected by the French Authorities", but the Chairman and the Treasurer & Controller are of opinion that "the total amount of receipts collected from any source" is intended.

On the proposal of Mr. Killery it is thereupon

RESOLVED that a decision on the French Authorities' proposal as regards distribution of wharfage dues be deferred until the returns for the present quarter become available; and that in the meantime the Secretary General and the Treasurer & Controller shall take steps to ascertain the exact implications of such proposal.

F 30/12

Rice Situation. The Chairman refers to a report dated December 14 by the Treasurer & Controller, giving details of the local rice situation, particularly as regards joint arrangements between the Council and the French Authorities for import and distribution.

The Treasurer & Controller states that as regards distribution it is desirable that a Sub-Committee be formed, and he feels that in addition to the joint representatives, Mr. Calder-Marshall, Chairman of the Supplies & Fuel Sub-Committee, Mr. T. K. Ho of the Secretariat, and a member of the Police Force (to act in liaison with the French Police) should be nominated to serve. Mr. Harrop of the Finance Department, who is in close touch with a representative of the French Finance Authorities, will continue to act as the Treasurer & Controller's Assistant, and as Secretary of both Committees. Mr. Killery has also submitted a report, in agreement with the proposals outlined by the Treasurer & Controller, but putting forward ^{an} amendment, to which the Treasurer & Controller has agreed, that Mr. Calder-Marshall, as Chairman of the Supplies & Fuel Sub-Committee, should be invited to join the Administrative Committee as a representative of the S.M.C. instead of the Distribution Sub-Committee.

The Treasurer & Controller notes that as a matter of courtesy the French Authorities should be informed of Mr. Calder-Marshall's membership, but he feels sure that no objection will be raised.

It is thereupon unanimously

RESOLVED that the Treasurer & Controller's report on the rice situation dated December 14, 1937, be approved subject to Mr. Killery's amendment in respect to Mr. Calder-Marshall; and that the French Authorities be informed that an invitation is being issued to Mr. Calder-Marshall, Chairman of the Supplies & Fuel Sub-Committee, to join the Administrative Committee as a representative of the Council.

25/6

P.M.A.A. Grant - Method of Payment. The Chairman refers to correspondence received from the Pullers' Mutual Aid Association, requesting payment of their grant in cash instead of in Hui Hua currency. They base this request on the fact that the Council has received collections from ricscha owners in cash. A report in comment from the Treasurer & Controller states that the fact that the Council has collected licence fees from ricscha owners in cash does not necessarily involve the grant to the

Pullers' Mutual Aid Association being paid in the same medium. Hui Hua money is, in effect, legal tender and is, he understands, in general use among the Chinese community. The Association is purely for the benefit of Chinese and it is not considered that there is any hardship in the procedure that has been adopted in regard to payment of its grant-in-aid.

The Chairman and Mr. Matthews express their agreement with the Treasurer & Controller's views, and Mr. Porter states that he thinks Mr. Massey should be asked to withdraw the remark made in his letter to the Secretary of the Council that payment in Hui Hua currency is "grossly unfair".

Mr. Yulin Hsi observes that the Association has to pay for certain of its services in cash, but the Chairman notes that Hui Hua cheques can readily be cashed at a very small discount. The Treasurer & Controller says that he has cashed over \$200,000, without paying anything for the facility. He adds that during the last six weeks his Department has accepted approximately \$800,000 in Hui Hua Cheques, and most of these have been cleared.

It is thereupon unanimously

RESOLVED that the Pullers' Mutual Aid Association be informed that the Council adheres to its decision to issue the grant to the Association in Hui Hua currency.

The meeting terminates at 5 p.m.

Cornell S. Franklin

Chairman.

H. J. E. S.

Secretary.

At the meeting of the Council held on Wednesday, December 29, 1937, at 4.50 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

Yulin Hsi

E. Y. B. Kiang

V. St. J. Killery

W. S. King

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

The Treasurer & Controller

The Deputy Treasurer - Revenue

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

S. L. Hsu

T. Yamamoto

Yu Ya Ching

The Minutes of the meeting held on December 15 are confirmed and signed by the Chairman.

B 8/2

Wharfage Dues. Arising out of these minutes, Mr. Porter asks whether the negotiations with the French Authorities regarding the distribution of Wharfage Dues have been materially advanced since the last meeting. The Chairman replies that he understands that these negotiations are still in progress, and a full report thereon will be made available as soon as possible.

F30/12

Rice Situation. Arising out of the minutes on this subject, the Secretary states in reply to a question from the Chairman that the French Authorities have expressed their cordial agreement to the appointment of Mr. Calder-Marshall as a representative of the Council on the Administrative Committee formed by the two Authorities to deal with the Rice situation.

The Minutes of the meeting of the Education Board held, on December 17 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee held on December 21 are submitted and confirmed.

F 30/20

Council's Defence Forces and Fire Brigade - Medal for Service during the Sino-Japanese Hostilities, 1937. Arising out of the Minutes on this subject, the Chairman enquires whether a medal was awarded for similar

services in 1932, and, if not, whether it is now too late to do anything in the matter. The Treasurer & Controller replies that he understands that the question did not arise, but the Secretary says he thinks there may be some mention on record of a proposal to commemorate the services of certain Council employees during the 1932 incident; he undertakes to have a search made, and to submit copies of the papers, if any, to members by circular.

Mr. MacDonald proposes that in addition to the 1937 medal now recommended, bars should be awarded for services in 1932 and possibly 1937 as well. In reply to Mr. Porter, who considers that the risk during the recent hostilities was much greater, Mr. MacDonald instances the award of the Boxer medal in stating that medals are usually given on account of services rendered, and not in view of the risk involved.

The Chairman then proposes that a medal be awarded for service either in 1932 or in 1937, but that no cognisance should be taken at this date of service so long ago as 1937. Personnel who have served during both incidents should receive a medal and a bar, the medal being undated and details of service being put on the bar. Personnel who have served in 1932 and not in 1937 to be awarded a medal only on application.

The Secretary suggests that prior to making a definite resolution on the subject, it might be desirable to refer the suggestion to the Committee which is drawing up regulations for the award of the 1937 medal. Members unanimously agree.

The Minutes of the meeting of the Finance Committee held on December 24 are submitted.

Supplementary Licence Fees, Places of Public Entertainment. Arising out of the Minutes on this subject, the Treasurer & Controller states that at the meeting of the Finance Committee he said that he was not very sanguine as to the results of a voluntary scheme for the collection of Entertainment Tax; he would now be glad if the Finance Department might be relieved of the duty of appealing for such voluntary contributions, since he considers that this work is outside its proper scope. He remarks that in his dealings with taxpayers he is accustomed to rely upon enforceable legal rights, rather than to make appeals for voluntary assistance, and he considers that the necessity of his taking the latter action would weaken his position and the Council's in subsequently making normal legal demands. He feels that it might be preferable to issue any appeal which may be considered desirable through one of the Relief Societies, with the Council's support. The Chairman agrees that the appeal should not be made by the Finance Department but suggests that it be made by the Council through the Secretariat. The Treasurer & Controller concurs with this suggestion. The Treasurer & Controller points out that response to this appeal would mean that money would come into the Municipal coffers

B 4/4
B 4/6
B 9/1

which would not be part of the ordinary revenue of the Council, since it would be earmarked for refugee work. It would have to be put into a separate account, and accordingly separate methods of collection would appear to be desirable.

The Chairman says that he agrees with the Treasurer & Controller's argument. He feels, and members agree, that it would be better for the request for voluntary contributions to come from the Council direct, than from one of the Relief Societies. In reply to the Chairman the Secretary expresses his agreement with this proposal, and enquires whether it is desired under the present suggested procedure that the remarks as to there being no fear of radical increases in Licence Fees during the forthcoming year should be included in the letter or not. It is after discussion agreed that they should not be included, owing to the difficulty in practice of discriminating, as regards Licence Fees, between voluntary contributors and others, and to the undesirability of allowing any confusion to arise between an unenforceable request and the Council's normal exercise of its legal powers.

It is thereupon unanimously

RESOLVED that the recommendation of the Finance Committee of December 24 regarding an appeal to be made for Voluntary Collection of Entertainment Tax in the International Settlement be amended, to the effect that such appeal be made by the Council direct, and not through the Treasurer & Controller; no mention to be made in the appeal of any possible change in the scale of licence fees which non-compliance with the Voluntary scheme might involve.

Subject to this amendment and to the foregoing discussion, the Minutes of the meeting of the Finance Committee held on December 24 are confirmed.


B 9/1 Schedule of Rates, Taxes, Dues and Fees. The Chairman observes that arising out of the Gazette the Secretary has drawn his attention to the fact that the increases in General Municipal Rate, Special Rate and Land Tax, will come into operation as from Saturday, January 1, 1938.

He adds that as this is the last meeting of a particularly difficult year, he would like to take the opportunity of wishing Members a happier and more prosperous NEW Year.

The meeting terminates at 5.10 p.m.

Cornell S. Franklin

Chairman.


Secretary.

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X.

Y.

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Z.

At the meeting of the Council held on Wednesday, January 12, 1938, at

4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

Yulin Hai

E. Y. B. Kiang

W. S. King

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

T. Yamamoto

Yu Ya Ching

The Treasurer & Controller

The Deputy Treasurer (Revenue)

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

S. L. Hsu

V. St. J. Killery.

The Minutes of the meeting held on December 29 are confirmed and signed by the Chairman.

F 30/20

Council's Defence Forces and Fire Brigade - Medal for Service during Sino-Japanese Hostilities, 1937. Arising out of the Minutes on this subject, the Chairman asks if there is anything as yet to report on the regulations which are to be drawn up for the award of the medal. The Secretary replies that the Commissioner of Police, the Chief Officer of the Fire Brigade and the Commandant of the Volunteer Corps have been asked to confer together on the matter and then to get in touch with the Treasurer & Controller as regards the cost of the scheme. Their discussions on this question are however not yet complete.

B 4/4

Supplementary Licence Fees, Places of Public Entertainment. Arising out of the Minutes on this subject, the Chairman asks if any progress has been made since the last meeting. The Secretary replies that the Manager of the Grand Theatre has telephoned to him, apologising for not yet having answered the Council's letter requesting the voluntary collection of entertainment tax in his establishment; he states that he is prepared to arrange for this, and moreover that he has gained the agreement of all other theatre proprietors in the Settlement. This will be confirmed by letter in a day or two, and it is suggested that January 20 would be a suitable date for voluntary collections to be started in every Theatre in the Settlement.

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The Chairman says that this is a very gratifying response to the appeal, and he feels that the Council's appreciation might be expressed to the theatre proprietors concerned; the Secretary states that publicity will be given to the letter from the Theatre Managers and the Council's letter of thanks in answer thereto.

The Minutes of the meeting of the Education Board held on January 7 are submitted and confirmed.

A 20/2

Schools for Chinese Children - Deposits and School Fees for Current Term.

Arising out of the Minutes on this subject, Mr. MacDonald asks why pupils' deposits paid in advance should ever be forfeited through non-attendance. The Treasurer & Controller explains that the acceptance of a deposit involves keeping a place open for the child in the school. This may mean that some other child is thereby excluded, and the reservation cannot be held indefinitely. There is specific provision for the return of any deposit or fee paid in advance, should there be no accommodation in the school for the child on whose behalf it has been paid.

B 8/2

Wharfage Dues. The Chairman refers to a letter which has been received from the Director General of the French Municipal Administration, in reply to an enquiry from the Secretary General as to the interpretation of the French Authorities' offer regarding the apportionment of wharfage dues. It is noted that only in the event of the total amount of quarterly wharfage dues collected from all sources falling below Tls. 37,500 would the French Authorities be willing to waive the Council's contribution towards a deficit in the Tls. 150,000 which they are entitled to receive under the Agreement.

The Chairman considers that it would be unwise for the Council to take any further action in this matter until the returns for the second half of 1937 are available. The Secretary General observes that the original Agreement was between the City Government and the Customs Authorities only, the Council and the French Administration not being parties to it. Since the City Government is not now in existence, the Secretary General is very doubtful of the present status of the Agreement.

Members agree to defer decision on the distribution of wharfage dues until the comparative figures for the second half of 1937 are available.

B 4/6
&
B 14/8

Land Tax Defaulters. The Chairman refers to a letter which has been submitted from the Chairman of the Shanghai Property Owners' Association regarding the collection of land tax, and to reports on the subject from the Treasurer & Controller, the Deputy Treasurer (Revenue) and the Secretary. It is noted that the Shanghai Property Owners' Association suggests that greater publicity be given to the Council's decision that it is not proposed to make any remission of Land Tax for the period ending December 31, 1937. It is stated that the Association is experiencing considerable difficulty in the collection of Land Tax, due largely to the fact that

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many persons are under the impression that the tax will be remitted in whole or in part in the same manner as the General Municipal Rate, and to the feeling that the Council is loath to take steps to enforce payment against individual property. The report of the Deputy Treasurer (Revenue) recommends, a public statement of the position being issued, and the Treasurer & Controller, (who notes that so large a sum as \$1,400,000 in Land Tax still remains unpaid at the close of the year) endorses the recommendation. He adds that the difficulties of registered owners are fully appreciated and they receive every form of co-operation, but that it is necessary to put pressure on them in order that they may put pressure upon the beneficial owners who hold up these dues.

In his memorandum, the Secretary explains the legal position in the matter, saying that the Council is undoubtedly given by the Land Regulations the right to distrain upon land, i.e. to take direct action to enforce the payment of Land Tax. In addition, the Council can rightly deprive of Municipal amenities those who refuse to bear their share of Municipal burdens. He states that he is in entire agreement with the point of view of the Deputy Treasurer (Revenue), viz. that where a registered owner has done his best to obtain payment of Land Tax from beneficial owners who are able to pay but refuse to do so, he deserves assistance and not reproaches from the Council. The Secretary therefore suggests that the Council authorise the publication of a suitable notification, and that it be left to the discretion of the Council's officials to devise and apply the best means of enforcing, if necessary, the payment of Land Tax by direct action, avoiding as far as possible any hardship to bona fide payers of General Municipal Rate.

The Chairman says that he is in whole-hearted agreement with the opinions expressed, and he thinks it very desirable that a clear statement of the Council's policy should be published in the Press. After this, if necessary, the Council could institute one or two test cases, and finally, strong action might be taken against all defaulters who still remain outstanding.

It is thereupon unanimously

RESOLVED

(1) that the Council authorise the publication of a notification embodying:-

- (a) the point stressed by the Property Owners' Association that it should be made clear that the recently announced policy of remission of General Municipal Rate does not apply to Land Tax; and
- (b) the Council's intention to enforce the payment of Land Tax by drastic means.

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- (2) that it be left to the discretion of the Council's officials, after consulting with responsible property owners, to devise and apply the best means of enforcing, if necessary, the payment of Land Tax by direct action, avoiding, as far as possible, any hardship to bona fide payers of General Municipal Rate.

The meeting terminates at 4.55 p.m.

Cornell S. Franklin

Chairman.

T. J. [unclear]

Secretary.

At the meeting of the Council held on Wednesday, January 26, 1938, at 4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

Yulin Hsi

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

W. S. King

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

Yu Ya Ching

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

T. Yamamoto.

The Minutes of the meeting held on January 12 are confirmed and signed by the Chairman.

B 14/6

Land Tax Defaulters. Arising out of the Minutes on this subject, Mr. MacDonald enquires whether any legal action has as yet been taken against defaulters. The Treasurer & Controller replies that such action has not yet been instituted, since it is proposed to give the public notification in the Press time first to have its full effect. In reply to the Chairman, he adds that the question of a test case or cases will be considered in due course.

B 8/2

Wharfage Dues. Arising out of the Minutes on this subject, the Treasurer & Controller informs members that the Commissioner of Customs sent a representative to see him yesterday on this subject and he has since been supplied with the figures of wharfage dues for the last quarter of 1937. On these returns there is nothing left for apportionment to the Council after the French Authorities have been given their first quota; in fact the Council, on one suggested reading of the Agreement would be faced with a deficit of approximately \$670. This, however, he understands is not claimed by the French, who have almost made up their quota of \$52,000 by about \$32,000 from their own dues, approximately \$10,000 from City Government Dues, and approximately \$10,000 from the Council's dues.

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The Chairman considers, and members agree, that a quick decision on this matter would be undesirable. It is stated by the Treasurer & Controller that the Customs Authorities have set out the position in writing, and this letter will, he assumes, be circulated to members in due course.

The Minutes of the meeting of the Finance Committee held on January 17 - which have already been approved by circular - are formally submitted and confirmed.

The Minutes of the meeting of the Staff Committee held on January 20 are submitted and confirmed.

The Minutes of the meeting of the Education Board held on January 21 are submitted and confirmed.

F 30/29

The recommendations of the Special School Accommodation Committee at its meeting held on January 25, 1938, are submitted.

These recommendations concern:

- (a) Requests by Japanese Authorities for use of School Buildings in the Northern district, and
- (b) Temporary Accommodation for Council's Schools.

In regard to the first matter, Mr. King draws attention to the clause whereby leases granted by the Council are to contain a provision that after the expiry of one year the tenancies may be "continued or determined" by either party at one month's notice. He considers that the words "continued or" are misleading, since there is no intention for one party to enforce continuance against the wish of the other party. Members agree that these two words be deleted, and that with this exception the recommendation concerning the Japanese Authorities' requests be approved.

As regards temporary accommodation for the Council's Schools, Mr. Matthews asks whether it is intended to recommend that the Commissioner of Public Works be authorised, as stated, to "enter into" negotiations for securing leases of various suitable premises, or actually to conclude such negotiation. The Secretary says and Mr. Porter confirms that it was intended to give him the fuller authority, and members thereupon agree that the word "conclude" should replace the words "enter into" in the recommendation under discussion.

Subject to these minor amendments, the recommendations of the Special Schools Accommodation Committee, at the meeting held on January 25, 1938, are endorsed and approved.

In reply to a question by Mr. Porter, Mr. Ibusuki states that as regards the Public & Thomas Hanbury School for Boys, the Japanese Naval Landing Party have definitely informed him that they would like to have the premises, but no reply has yet been received to his enquiry from the Army Authorities. It is agreed that the Council shall approve issue of a lease to the Japanese Authorities, without specifying which branch of the Armed Forces the premises are intended to house.

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1 3/9

Licensing Policy - Bubbling Well Road. The Chairman explains that an application has recently been submitted to the Watch Committee by a Mr. E. E. Hsuen for a tavern licence in respect of premises at 304 Bubbling Well Road. There were no Police objections, and no protest was received from any member of the public in response to a notification in the Municipal Gazette. With one exception all members of the Watch Committee approved the grant of a licence. One member however commented as follows:-

"In view of the increasing number of taverns being installed on Bubbling Well Road, I am of the opinion that the Watch Committee should reconsider its previous decision."

It is noted that the Council's present policy, affirmed as recently as June 1937 after full discussion in meeting, is that a mere sufficiency of establishments in a particular locality should no longer be a ground for refusal of a liquor licence, but that the Police should report in the event of there being any special circumstances attached to the application. In November 1937 the Watch Committee debated the question of whether any special ruling should be laid down, varying this policy as regards premises situated in Bubbling Well Road. It was then decided that the Council's general policy should remain unchanged.

According to the Standing Orders, it is observed that no decision taken by the Council can be reconsidered without the Council's consent until at least six months have elapsed from the date of the previous ruling. The Chairman accordingly invites members to express an opinion on whether or not they wish the Watch Committee to reconsider the question of licensing policy in respect of Bubbling Well Road.

He says he personally would prefer that the existing policy should stand, since he feels that the situation is best controlled by the natural law of supply and demand, whereby only the best run establishments will be able to continue to operate.

Mr. MacDonald says that he was the member who asked for reconsideration of the subject, on the grounds that there are already 43 taverns in Bubbling Well Road, 12 of which are simply drinking bars. He considers any further increase unwarranted. Mr. Matthews expresses his agreement, saying that he has held this view each time the matter has been discussed.

Mr. Porter points out that many of these taverns cater especially for the Military, and their number will automatically decrease when the troops leave in the near future.

Mr. King supports the Chairman's view, stating that if sufficient people to maintain a large number of taverns require drinks, it is immaterial whether their custom is spread among many establishments or concentrated in a few, except that in the latter case the few favoured taverns are likely to be very congested and consequently noisy and disorderly. The Treasurer & Controller remarks that from the Revenue point of view he would prefer taverns which pay their dues to empty premises

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which pay nothing.

Mr. Killery considers that too short a time has elapsed since the last ruling to alter the Council's policy by reopening the matter, and Mr. Kiang expresses his agreement.

Mr. MacDonald thereupon withdraws his proposal, and it is unanimously

RESOLVED

- (a) that the Council adhere to its present policy, last affirmed in June 1937, that a mere sufficiency of establishments in a particular locality should no longer be a ground for refusal of a liquor licence, but that the Police should report in the event of there being any special circumstances attached to the application.
- (b) that the application by Mr. E. E. Hsuen be approved, for a tavern licence in respect of premises at No. 304 Bubbling Well Road.

F 30/12 Rice Position. A report dated January 25 has been submitted by the Treasurer & Controller, showing that the two Councils have 9,000 tons of rice now remaining in stock out of the 22,000 tons which was in hand or has arrived since his last report, and that a further 1,500 tons is scheduled to arrive between February 4 and 21. He considers that this constitutes an adequate reserve. Apart from these supplies other importations have been made by business interests approximating 6,500 tons, about half of which remain in the hands of merchants.

The Treasurer & Controller's report, which was submitted for information only, is thereupon received.

F 30/12 Export of Flour. The recommendation of the Supplies & Fuel Sub-Committee at its meeting held on January 25 is submitted, that the Council authorize the export from Shanghai of flour up to a total of 150,000 bags, in accordance with a system of permits issued through the Secretariat, and that the French Authorities be notified of this decision.

Members unanimously agree that this recommendation be endorsed and approved.

Mr. Killery, while approving the recommendation, points out that it is not safe to base future calculations on the figure given for flour consumption, viz. 3,000 bags a day. The present consumption is actually 1,000 bags daily, but it might suddenly rise very much higher should there be any change in the rice situation.

B 4/4 Refugee Work - Committee on expenditure of funds. The Chairman says that a suggestion has been made by the Treasurer & Controller, with which he is in complete agreement, that a small Committee be formed to deal with the Funds raised for refugee work by the voluntary levy on cinemas and places of public entertainment. He proposes that Mr. Plant, Mr. Kiang and the Treasurer & Controller should compose the membership of this Committee.

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Jan. 26, 1938.

It is thereupon unanimously

RESOLVED that a Committee be formed, consisting of Mr. W. H. Plant, Mr. E. Y. S. Kiang and the Treasurer & Controller, to deal with the expenditure for refugee work of funds made available by the voluntary levy on cinemas and places of public entertainment.

K 35/9 Chinese New Year - Curfew Rules. The Chairman asks members' views regarding a proposal for total or partial suspension of the curfew rules over the Chinese New Year. The Secretary says that the Commissioner of Police is strongly opposed to this suggestion. In answer to an enquiry by the Chairman, the Chinese Members of Council are unanimously of the opinion that the curfew rule might well be suspended on Sunday night, January 30. Mr. Porter also speaks in favour of this.

The Secretary suggests that it is desirable to hear the views of the Commissioner of Police on the subject before making such a decision. He is informed that both the Commissioner and the Deputy Commissioner (Crime) have been approached on the matter by Mr. T. K. Ho, and expressed the view that such a measure would be highly dangerous.

Mr. T. K. Ho informs members that he has made urgent representations on the subject to the Police on behalf of the Chinese business community, pointing out that the suggested facility is requested as a commercial necessity in the collection of bills and settlement of debts, and not merely for purposes of holiday-making. The Police are, however, very emphatic on the undesirability of any extension.

Mr. MacDonald suggests that the Commissioner of Police be asked to submit a memorandum on the matter setting out his views in full, and Mr. Kiang adds that the Chinese Members of Council would be satisfied with an extension until 1 a.m. on the morning of January 31.

Mr. King thereupon proposes that the Commissioner be asked to express his views on an extension to 1 a.m. on January 30/31 which would apply only to business people in the streets, cabarets and places of entertainment being closed at the normal hour. The Chairman supports this, and it is unanimously

RESOLVED that the views of the French Authorities and the Commissioner of Police be obtained on the proposal that curfew restrictions be lifted until 1 a.m. on January 30/31, in consideration of the Chinese New Year; such extension to apply only to persons in the streets on legitimate business, and not to any cabarets or places of public entertainment.

The meeting terminates at 5.35 p.m.



Secretary.

Concell J. Franklin
Chairman.

At the meeting of the Council held on Wednesday, February 9, 1938, at

4.30 p.m., there are:-

Present:

Messrs. C.S. Franklin (Chairman)

H. Porter, C.M.G.

Yulin Hsi

S. L. Hsu

V. St. J. Killery

W. S. King

R. G. MacDonald

F. N. Matthews

W. H. Plant

T. Urabe

T. Yamamoto

Yu Ya Ching

The Commissioner of Public Works

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

E. Y. B. Kiang

The Minutes of the meeting held on January 26 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Watch Committee held on February 4 are submitted and confirmed, the submission of the Estimates for 1938 to the Finance Committee being approved.

B 9/18

The Minutes of the meeting of the Works Committee held on February 7 are submitted and confirmed, the submission of the Estimates for 1938 to the Finance Committee being approved. It is noted that two items in these estimates, viz. the appropriations for Road Construction and for the acquisition of Land for Road Widening, etc., are being submitted direct to the Finance Committee for consideration as regards possible reductions of the amounts included, without any definite recommendation by the Works Committee.

L 12/6

Passenger Landing Accommodation. It is noted that one item in the Works Estimates for 1938 - viz. an appropriation of \$100,000 in respect of a portion of the cost of passenger landing accommodation on the Bund - has been tentatively marked "C", subject to reference to the Council. The Chairman says that he has been one of the staunchest supporters of this scheme. Under the present circumstances he feels, however, that there is no alternative but to defer it till the financial position is easier.

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Members unanimously agree that the appropriation of \$100,000 in respect of this work be marked "C", so that there will be no provision made for it in the forthcoming budget.

The meeting terminates at 4.55 p.m.

Cornell S. Franklin

Chairman.

J. H. [unclear]

Secretary.

At the meeting of the Council held on Wednesday, February 25, 1958, at

4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

S. L. Hsu

V. St. J. Killery

W. S. King

F. H. Matthews

G. Okamoto

W. H. Plant

T. Yamamoto

Yu Ya Ching

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

Yulin Hsi

E. Y. S. Kiang

R. G. MacDonald

F 5/12

Membership - Resignation of Mr. Urabe and Replacement by Mr. Okamoto. The

Chairman says that he is sure members will share the regret which he felt on receiving Mr. Urabe's resignation from the Council. He observes that Mr. Urabe was elected a member of Council in 1925, and served for three years. During his time as a member of Council he served also on the Watch, Works and Traffic Committees, and during the recent emergency he did valuable work as a member of the Supplies & Fuel Sub-Committee. The Chairman feels he can say that all members of Council have respected and liked him and that they very much hope he will be happy and successful on his return to an important post in his own country. His place on the Council has been filled by the co-option of Mr. Okamoto, and the Chairman says all members will be glad to welcome Mr. Okamoto to the Council Chamber today.

He remarks that Mr. Okamoto is not a stranger to the Council Chamber. In May 1930 he was co-opted as a member of the Council, and served on the Public Utilities and Traffic Committees. He was elected a member of Council in 1931 and served for four years. On his resignation in 1934 he remained a member of the Staff Committee, on which he is still serving. He has also at various times served on the Watch, Finance, and Orchestra & Band Committees, so that he is familiar with almost every branch of the Council's work. The Chairman adds that Mr. Okamoto was a member of Council when he himself was elected for the

first time in 1933, and in that year they served together on the Staff Committee, so that he hopes he may say that he is welcoming back an old friend and valued colleague.

The Minutes of the meeting held on February 9 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Health Committee held on February 11 are submitted and confirmed.

The Minutes of the meeting of the Education Board held on February 11 are submitted.

A 2/7

Application for Special Grant - Y.M.C.A. Middle & Vocational Supplementary Schools Nos. 1(a) and 1(b). Arising out of these Minutes, Mr. Porter, as the Education Board's representative on the Council, notes that a report has subsequently been submitted to the Council by the Treasurer & Controller, stating that he finds it necessary to disagree with the recommendation that a supplementary grant of \$1,500 be approved for issue to the above schools as a special case. The Treasurer & Controller recommends that the matter be referred back to the Education Board for further consideration on the grounds of principle, since he feels that a dangerous precedent would be created if compliance with Departmental requirements were to be regarded as an entitlement to a supplementary grant.

Mr. Porter says he feels that as the Education Board was unanimous in recommending that the supplementary grant be issued, there would seem to be no useful purpose served by referring the matter back, and it would be preferable, in his opinion, for the Council either to approve or disapprove the recommendation direct.

The Chairman expresses his agreement with this opinion, and says that he supports the Treasurer & Controller's attitude in opposing the grant; Mr. Matthews and Mr. Plant state that they hold similar views.

The Treasurer & Controller observes that he desires that the grant be disapproved, and merely suggested reference back as a matter of courtesy to the Education Board. He notes that there has been an increasing tendency to advocate grants to schools which have not entirely complied with the Council's conditions.

Members unanimously agree that the Education Board's recommendation for approval of a supplementary grant of \$1,500 to the Y.M.C.A. Middle & Vocational Supplementary Schools be not approved.

Subject to this amendment the Minutes of the Education Board are confirmed.

The Minutes of the meeting of the Orchestra & Band Committee held on February 14 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee held on February 15 are submitted and confirmed.

14.
Feb. 23, 1938

B 2/20

St. Luke's Hospital - Grant-in-aid. Arising out of the minutes on this item, Mr. Matthews notes his disagreement with the recommendation, saying that he would like to put on record the fact that the opinions he expressed in the Finance Committee on the subject are still unchanged, since it is laid down that grants-in-aid should be in respect of services rendered, and the facilities afforded by St. Luke's have decreased from 155 beds to 100 beds. The Chairman reminds members that for schools it has been agreed that enrolment of over 50% shall be a qualification for the full grant. He feels that in view of the hostilities, hospitals in particular should be treated at least as generously as educational institutions.

The Minutes of the meeting of the Library Committee held on February 17 are submitted and confirmed.

F 30/33
(Part 3)

Council's reply to Japanese Consul-General's requests re Municipal Administration.

The Chairman says that in view of his having been only newly co-opted as a member of Council, Mr. Okamoto has asked for further time to consider this matter before it is decided upon. In reply to a question as to whether two weeks will be a sufficient period to allow for such preliminary consideration, Mr. Okamoto states that this will be adequate, and it is unanimously agreed that the matter be deferred until the next meeting of Council.

F 4/16
F 4/7

Committee Membership. On the suggestion of the Chairman it is unanimously

RESOLVED that Mr. O. Okamoto be invited to take a seat on the Works Committee and the Watch Committee, in order to fill the vacancy caused by the resignation of Mr. Urabe.

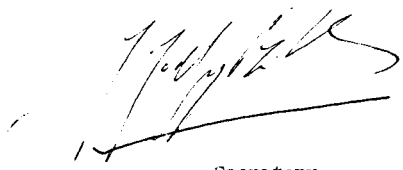
K 6/22

Volunteer Corps - Proposed Route March. The Chairman informs members that a Route March is proposed to take place on February 27 by "A" Battalion of the S.V.C., from Jessfield Park along Kestwick, Great Western and Yu Yuen Roads. It is noted that all other Military Forces in the District will be duly informed of this programme.

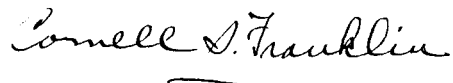
K 35/9

Emergency Measures - Curfew. The Chairman says he would be glad if the Council could consider in the near future the possibility of easing the curfew regulations and he suggests that a report be requested thereon from the Commissioner of Police, for discussion at the next meeting. Members agree, and the Secretary explains that the Commissioner of Police has already arranged to submit his observations within the next few days.

The meeting terminates at 5.20 p.m.



Secretary.



Chairman.

At the meeting of the Council held on Wednesday, March 9, 1938, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

Yulin Hsi

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

W. S. King

R. G. MacDonald

F. W. Matthews

O. Okamoto

Yu Ya Ching

The Commandant of Volunteers

The Commissioner of Police

The Commissioner of Public Works

The Treasurer & Controller

The Deputy Treasurer - Revenue

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

W. H. Plant

T. Yamamoto.

The Minutes of the meeting held on February 23 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Works Committee held on February 28 are submitted and confirmed.

The Minutes of the meeting of the Education Board held on March 4 are submitted and confirmed.

A 2/8

With regard to the Educational Grants Appropriation for 1938, it is noted that the Board has recommended to the Finance Committee an increase in the budget appropriation for grants to Chinese Schools from \$150,000 to \$160,000. The Treasurer & Controller states that he is prepared to accept this increase of \$10,000 upon the preliminary budget appropriation he had made. Members agree that the increase be approved.

B 9/1

The Minutes of the meeting of the Finance Committee held on March 7, at which the 1938 Budget and Schedule of Rates, Taxes, Dues and Fees, together with a temporary surcharge of 10% on Licence and Permit fees to take effect from July 1, were considered and approved, are submitted and confirmed. The following exception is made in regard to other matters also considered.

B 10/10

Taxation of American Army and Navy Y.M.C.A. Property. The Chairman states that he has had an opportunity to reflect on his proposal, which the Finance Committee had endorsed, and has concluded that the small amount of relief which it would afford does not justify excepting this one institution from the full incidence of the 2% Rate increase. He therefore recommends, and members agree, that no remission be permitted of any portion of the increased taxation they are being called upon to bear.

H 20/4

Departmental Economies. Mr. Matthews refers appreciatively to the very considerable contribution to financial economies made by the Commissioner of Public Works in respect of his Department's activities. The Chairman endorses this appreciation and extends it to other Departments whose Heads have similarly co-operated in effecting economies.

A 23/1

Budget 1938 - Educational Expenditure. Mr. Yulin Hsi enquires whether, having regard to the considerable under-appropriation for education in 1938 as compared with 1937, the 1938 appropriation could be increased to provide for the opening of one or two more municipal schools or for the leasing of larger premises to permit of a larger enrolment. The Treasurer & Controller states that the existing financial situation does not admit contemplation of the opening of additional municipal schools and that the budget appropriation makes suitable provision for the existing grant-aided schools. The Chairman agrees that the present is not an opportune time for the Council to consider opening new schools. Mr. Kiang states that the budget submitted is in his opinion a good one, and he endorses the Chairman's suggestion that it is more appropriate that Mr. Hsi should, if he so wishes, bring the matter before the Education Board. In making his suggestion, the Chairman repeats that there are at present no funds for extending municipal school facilities.

F 30/20

The Minutes of the meeting of the Watch Committee held on March 8 are submitted and confirmed, subject to the undermentioned alteration when adopting the Committee's recommendation pertaining to 1937 Emergency Medal. The Chairman states that at a time when economy in municipal expenditure is being generally exercised, he shares the apprehensions of the Treasurer & Controller in incurring the further expenditure of \$15,000 in addition to the cost of the award to volunteers only that would be involved in awarding the medal to the regulars, who it may be considered have only carried out duties for which they are paid, volunteer personnel being in a different category.

Mr. MacDonald and Mr. Matthews express themselves as opposed to differentiation between the regulars and volunteers, which they deem invidious and unwise, the former adding that he believes that the ratepayers would readily sanction any additional expense involved in an extension of the award beyond the volunteer personnel to the regulars.

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Mr. Kiang states that since the medal purports to recognize purely participation in the emergency defence and as the award will not differentiate between the acts of individuals so participating, he is of the view that no distinction should be made between the paid and volunteer personnel. After further discussion, members generally accept the Watch Committee's recommendation in respect of an award to both the regular and volunteer personnel of the Volunteer Corps, Fire Brigade and Police Force.

With regard to the regulations to govern the award, the Chairman states that he considers it a mistake to limit the award, in respect to members of the Volunteer Corps, to mobilized members who actually served and to exclude members available to serve if required. He refers to the discouragement of recruiting of the particular type of reservist, comprised of business "key men", whose enrolment in the Corps was a valuable encouragement to others, which would ensue from non-recognition in the award of the medal. He feels that every sort of Volunteer Corps reservist who was trained and available for service during the hostilities should be included in the award. The Commandant explains that the regulation framed to govern the award to the Volunteer Corps was based on normal army practice, where only actual service is recognized. Members, however, do not regard the circumstances as parallel. It is finally decided that the award to the Volunteer Corps shall include all members who were present in Shanghai and available for service during the emergency period named in the regulations i.e. August 12/November 12, subject to careful scrutiny of eligibility. Further, it is agreed that every step should be taken to ensure provision of a suitable medal at the lowest possible cost.

K 35/9

Curfew hours. Mr. Singloh Hsu states that he does not favour modification of the present curfew hours, since he considers they have worked quite well and that no adequate reasons have been advanced to justify the proposed change. He refers to organized objection having come only from the Chinese Theatres. Present local conditions, in his view, warrant the discarding or modification of established practices, including that of late hours.

Mr. Killery states that his objection in Committee is maintained. Since interests other than those of amusement places have also continued full payment of municipal dues, and have not been able to function as in normal times, he considers that any preferential consideration of the latter's interests is unwarranted. Mr. Matthews states that he is inclined towards a continuation of the present hours, pending more complete return to normal conditions.

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The Chairman, in reply to Mr. Hsu, states that whilst there may have been only one instance of organized opposition to the present hours, he believes that individual opposition is sufficient wide-spread to justify a change in the public interest generally. Moreover, the Commissioner of Police has stated that the proposed modification by one hour will assist the duties of the Police. The Chairman adds that special consideration of the interests of amusement places is warranted since the earlier closing necessitated by curfew particularly affects their earnings. Mr. Killery states that his objection would be removed if the proposed new hour is to be strictly enforced, which is at present not the case, especially in the French area. Mr. King states that he is not aware of any general opposition to the present hour, but thinks rather that it is favourably accepted.

The Commissioner of Police states that the 11.30 hour had regard to a condition of emergency which he feels is now minimized. It is difficult for the Police to enforce this hour, since it has now not the full public support. He adds that continuance of the present hour will arouse further challenge. The Secretary General supports the Police recommendation. He states that the introduction of curfew is a drastic measure warranted only by conditions tantamount to a state of martial law. Outside of its special emergency powers, he does not consider the Council's powers include the imposition of curfew, and states that an unnecessary imposition may invite a challenge in the Court of Consuls.

The matter being put to vote, the recommendation of the Watch Committee, that the hour be modified from 11.30 p.m. to 12.30 a.m. is adopted by a majority.

F 30/33
(Part 3).

Japanese Consul-General's requests regarding Municipal Administration. It is agreed that discussion of the Council's reply be deferred to the next meeting of Council.

N 50/3

Kiukiang, Kiangse, Hankow and Honan Road Widening - Cadastral Lots 165 and 166.

On July 15, 1937, the Council agreed to pay the Cathedral Trustees a sum of \$163,017 for the area required from these lots. On September 24, 1937, the Council issued a public notification that, owing to the emergency situation, it did not propose until further notice to proceed with its programme of road widenings and extensions, except in cases where the terms agreed upon had been fully complied with prior to the commencement of the emergency. The Cathedral Trustees having been so informed by letter, replied requesting fulfilment of the Council's offer. In response the Council stated its intention to implement its agreement, but requested deferment of payment, meanwhile continuing payment of the rental in respect of the area leased from the Trustees.

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In a further letter, the Trustees state that they cannot concur in an indefinite postponement and suggest payment at least of interest on the capital sum involved, the actual widening to be at the Council's convenience.

The Commissioner of Public Works states that he supports the view expressed in his submitted report, that the provisions of the Council's Notification should apply to this case, particularly inasmuch as the Trustees have suffered no loss. He feels that to accede to the request would be to establish a precedent which would destroy the value of the Council's Notification.

Mr. King states that whilst the Trustees in their personal capacities were content to abide by the Council's notice of postponement, they had been legally advised that as Trustees they are responsible for securing the earliest implementation of the agreement, and in the event of default in this responsibility they would be personally liable for interest lost pending payment and possibly for the capital sum if for any reason the agreement never was implemented. He states that the Trustees are satisfied with the rental on the leased area in the road, for which a sum of \$83,378 is payable for surrender, but that they are requesting interest on the remaining sum of \$79,639 payable in respect of the agreed terms for the acquisition of mow 0.466 scheduled for Kiangse Road, not yet taken by the Council but which is available for incorporation at any time.

Mr. Kiang suggests that it might suffice if the Council merely guaranteed to the Trustees any difference in market value when payment came to be made. Members, however, generally agree that from the purely legal aspect the Trustees are entitled to payment as first agreed. There was a concluded agreement of purchase and the Trustees are entitled to say that they are ready to hand over the land and therefore should be paid for it. The Chairman states that a definite legal agreement to pay the full sum has been made, which any court would enforce.

It is finally decided to meet the Trustees' request for the payment of interest on the sum of \$79,639 which, upon the Treasurer & Controller's proposal, is fixed at 6% with effect from March 1, 1938.

The meeting terminates at 5.50 p.m.

Cornell S. Franklin

Chairman.

[Handwritten Signature]

Secretary.

At the meeting of the Council held on Wednesday, March 25, 1958, at 4.50 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

H. Porter, C.M.G.

Yulin Hsi

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

W. S. King

R. G. MacDonald

F. H. Matthews

G. Okamoto

W. H. Plant

T. Yamamoto

Yu Ya Ching

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Mr. W. Gockson.

The Minutes of the meeting held on March 9 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Watch Committee held on March 18 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee held on March 21 are submitted and confirmed.

H 12/2

Superannuation Fund - Transfers to alternative currency Funds. Arising out of the Minutes on this item, the Chairman refers to a memorandum from the Secretary dated March 22, 1958, which has, subsequent to the meeting of the Staff Committee, been circulated to Members. In this memorandum the Secretary points out that under the resolution as framed by the Staff Committee, an employee is still deprived of the right to convert into an alternative currency. This is due to the fact that under the present abnormal financial conditions the banks are unable to quote a forward rate for the purchase of foreign currencies. The Secretary states in his memorandum that he has no wish to suggest the modification of the Staff Committee's resolution in any way, but desires to place his observations on record and to state that should the present state of affairs continue for any length of time, the question whether employees should be given the right to convert their Superannuation at the cash rate should be brought forward for consideration by the Council.

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March 23, 1936.

Members agree with the Chairman's suggestion that the matter can wait until the question arises.

Mr. King asks whether in view of the fact that the new Terms of Service which came into force on July 1, 1937, threw the onus of conversion on the employee, the concession made by the Staff Committee was justifiable. The Chairman points out that in August of last year the employee's rights to convert into an alternative currency were suspended in view of the abnormal financial situation with which the Council was then faced, the employee as a result being unable to convert whether he wished or not. Mr. Killery notes that the scheme under discussion places upon the Council the onus of an exchange risk and in view of this he states that it should be made clear that it is only a provisional arrangement made in order to meet an emergency situation and should not be extended longer than is necessary. The Treasurer & Controller explains that as soon as more normal financial conditions are restored the arrangement would naturally come to an end. The Treasurer & Controller goes on to say that before the scheme can be put into effect, the Trustees of the Superannuation Fund will have to be consulted for the following reason: the proposed scheme, he points out, envisages a book conversion of Chinese dollars into an alternative currency and a situation will be thereby created by which a certain portion of an alternative currency fund will not be covered as it should be by investments in that alternative currency but by silver investments and the Trustees will have to be asked whether they concur in this temporary departure from the strict terms of the Trust Deed. Members and the Treasurer & Controller agree with Mr. Killery that the proposed arrangements are to be regarded as provisional and should not be extended longer than is necessary.

H 3/302

Public Works Department - Inspector R. M. Flynn. Arising out of the Minutes on this subject, the Secretary points out that this employee on his departure will be forced to leave his wife behind in a local mental hospital. At the present time the Council pays the sum of \$2.00 per day on the employee's behalf towards his wife's hospitalisation. The Secretary asks whether the Council's liability in this matter should cease when the employee leaves the Service as is recommended by the Treasurer & Controller in a report submitted. The Chairman states that in his opinion there is no doubt that the Council is not liable after Inspector Flynn ceases to be a member of the Council's staff, Members agree.

The Minutes of the meeting of the Works Committee held on March 22 are submitted and confirmed.

L 12/3

Bund Landing Accommodation. Arising out of the Minutes on this subject, Mr. Matthews states that though not included in the recommendation it was intended that the proposed scale of fees be reviewed in two or three months time. Mr. Yulin Hsi agrees that such a review will be necessary and the suggestion is approved by Members.

F 6/10

Annual Meeting of Ratepayers 1938 - Resolutions. On the proposal of the Chairman it is unanimously

RESOLVED that the four following customary Resolutions to be brought forward at the forthcoming Ratepayers' Annual Meeting be approved:-

- (1) Appointment of Chairman and Secretary and adoption of Rules of Procedure.
- (2) Election of four Governors of the General Hospital.
- (3) Adoption of Report and Accounts for 1937.
- (4) Adoption of Budget for 1938 and authorization of Loan issue.

C 11/2

General Hospital - Board of Governors. It is pointed out that it is customary

for four Governors of the Shanghai General Hospital to be elected by the Settlement Ratepayers at their Annual Meeting. For many years past, the Council has arranged for the standing and nomination for office of the four ratepayers' appointees to the Board. It is customary for only four names to be brought forward at the Ratepayers' Meeting, thereby avoiding the necessity for an election contest. It has for some time been the practice of the Council to ensure that of the four names submitted to the ratepayers, two shall be members of Council and two doctors.

It is noted that last year the Council arranged for the nomination of the following, who were duly elected at the 1937 Annual Meeting of Ratepayers:-

Mr. W. H. Plant	(Member of Council)
Mr. H. Porter, C.M.G.	(Member of Council)
Dr. T. B. Dunn	
Dr. A. C. Bryson	

It is now proposed that subject to his election as a Councillor, Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O., be invited to stand for election by the ratepayers to the Hospital Board, in place of Mr. H. Porter, C.M.G., and that subject to the same proviso, Mr. W. H. Plant be invited to stand again.

It is also suggested that Drs. A. C. Bryson and T. B. Dunn be re-nominated for election to the Hospital Board.

Members unanimously agree, and it is

RESOLVED that, subject to their election as Councillors, Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O., and Mr. W. H. Plant

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be invited to stand for election by the ratepayers to the Board of Governors of the General Hospital during the forthcoming year, and that Dr. T. B. Dunn and Dr. A. C. Bryson be re-nominated for election.

The meeting terminates at 5.15 p.m.

Cornell S. Franklin

Chairman.

[Handwritten Signature]

Secretary.

At the meeting of the Council held on Wednesday, April 6, 1938, at 4.30 p.m.

there are:-

Present:

Messrs. C.S. Franklin (Chairman)

Yulin Hsi

S. L. Hsu

E. Y. B. Kiang

V. St. J. Killery

W. S. King

R. G. MacDonald

F. N. Matthews

O. Okamoto

W. H. Plant

T. Yamamoto

Yu Ya Ching

The Commissioner of Public Health

The Acting Commissioner of Public Works

The Treasurer & Controller

The Secretary-General, and

The Secretary.

Absent:

Messrs. W. Gookson

H. Porter, C.M.G.

Mr. W. J. Keswick, Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O., Messrs. G. E. Mitchell and T. Sugisaka, Councillors-elect for the Municipal Year 1938/9, are also in attendance.

In opening the meeting the Chairman makes the following statement. Before I ask the Secretary to read the minutes of our last meeting, I want to say that I am sure you have all shared my distress over the unaccountable disappearance of the Vice-Chairman of the Council, Mr. Harold Porter. As the days pass without any news of him our fears naturally increase. Under the circumstances the members of his family, both here and at home, have our deepest and sincerest sympathy.

The Minutes of the meeting held on March 23 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Watch Committee held on March 31, are submitted and confirmed.

Report on Chinese Soldiers' Internment Camp. The Chairman extends members' thanks to Messrs. Kiang and Matthews for their investigation and report on the Camp established by the Council for the internment of Chinese soldiers.

F 5/12

F 30/31

The Minutes of the meeting of the Works Committee held on April 1, are submitted and confirmed.

I 12/3

Bund Landing Accommodation - Charges. In referring to the recommendation of the Works Committee, to defer consideration of the suggestion made by the Commissioner of Public Works that charges be made for passenger boat landing facilities at certain portions of the Bund frontage, the Chairman of the Works Committee explains that the whole question of charges for Bund landing facilities is to be reviewed in the near future in the light of additional information.

The Minutes of the meeting of the Education Board held on April 1, are submitted and confirmed.

The Minutes of the meeting of the Library Committee held on April 4, are submitted and confirmed.

D 4/1

Library Premises. In answer to an enquiry by Mr. Matthews, Mr. Mitchell states that he has knowledge that the owners of the premises to which it is proposed the Library should be removed will not be willing to accept a rental without some stipulation regarding exchange variations, since they require at least some protection in this regard. Mr. MacDonald refers to a recent visit paid by him to the present Library premises, from which he formed the opinion that the premises are unsuitable and that removal was desirable. The Treasurer & Controller states that whilst the cost of renting new premises is an encroachment on the budget, he is prepared to agree to removal if suitable premises are available upon reasonable terms as regards tenure and rental. He suggests that removal be approved in principle, subject to further consideration of the terms and costs. Members agree.

C 20/2

Coffin Repositories. A protest has been made to the Council, by residents in the neighbourhood, against a coffin repository and corpse storage which has been in operation at the corner of Avenue Haig and Edinburgh Road from about April 1.

The Acting Commissioner of Public Works has reported that the project is operated by the Vien Coffin Storage Co., Room No. 613, Continental Bank Building, 113 Kiukiang Road and comprises several storage sheds, a ceremonial hall, an office and a small workshop for making coffins. A wooden trellis-work fence some 90 yards long fronts the property along the east side of Edinburgh Road. The site is Chinese owned. The project contemplates the erection of wooden structures of various dimensions capable of storing some 500 coffins and the operation of a first class encoffined corpse storage, embalming and burial business on similar lines to that of foreign funeral directors. So far only 3 of the contemplated structures have been completed.

The Commissioner of Police has reported that the manager of the concern is an Italian subject named G. Riva, and that it is

claimed that the Company is registered with the local Italian authorities. The Secretary General has, however, been informed by the Italian Consul-General that they have been approached by an Italian subject with a request for permission for his entering into partnership with certain Chinese in connection with the project, but that the Italian Consulate General had rejected the application. It is further stated that no Italian interest is in the project and that the use of the Italian flag in connection therewith is unauthorised.

The Commissioner of Public Health has reported that, whilst the Council might wish to act in regard to the susceptibilities of residents in the neighbourhood, he is unable to state that properly encoffined corpses are a danger to public health. There are several Guilds in the Settlement furnishing storage for the dead, none of which have been known to cause disease. The particular sheds in question, which are well constructed, are intended for the storage of well-constructed and hermetically sealed coffins, and he adds that as no embalming is to take place on the premises there can be no objection to the project from a public health viewpoint.

It is noted that the Shanghai City Government had issued rules prohibiting the keeping of encoffined bodies on premises in localities where there are approximately fifty shops or dwelling houses within a distance of 2 li. Moreover, the Council has a set of regulations in respect of undertakers and funeral directors having premises in the Settlement or an outlying Municipal Roads, the power to enforce which derives from the threat of denial of the Council's burial facilities to those who do not abide by the regulations.

The Chairman states that whilst the premises at the corner of Avenue Haig and Edinburgh Road may be undesirable, there is no objection thereto on health grounds. These premises, however, clearly violate the City Government's regulations, and he states that he would like the Secretary General's views as to the possibility of suppressing them, together with objectionable factories in this area, by means of court injunctions.

The Secretary General states that, whilst numerous complaints against this coffin establishment have been made, the matter presents far more difficulties than appears on the surface. The Public Works Department had unsuccessfully attempted to dissuade the management, who have a long lease on the ground, from carrying on. Together with the Municipal Advocate, the Secretary General states that he has explored the possibilities of legal action. The City Government regulations, being "administrative" in character, are not necessarily applicable. These regulations the Chinese court judges, who had been interviewed,

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will in any case apply only on the merits of the particular establishment involved. Even if the court entertained an action against the premises under consideration, it had at present no power to execute a judgment, in view of the military occupation of the area concerned. Moreover, there was no provision under Chinese law to hold for contempt, in the event of evasion of a judgment in such a case. Thus the only expedient, in his view, was a resort to direct action to effect any desired suppression.

The Secretary General continues that in the past the Council had denied access to objectionable enterprises. In this case, while there was no health nuisance, there was undoubted annoyance to a residential area from bands and other noises attendant on operation. If the Council wishes to prevent such operation, he would suggest that the only course open to it would be to deny access to the property. Such action might conceivably, however, result in a suit against the Council in the Court of Consuls for damages. Failure to prevent the functioning of these premises, if such course was considered desirable, would on the other hand encourage other such establishments. The Secretary General states that as he himself had considerable doubts as to whether justification existed for the taking of forcible steps, he wishes to ascertain the views of members, adding that the Chinese do not share the foreigner's objection to such establishments. In reply to the Chairman, he states that whilst a Chinese court injunction would afford the Council the necessary protection in the event of its taking forcible action, the Municipal Advocate is very doubtful whether such an injunction could be obtained, and that such failure would only worsen the Council's position.

Mr. Matthews refers to a somewhat similar establishment in Great Western Road. Mr. Yamamoto enquires whether the establishment in Avenue Haig and Edinburgh Road is in a Japanese military area. The Secretary General replies that it is within the British defense perimeter.

Mr. Killery enquires as to what would be the Chinese court's attitude in respect to factories in the Western residential area. The Secretary General replies that the court would probably take jurisdiction in the case of factories provided the facts in a given case warranted, and subject to the Council guaranteeing that it would ensure execution of the court's judgment. With such guarantee on the Council's part, he believed there was a fairly good assurance of the court's assistance if the Council brought a proper case. Replying to Mr. Killery's question as to why the court should differentiate between factories and coffin establishments, the Secretary General states that the court would probably regard the Zoning Regulations of the City Government as more readily applicable than regulations pertaining to coffin establishments.

Asked by the Chairman for his views, Mr. Yu Ya Ching states that at the moment the Settlement, as contrasted with the French Concession, lacks suitable facilities for storing the dead. As during the present abnormal conditions there is a need for places for the storage of bodies emanating from the Settlement, he does not favour their indiscriminate suppression. In this connection Mr. Matthews expresses the view that any ban imposed should apply alike to all body storage places in residential areas. In reply to Mr. Killery, the Acting Commissioner of Public Works states that the establishment in Avenue Haig and Edinburgh Road must be considered a permanent one.

The Commissioner of Public Health states that he agrees with Mr. Yu Ya Ching as to the present need for body storage facilities. He also considers that the establishment in Avenue Haig and Edinburgh Road may wish to remain permanently. Coffins are frequently retained in storage for as long as a year. He states that there is a genuine need at present for at least temporary coffin repositories, since the adequate disposal of corpses must be cared for by the Council and suitable sites for storage must be made available to that end. Only thereby would be avoided the dumping of coffins on unauthorised sites, with consequent danger to public health through deterioration of the coffins by exposure. He feels that objection to coffin repositories might well be limited to those in residential areas.

In inviting the private offices of Mr. Yu Ya Ching as between the Chinese proprietors of the establishment in Avenue Haig and Edinburgh Road and the Council, the Chairman suggests that he might convey the Council's wishes that they should remove to a suitable site and warn them that if they do not so remove access will be barred. He adds that the Public Works Department could perhaps suggest alternative suitable sites. Reasonable time could be allowed the proprietors of the establishment to negotiate a lease on another site. Mr. MacDonald suggests that Mr. Yu's mediation should include a warning that the site is considered objectionable and that failure to move to a suitable alternative site might lead to action to suppress operations. Mr. Matthews suggests that Mr. Yu's offices might well include a remonstrance against the annoyance caused by the bands and other ceremonial nuisances. The Acting Commissioner of Public Works mentions the existence of a somewhat similar establishment in Columbia Road.

It is finally decided that Mr. Yu's kind offer of his services be availed of to investigate and report to the Council, with the assistance of the Acting Commissioner of Public Works, as to suitable alternative locations for the establishment at Avenue Haig/Edinburgh Road and any other ill-situated coffin repositories. Mr. Yu is requested also to inform this establishment that its present location is unsuitable and to warn

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them that the Council may find it necessary to suppress it by barring access thereto should it fail to move to a suitable alternative site.

C 9/11

British Soldiers' Cemetery in Nantao. The Commissioner of Public Health has reported that the British Soldiers' Cemetery in Nantao has suffered damage by the recent hostilities. Since his Department finds difficulty in maintaining this cemetery, he recommends the adoption of a former suggestion that the remains of the British soldiers from this cemetery be exhumed and removed to a more satisfactory site less likely of desecration, if the British Authorities so approve. In a further report submitted he recommends re-interment at Hungjao Road Cemetery, at an estimated cost of \$2,500, as contrasted with renovation costs at the present cemetery of about \$6,160. He also suggests sale of the land.

Regarding the possible disposal of the land, the Acting Commissioner of Public Works has reported that difficulties would be experienced in effecting a sale which, previous to the hostilities, might have been realized from \$40,000 to \$50,000 per mow for the area of mow 4.443. He states, however, that the Council possesses no title to the land other than that of long undisputed possession. It seems probable that the site was originally donated by the Chinese Government to the British Government, but it has been maintained out of public funds for some 60 to 70 years. Under the circumstances he recommends that the question of the disposal of the site be left in abeyance.

The Treasurer & Controller comments that having regard to the costs of rehabilitation and upkeep at the present site, removal is justified on economical grounds. While he endorses the recommendation for removal of the remains and sale of the site, if possible, he considers that it would not be unreasonable that the British Authorities should accept financial responsibility for the costs of removal.

In discussion, the Chairman observes that it is apparent that it is cheaper to move from than to repair the present site. The Acting Commissioner of Public Works states that negotiation of a sale of the land at the present time would present difficulties, since there is no Chinese Land Office functioning at the moment, and he therefore suggests deferment of any possible sale for the time being. The Chairman states that if removal is decided upon, members might also wish now to decide upon sale or otherwise of the land even if such sale is deferred.

Messrs. Killery and Matthews express doubt as to the desirability of approaching the British Authorities with a request to bear the removal costs, since the Council has for so long a period borne the maintenance costs. In reply, the Treasurer & Controller considers

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that such approach should be made as a matter of principle, notwithstanding the possibility of a refusal. The Chairman, however, is of the view that it is preferable that no approach be made, since the amount involved is small compared to the sum which would be realized should the land be sold. In this connection Mr. King observes that the British Authorities may feel that they are the proper party to receive such proceeds. In reply to General Macnaghten's expression of doubt, formed after a visit of inspection he had personally paid, as to the extent of the damages sustained at the cemetery, the Chairman refers to the report of the Commissioner of Public Health as to damage occasioned more especially by the recent hostilities. Mr. MacDonald is in favour of removal, irrespective of determination of title to the land. After further discussion, it is

RESOLVED

- (a) that, subject to the prior approval of the British Authorities removal to Hungjao Cemetery be approved.
- (b) that no approach be made to the British Authorities for reimbursement of removal costs (upon a majority vote).
- (c) that the land be sold, if and when the Council can obtain title thereto.

The Commissioner of Public Health and the Acting Commissioner of Public Works withdraw.

E 3/2

Annual Meeting of Ratepayers - Speeches. The Speeches to be made by the Chairman at the Annual Meeting of Ratepayers, in proposing the adoption of the Report and Accounts, and the Budget, are read by him. These are approved by members, subject to minor amendments suggested by Messrs. Matthews and Killery. Having regard to the publicity already given by the Council as to its attitude in regard to the retention of the Orchestra and Band, members agree with the Chairman's reply to Mr. Killery that it is inadvisable to make any reference thereto in his Budget speech.

H 1/24

Appreciations. The Chairman states that as this is the last Council meeting before the Secretary goes on long leave he wishes to place on record a tribute to the services rendered to the Council by the Secretary during the year and particularly to mention his splendid work during the period of the hostilities. He states that he considers that he may properly characterize the services rendered by Mr. Phillips as outstanding, since within his personal knowledge they have comprised a great amount of work, involving a very heavy responsibility, and the exercise of much tact and ability. He states that the Councillors were fortunate in having these services available to them. Members unanimously endorse the Chairman's remarks and take the opportunity to bid Mr. Phillips bon voyage upon his imminent departure on leave.

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The permanent staff generally is thanked by the Chairman for their services to the Council and to the public during the past year and particularly for their work during a time of exceptional difficulty.

To his colleagues on the Council the Chairman expresses appreciation of their loyal co-operation and states that the Council will feel the loss of its outgoing members, Messrs. Porter, Killery, King and Yamamoto. He states that any success that may have attended his discharge of office as Chairman during the past year and his endeavour to measure up to the traditions of his predecessors is attributable to his colleagues' advice and assistance.

Mr. Yulin Hsi moves a vote of thanks for the work of Mr. Franklin as Chairman and this is unanimously endorsed by members.

The meeting terminates at 6 p.m.

Cornell S. Franklin

Chairman.

Yulin Hsi

Acting Secretary.

At the meeting of the Council held on Thursday, April 14, 1938, at 12 noon
there are:-

Present:

Messrs. C. S. Franklin
 Yulin Hsi
 S. L. Hsu
 E. Y. B. Kiang
 W. J. Keswick
 R. G. MacDonald
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 W. H. Plant
 T. Sugisaka
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. W. Gockson

The Secretary states that the business before the meeting is the election of a Chairman and a Vice-Chairman who shall, under Land Regulation XXI, hold office for one year.

f 5/14

Election of Chairman. Upon the proposal of Brig.-Gen. Macnaghten, seconded by Mr. Yu Ya Ching, Mr. C. S. Franklin is unanimously re-elected Chairman.

In expressing appreciation of the honour paid him, Mr. Franklin states that it will be his earnest endeavour to merit the confidence his colleagues have placed in him.

f 5/14

Election of Vice-Chairman. Upon the proposal of Mr. Okamoto, seconded by Mr. Plant, Brig.-Gen. E. B. Macnaghten is unanimously elected Vice-Chairman.

Brig.-Gen. Macnaghten thanks members for the honour done him. Mr. Franklin, Chairman, states that he is fortunate in having as Vice-Chairman a former Chairman and Councillor of mature experience.

The meeting terminates at 12.05 p.m.

Cornell S. Franklin

Chairman.

W. H. Plant
 Acting Secretary.

At the meeting of the Council held on Wednesday, April 27, 1938, at 4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 W. H. Plant
 T. Sugisaka
 Yu Ya Ching

The Commissioner of Public Health
 The Acting Commissioner of Public Works
 The Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. W. Gookson
 S. L. Hsu

The Minutes of the meeting held on April 6 are confirmed and signed by the Chairman.

D 4/1

Library Premises. In reply to the Chairman, the Treasurer & Controller states that no lease has yet been arranged for accommodation in the Glen Line Building, the Library continuing to occupy its present premises on a monthly basis. The Acting Commissioner of Public Works adds that the pursuance of negotiations rests with the Glen Line Agents of the Building.

C 9/11

British Soldiers' Cemetery in Nantao. Asked as to the present position, the Acting Secretary states that a letter has already gone forward to the British Consulate but no reply had been received yet. In reply to General Macnaghten's enquiry as to the Council's legal rights to effect a transfer of the soldiers' remains, the Chairman states that the Council's decision to make such transfer was expressly predicated on the prior agreement of the British Authorities.

The Minutes of the meeting held on April 14, are confirmed and signed by the Chairman.

The Minutes of the meeting of the Staff Committee held on April 22 are submitted and confirmed.

The Minutes of the meeting of the Orchestra & Band Committee held on

April 25 are submitted and confirmed.

E 1/2

French Municipal Authorities' Grant. Mr. Matthews enquires as to the exact effect of the condition of non-liability for rent, wherever the Orchestra may be playing, which the French Authorities have attached to their offer of an additional grant of \$20,000 to the Orchestra. The Treasurer & Controller explains that this grant is subject to a deduction should the French Authorities incur rental charges in respect of performances in the French Concession, and that the stipulation is made by the French Authorities to protect themselves against any liability in excess of the grant named. Mr. MacDonald, Chairman of the Band Committee, states that he does not contemplate that charges against the grant on account of rent will be large.

C 20/2

Coffin Repository. The Chairman extends members' thanks to Mr. Yu Ya Ching for his investigation and report upon the coffin repository in Edinburgh Road and Avenue Haig, made as a result of the discussion at the Council meeting of April 6.

Mr. Yu's report is to the effect that with the restriction of transport into the interior, the repository forms an essential temporary coffin refuge. It caters to the upper classes and is conducted to the satisfaction of the Public Health Department. The management have given the assurance that they will abstain from creating noise upon the premises in connection with the ceremonies. They have informed him that they will agree to vacate so soon as conditions render it possible for coffins to be transported to the country without interference.

The Chairman states that as this repository serves a useful public purpose, in view of the impossibility of safe coffin transport to the country, he feels that subject to its operations being understood to be temporary only, it should be permitted to keep on functioning.

Subject to the same proviso, Mr. Mitchell favours this course and also suggests that a higher surrounding enclosure might be stipulated, which it is understood from a report submitted by the Acting Commissioner of Public Works would be acceptable to the management. In reply to the Acting Commissioner of Public Works, the Chairman states that it is not necessary to stipulate that the enclosure shall be by means of a brick or other costly wall, and Mr. Keswick states that the requirement should emphasize height rather than solidity.

Regarding the statement of the management that they cannot be held accountable for noise nuisances attending processions to their premises, but that this is a matter for Police regulation, Mr. Matthews enquires whether these processions are in the same category as the usual Chinese burial processions of which bands are an accustomed part. He suggests that if they may not properly be so considered, there might be

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reason in prohibition of a band accompaniment. Mr. Kiang replies that such a distinction is difficult to draw, and adds that in any case the remedy lies with the Police and not with the repository management, who in his opinion have reasonably limited themselves to the prevention of noises upon the premises. The Secretary General, in referring to the funeral processions daily permitted in the Settlement, agrees that the prevention of nuisance arising from processions to this establishment is a matter for the Police, should action be necessary in the matter.

The Chairman then suggests that permission for the continued operation of this establishment be granted, upon the condition that the management furnishes an assurance in writing that their operations are of a temporary nature only and that they agree to move should the Council so require when conditions in the Council's opinion are normal and permit of safe transport of coffins to the interior: moreover that they will abide by their assurance as to abstention from noise on the premises and also agree to increase the height of the surrounding enclosure to the satisfaction of the Public Works Department. The Acting Secretary suggests that the Council should also stipulate the right of the Public Health Department and other Departmental officials to inspection and control of the premises. The Commissioner of Public Health, in confirming the Chairman in his understanding that the establishment has already permitted inspection by Public Health Department officers, agrees that it would be valuable to stipulate that such inspection is by right and not merely permissive on the part of the establishment. Members agree with the conditions of operation suggested by the Chairman and the Acting Secretary.

In reply to Mr. MacDonald's enquiry as to whether or not it is advisable that the Council should issue a Press statement as to its decision in this matter, the Chairman and members generally agree that it will suffice if information as to the Council's decision is conveyed only to the several petitioners against the operation of this establishment.

It is thereupon

RESOLVED that permission be accorded for the operation of the repository of the Vien Coffin Storage Company, situated in Edinburgh Road and Avenue Haig, upon the conditions named above by the Chairman and Acting Secretary and approved by members.

G 4/17

Shanghai Waterworks Company - Directorate. The Chairman states that, in accordance with Article 25 of the Waterworks Company franchise, two Directors of the Company shall be persons nominated by the Council, and adds that the Council customarily reviews each year its appointments to the Waterworks Board. He proposes that Mr. S. L. Hsu be re-nominated to the Board, and that Mr. R. G. MacDonald be nominated to serve in the place of the late Mr. Harold Porter.

Mr. Mitchell states that he feels it incumbent upon him again to raise, as he did two years ago, the principle of the Council's nominees to the Waterworks Board receiving any monetary advantage for those services. In his view the services so rendered by the Council's nominees should be regarded as of a voluntary character, in the same way as the Council's nominations, for example, to Hospital Boards, and he therefore feels that as a matter of principle the Council's nominees to the Waterworks Board should not accept Director's fees. General Mannaghten mentions that he had also raised this question previously.

In reply to Mr. Mitchell, the Chairman states that he finds himself unable to accept his view. He feels that in respect both to the responsibility devolving upon a Company Director, and also to the actual time he devotes in such capacity, the grant and acceptance of a fee is a reasonable and proper recognition. Mr. Matthews associates himself with the Chairman's view.

Mr. MacDonald states that he appreciates the validity of Mr. Mitchell's views, from the aspect of principle. He feels it is right, however, in considering the question of monetary advantage accruing to a Company Director, to emphasize the legal liability assumed by a Director. If a Director nominated by the Council may receive no fee, he considers it is only reasonable that he should be indemnified by the Council in the event of an action being brought by the Company shareholders against the Directors.

Mr. Keswick states that he agrees with the views of both Mr. Mitchell and Mr. MacDonald. In reply to Mr. King's suggestion that the matter of acceptance of fees should be left to the personal preferences of the nominees, the Chairman states that he feels that a Council decision would be more satisfactory to the nominees. Mr. Okamoto states that he feels that the Council's and the public's interests would best be represented on the Board if its nominees did not accept fees.

The Secretary General refers to his knowledge of the earlier history of this same question, as a former nominee of the Council on the Waterworks Board. He states that it had been urged as an objection to acceptance of a fee by the Council's nominees that they could not serve two masters: that in theory such nominees were on the Board for the purpose of serving the Council's interests in issues between it and the Company, and that therefore the acceptance of a fee from the Company would be inconsistent with this purpose. He states that the appointment of the Council's nominees to the Board had eliminated the friction that had previously existed between the Company and the Council. The Council's view of matters related to the Company could naturally best be represented to the Board by the Council's own appointed nominees. This arrangement had in his view worked well and in his own experience on the Board he had never heard it suggested that the service of the Council's interests by

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its nominees on the Board could be influenced by their acceptance of a fee from the Company. In reply to General Macnaghten he states that the Council's nominees need not necessarily be members of Council.

In view of the difference of opinion evinced, the Chairman states that he has no alternative but to put to the vote the matter of the Council's authorization or otherwise of the acceptance of a fee. Upon so doing, a majority of members declare against authorizing the acceptance of a fee.

The Chairman thereupon enquires of Mr. MacDonald as to his willingness to accept the Council's nomination to the Waterworks Board on the understanding that he is precluded from acceptance of the Director's fee. Mr. MacDonald states that he feels that it is only reasonable that his acceptance should be coupled with the condition that the Council shall furnish him with a letter of indemnity for his acts as a Director of the Company. Mr. Mitchell states that he considers it reasonable that the Council should, in any event, take responsibility for the acts of its representatives on the Waterworks Board. Upon the matter being put to members, they are in agreement that such letter of indemnification should be furnished to the Council's nominees. Accordingly it is

RESOLVED that Mr. MacDonald having agreed to serve upon the conditions herein named and subject to Mr. Singloh Hsu's similar agreement upon his return to Shanghai, Mr. MacDonald and Mr. Hsu be nominated to serve on the Board of Directors of the Shanghai Waterworks Company, such nomination being subject to their agreement that they will not accept Director's fees from the Company and to their being furnished with letters of indemnification by the Council.

F 30/20 1937 Emergency Medal. Mr. MacDonald states that he has gathered from discussions with members of the Volunteer Corps and Police regulars who are eligible for the 1937 Emergency Medal that they would be gratified by a Council decision to give recognition, by means of added bars to the medal, for services such recipients may also have rendered in the Emergencies of 1932 and 1927. He adds that the extra cost will be small and that this added recognition might prevent dissatisfaction. Mr. Keswick enquires what would be the position in the matter of recognition of those who served in 1932 and 1927 but not in 1937. General Macnaghten expresses his fears that many complications will result from an attempt at retroactive recognition, and Mr. Matthews reminds members that the Council has already considered and decided against the accord of such retroactive recognition. The Chairman states that he has no strong views in the matter, and suggests that it might be met by awarding medals for previous emergencies with bars for subsequent emergencies.

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It is finally agreed, upon Mr. Kiang's suggestion, to vote upon the question as to whether or not the Council should re-open the matter and review its recent decision in respect to the 1937 medal. By a majority it is decided not to re-open the subject.

K 24/1 Annual Basket Fair. General Macnaghten enquires whether there exists any apprehension as to trouble emanating from the Council's decision to refuse permission for the holding of the Annual Basket Fair this year. The Acting Secretary states that it is his understanding that the Bubbling Well Temple authorities contemplate presenting an alternative proposal for a Fair conducted upon private property, but such proposal has not yet come to hand.

The meeting terminates at 5.25 p.m.

Cornell S. Franklin

Chairman.

W. G. H.

Acting Secretary.

At the Special Meeting of the Council held on Thursday, May 5, 1938,

at 4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

Yulin Hsi

S. L. Hsu

W. J. Keswick

E. Y. B. Kiang

R. G. MacDonald

F. N. Matthews

G. E. Mitchell

O. Okamoto

W. H. Plant

T. Sugisaka

Yu Ya Ching

The Commissioner of Police

The Treasurer & Controller

The Secretary General, and

The Acting Secretary.

Absent:

Mr. W. Gookson

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

F 31/1

Control by the Council of Chinese Radio Broadcasting Stations. The

Chairman informs members that during the past few days he has been engaged in very pleasant and satisfactory conferences with the Japanese Authorities regarding the matter of means to prevent the broadcasting by Chinese owned radio broadcasting stations in the Settlement of programmes objectionable to the Japanese Authorities. Two days ago talks had taken place with Major Asano, chief of the Shanghai Radio Broadcasting Control Office, and with Mr. Tajiri, First Secretary of the Japanese Legation; yesterday further discussions with Mr. Tajiri had taken place, and today he had confirmed with the Japanese Consul-General the agreement he had reached with Mr. Tajiri.

The Chairman states that the Japanese Authorities are desirous that the Council shall undertake to prevent the broadcasting by Chinese Stations of anti-Japanese or other political programmes. Accompanying this wish, the Japanese Authorities through the Japanese Consul-General had given him an assurance that they will take no forcible steps in insistence upon registration with the Japanese Authorities of Chinese owned stations. That is, the Japanese Authorities had agreed that they would refrain from taking action in the Settlement, over the Council's protest, to enforce such registration.

The purpose of the meeting, the Chairman states, is to obtain members' approval of action on the Council's part to control radio broadcasting stations to the end of ensuring that they will not broadcast anti-Japanese or other political matter. To achieve this object, the Municipal Police would be authorized by the Council to supervise Chinese broadcasting stations so as to ensure that their broadcasts were not objectionable to the Japanese Authorities. The Chairman explains that it is to be mutually understood by the Council and the Japanese Authorities that such supervision by the Council through its Police Department does not otherwise involve the question of authority to control and register radio broadcasting stations in the Settlement, with its attendant questions of the regulation of wave-lengths or the power of individual stations. In other words, apart from the mutual agreement as to Municipal Police action to prevent broadcasts that are objectionable to the Japanese Authorities, the discussions altogether left in abeyance the question of radio broadcasting control as such. It is mutually understood, however, that for the present the Council on its part will not attempt to undertake the registration of stations.

Mr. Matthews states that it has been his understanding that the Municipal Police have in fact for some time been preventing broadcasts that were objectionable to the Japanese Authorities. In reply, the Commissioner of Police states this has been so, but to a limited extent, since the Police have not in the past found it possible completely to check all the programmes of all stations. Several of the stations had given a guarantee to the Police that they would not offend the Japanese Authorities in their broadcasts. The Chairman states that what is now sought is the Council's approval of the issue of instructions to the Police to notify all Chinese-owned broadcasting stations that they must not broadcast anti-Japanese or other political propaganda, at peril of closure by the Police in the event of disobedience of Police orders. Members agree with the Chairman that such instructions be issued to the Police. The Chairman states that Gen. Macnaghten had requested him to tender his regrets that he was prevented from attending today's meeting, but that he concurred in the arrangement reached with the Japanese Authorities.

Upon Mr. Okamoto enquiring as to the truth of the rumour that some encouragement had been given by the Police to stations not to register with the Japanese Authorities, the Chairman states that he has no knowledge of such encouragement. The same charge had been brought by Mr. Tajiri, and the Chairman states that he had informed him that the Council could not properly advise stations so to register, since such action might be interpreted as a waiver by the Council of its position that no authority outside of itself

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has the right of control and registration of radio broadcasting in
the Settlement.

The meeting terminates at 4.45 p.m.

Cornell S. Franklin

Chairman.

W. G. H. H.

Acting Secretary.

At the meeting of the Council held on Thursday, May 12, 1938, at 4.30 p.m.

There are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 O. Okamoto
 W. H. Plant
 T. Sugisaka
 Yu Ya Ching
 The Deputy Commissioner of Police
 The Acting Commissioner of Public Works
 The Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. W. Gockson
 G. E. Mitchell

The Minutes of the meeting held on April 27 are confirmed and signed by the Chairman.

The Minutes of the Special Meeting held on May 5 are confirmed and signed by the Chairman.

F 31/1

Control of Chinese Radio Broadcasting. The Deputy Commissioner of Police refers to the statement made by the Commissioner that several of the Chinese radio stations had given guarantees of compliance with Police requirements in abstaining from anti-Japanese or other political broadcasts. He states that in fact all the Chinese stations concerned had at that time furnished such guarantees.

The Minutes of the meeting of the Works Committee held on May 3 are submitted and, subject to the following modification, confirmed.

L 11/4

Entrance fees to Parks. Mr. Matthews, Chairman of the Works Committee, refers to the recommendation of the Works Committee that entrance fees for park season tickets be \$2 for a ticket available for all parks, and \$1 for a ticket available for all parks except Jessfield Park. The recommendation was framed after a closely divided vote.

Mr. Yulin Hsi refers to the opposition to this recommendation which he expressed as a member of the Works Committee. He states that with the present curtailment of park facilities in Hongkew and Yangtze-poo, as a consequence of the hostilities, further restrictions by means

of increased fees would in his opinion evoke public criticism. The increased population resulting from the hostilities has increased the demand for park facilities, and he regards as detrimental any measure that would discourage their use. In his view the existing park facilities are already insufficient. The excellent amenities available at Jessfield Park attract a yearly increasing patronage, which present over-populated conditions will further enhance. Proposals to increase the season ticket fee had been negatived by the Council between the years 1933 to 1935. In his view still less justification for such increase exists today. In deference to any decision that an increase should be made, he would suggest as a compromise that there should be two separate tickets, one at \$1 for Jessfield Park only, and the other at \$1 for all other parks, i.e. exclusive of Jessfield Park.

Mr. Matthews states that he shares the Treasurer & Controller's view that a season ticket fee more proportionate to the casual admission fee of \$0.20 is warrantable. The Chairman states that he would agree provided the theory underlying the charging of park fees was the raising of revenue. Mr. MacDonald expresses the opinion that he favours free admission to public parks, or only nominal charges if charges are necessary. The Secretary General states that such was originally the Council's idea, the purpose of the charge aiming only at the exclusion of undesirables. Mr. Matthews mentions that the original casual admission charge was only 10 coppers, but being found insufficient to exclude undesirables had been increased to 20 cents silver.

Mr. Matthews suggests that Mr. Hsi's compromise proposal of \$1 for Jessfield park only, and \$1 for all parks exclusive of Jessfield Park, be adopted, but Mr. MacDonald considers that no sound argument has been adduced to justify change of the present all-inclusive fee of \$1. The Treasurer & Controller reiterates his view that the present low seasonal charge is disproportionate to the single entrance charge, and that the season ticket holder is unduly favoured against the casual payer. Mr. Hsi agrees that the proportion is unsatisfactory. He suggests that a proposal to reduce the casual fee with its consequent diminution of revenues, would scarcely commend itself to the Treasurer & Controller. Mr. Hsi believes that the public might be satisfied with his compromise proposal.

Gen. Macnaghten expresses doubt as to the present \$1 season ticket fee serving the purpose of keeping out undesirables. To that end, the Treasurer & Controller mentions that it might be advisable to abolish seasonal charges, retaining the recurrent single charges, but the Chairman is of the view that this would bear exceptionally hardly on children and other daily park frequenters. Mr. Matthews remarks the overwhelming preponderance of visits paid under seasonal as against casual tickets.

Regarding Gen. Macnaghten's expression of doubt as to the present exclusion of undesirables, the Acting Commissioner of Public Works states that, in his view, this object has not been achieved. He states, however, in reply to the Chairman, that this is merely a personal opinion. Mr. MacDonald enquires whether the Acting Commissioner of Public Works has in mind destruction of park properties, and is answered by Mr. Stableford in the affirmative.

As an alternative proposition, Gen. Macnaghten suggests retention of the casual admission charge at \$0.20 and the adoption of a flat seasonal fee of \$2 for all parks. Mr. Hsi again maintains that the fees should aim not at exclusion from but at encouraging the use of the parks.

Mr. Okamoto states that whilst he does not strongly favour an increase in the seasonal charges, he feels that no appreciable hardship will be occasioned by an increase from \$1 to \$2. The Chairman replies that if the public can afford \$2 just as well as \$1, the purpose of reducing the number of any undesirable park visitants would still remain unserved by a higher fee of \$2. The Treasurer & Controller states that he favours the proposal of Gen. Macnaghten and Mr. Okamoto, of a \$2 ticket good for all or any of the parks. Mr. MacDonald maintains his opposition to any change in the present seasonal fee, on the grounds that in his view no sound justification for a change has been advanced. In this position he is supported by the Chairman, who doubts that the public, already chafing against the restrictions of their environment, will react happily to a measure which he feels will enhance their sense of confinement.

Mr. Kiang, in deference to Mr. Yulin Hsi's wish particularly to preserve the present fee of \$1 for Jessfield Park, suggests a further alternative of three distinct season tickets, the charges for which would be \$2 for all parks, \$1 for Jessfield Park only, and \$1 for all parks except Jessfield Park.

The Chairman summarizes the three differing divisions of view. He puts to the vote the recommendation of the Works Committee of \$2 for a ticket for all parks, and \$1 for all parks excluding Jessfield Park. There being only 3 votes in favour, this proposal is not carried. The proposal that there should be no increase at all is likewise defeated, carrying only 3 votes. Mr. Kiang's proposition is then put to the meeting and is carried by a vote of 6 in favour. Accordingly it is

RESOLVED that effective from June 1, 1938, the commencement of the new season ticket period, the charge for park season tickets be as under:-

\$2 for all parks
\$1 for Jessfield Park only
\$1 for all parks excluding Jessfield Park

The Minutes of the meeting of the Education Board held on May 6 are submitted and confirmed.

The Acting Commissioner of Public Works withdraws.

1938/4/17

Shanghai Waterworks Company - Directorate. Memoranda by the Secretary

General and the Treasurer & Controller have been circulated to members advocating reconsideration of the resolution recorded at the Council meeting of April 27, whereunder members of Council nominated to serve as Directors of the Shanghai Waterworks Company shall do so without acceptance of Directors' fees, but subject to their being furnished with letters of indemnification from the Council protecting them against such penalties as they might become liable for as Directors of the Company in respect to its management. A memorandum by Mr. Mitchell has also been submitted to members.

In his written memorandum the Treasurer & Controller invites the Secretary General's investigation of the legal aspect of the question in relation to the responsibilities of directors under English Company Law and the Company's Articles of Association. He expresses doubt as to whether the Council has the power to rule upon this matter. As regards the proposed letters of indemnification, the Treasurer & Controller states that such would place a potential burden upon the ratepayers which, in his capacity as guardian of the public funds, he is not prepared willingly to assume. He recommends that the whole question be reopened.

The Secretary General's memorandum emphasizes that the Council's nominees are not direct representatives of the Council, but that they are merely nominated by the Council and their appointment as Directors must be confirmed by the Company shareholders. In practice the Council's nominees have never, within his knowledge, received instructions from the Council regarding their services as Directors, and their expressions of opinion as Directors have been purely personal opinions as to the Council's views on a given question. In his view the main advantage deriving to the Company from the Council's nominees, and especially nominees who are Councillors, was their broad local business, municipal and political experience.

Since, in the Secretary General's view, nominees of the Council to the Waterworks Board are not serving under direct instructions from the Council, nor are they directly responsible to the Council for any of their acts as Board members, he considers that it is wrong in principle and ultra vires for the Council to give an indemnity for their acts as Directors. He does not see upon what legal grounds the Council could employ public funds to indemnify a Director who to all intents and purposes is serving in a purely personal capacity just as he might be in serving upon the Board of any other Company.

Mr. Mitchell's memorandum states that whilst the object of the Council's nomination of Directors to the Company is not defined in the franchise agreement, it appears to him that the intention could

only have been that these nominees were expected, in particular, to ensure implementation of the franchise and of the Company's efficiency, in the interest of the public. He believes that the Council and the public would look to its nominee Directors to call their attention to any disregard of the public interest or departure from the franchise on the part of the Company. He states that it is on the grounds that these nominees are acting as the elected servants of the ratepayers, to watch over the interests of the ratepayers as distinct from the interests of the Company shareholders, that he bases his contention that the acceptance of a fee from the Company by the Council's nominees is unethical. He would regard the matter in the same light even were the Council's nominees not members of Council, since he considers that they would still be the guardians of the ratepayers' interests. Mr. Mitchell does not, however, consider that it would be ultra vires for the Council to grant indemnification for such liabilities as its nominees might incur. Finally, Mr. Mitchell suggests that, if his views do not find general acceptance, the whole question of the Council's nominees to the Waterworks Board should be re-opened.

Amplifying his memorandum, the Secretary General states that he was a member of the special committee which discussed the 1928 Waterworks franchise, when provision was first made for the Council's nominees on the Board. Previously, and as far back as to 1920, the Council's attempts to secure representation on the Board had been unsuccessful. When negotiating the 1928 Agreement the idea prevalent in the minds of some of the Councillors was to appoint nominees who would be representative of the Council and not of the Company. It was, however, at that time made clear that the Company, being under British Law, particular fiduciary relationships, tantamount to trusteeship, were legally established between the Directors and the company stockholders, and that they could not represent any other conflicting interest. An alternative idea, that agreement might be reached between the Company and the Council to permit of representation of the Council by its Board nominees in certain particular respects only, was similarly discounted on legal grounds. The position since 1928, the Secretary General states, has therefore been that the Council's nominees have legally been representatives solely of the Company and not of the Council.

In the Secretary General's view there is no question but that the Council's nominees legally represent the Waterworks Company and its stockholders. Accordingly, he considers it illogical that the Council should indemnify them as has been proposed. As regards alternative means of Council representation, he states that a proposal that members of Council should be elected to the Board in virtue of the Council's shareholding in the Company had been negatived by the other Directors.

Board representation was, therefore, secured by means of provision in the franchise. He adds that no provision of the franchise for any form of representation can, however, over-ride the responsibility at law of a Director to refrain from making any private agreement conflicting with his Director's duties towards the Company and its shareholders.

As to the ethical issue involved in the acceptance by the Council's nominees of a Director's fee, the Secretary General emphasizes that it is fundamentally more unethical that the Council should direct its nominees to represent its own interests on the Board, having regard to the legal prohibitions against such a direction. In his estimation, the obligation upon the Board members to serve the Company's interests wholly is not imposed by their mere acceptance of a fee, but by their liabilities at law as the Company's elected representatives.

The Chairman states that by United States law, the Directors represent the shareholders who elect them and not the Council who may nominate them. The Council has the advice of the Secretary General and its other legal advisers that its nominees to the Waterworks Board are not and could not be regarded as representatives of the ratepayers or of the Council. He therefore favours reconsideration of the resolution passed at the last meeting.

Gen. Macnaghten states that an anomaly is patent, since it is legally clear that the Council's nominees are limited to caring for the shareholders' interests alone; thus is created the appearance of their serving two masters. In reply to his enquiry, the Secretary General states that on occasion in the past the Council's nominees have not been Councillors.

Mr. Keswick emphasizes that the question of acceptance of a fee on the part of a person appointed to office by the Council, as the ratepayers' representatives, is one of principle. He appreciates that the Council's nominees to the Waterworks Board may actually and legally represent only the Company; nevertheless their position on the Board is secured through the Council's offices. As a matter of general principle, he considers that when persons accept public work at the instance of the Council, they should not take pay for such public work. He feels that it is highly undesirable that the slightest suggestion should ever arise that persons offer themselves for election to the Council in the hope that they may obtain fees.

Mr. Matthews states that there is no doubt that a Councillor who joins the Waterworks Board becomes a servant of the Company, and therefore he does not believe the Council has any right to give the proposed indemnity. The Chairman states that since an indemnity could not be given, since to do so would be against legal advice, he feels that it is reasonable that a Council nominee accepting responsibility as a Company Director should receive the Company fee.

Mr. Okamoto states that it is his belief that the reason for the Council's nominations to the Board has always been to care for the interests of the ratepayers. The Chairman states that he considers the Council had in purpose rather the securing of the services, in a capacity involving public issues of at least two persons of experience, ability and proved trust. The Secretary General concurs in this aspect of what he believes was the Council's intention.

Mr. Singloh Hsu suggests that the whole matter of the Council's representation in the Company's affairs should be the subject of re-examination. He suggests that it may prove desirable to withdraw the Council's two nominees on the Board. Mr. Kiang considers, however, that it would be a pity to lose this right. He feels that members might be disposed to leave to private discretion the matter of acceptance or rejection of fees, adding his personal opinion that he has little doubt that acceptance of office without fee would be the course adopted by the gentlemen concerned.

Mr. Okamoto enquires whether the Council's nominees have to hold shares in the Company, and, in reference to the Secretary General's reply in the negative, he states that the fact that they do not have to be holders is further evidence, in his view, that they are the Council's representatives on the Board rather than the Company's.

Members further pursue the idea of seeking alternative means for the Council's representation in the Company's affairs. The Secretary General suggests that the Council might appoint two nominees as an advisory committee to the Board, instead of as Directors. He feels they would be able to serve the Council equally as well. The Treasurer & Controller refers, however, to their lack of voting powers as contrasted with their status as Directors. The Acting Secretary points out that any variation of the franchise provision for the Council's nominations to the Directorate may involve an alteration of the Company's Articles of Association and the necessity of a special meeting of shareholders.

The Chairman states that under all the circumstances it might be advisable to modify the franchise provision and relinquish the Council's right of nomination of Directors, having regard to the fact that nomination is not made by the Council to other Company Boards. Mr. Matthews feels, however, that the Council should not be unmindful of its claims accruing by reason of its large shareholding in the Company.

Mr. Plant proposes that the Council should appoint a small Committee to examine into the matter and that pending such examination and determination of the question acceptance of the fees by the

Council's nominees should be authorized. The Chairman seconds this motion, and confirms the Acting Secretary's undertaking that pending the committee's conclusions the matter of the proposed letters of indemnity may be regarded as disposed of. Accordingly it is

RESOLVED

- (1) the resolution recorded in the Council minute of April 27, 1938 under the heading "Waterworks Company Directorate" be rescinded.
- (2) that a committee composed of Messrs. Keswick, Matthews and Plant be appointed to investigate and report to the Council on the subject of the Council's representation on the Waterworks Company Directorate.
- (3) that pending the Council's determination of the question, following upon receipt and consideration of the committee's report, the Council's nominees on the Waterworks Board shall be at liberty to accept Directors' fees.
- (4) that Messrs. Singloh Hsu and R. G. MacDonald be nominated to serve on the Board of Directors of the Waterworks Co.

K 35/14

Eviction of Refugees. The Refugee Survey Committee, at the instance of the Refugee Relief Organizations, has recommended to the Council that Police action in assisting refugee evictions at the request of landlords in cases where there is no Court Order, be postponed for a month from May 10. The Police have assisted landlords in such evictions when they considered that an eviction was reasonable and adequate Police notice had been given to the party to be evicted. The purpose of this further month's respite is to afford the relief organizations time to find sites suitable for the erection of matsheds to accommodate refugees evicted from buildings. Members adopt the recommendation of the Refugee Survey Committee and accordingly it is

RESOLVED that Police action in assisting the refugee evictions at the request of landlords in cases where there is no Court Order, be postponed to June 10, 1938.

C 20/2

X Coffin Repositories. Mr. Matthews refers to the continuance and aggravation of the annoyance to his home in Great Western Road caused by a coffin repository, whose area he states is continually being expanded. Nuisance is also caused through bands attending the burial processions at this repository.

Regarding the band nuisance in connection with coffin repositories, the Police have reported that they will issue warnings to the managements of coffin repositories that no funeral permits for processions to their premises will be issued if such processions cause a nuisance, through bands or other ceremonial features, to residents living in the vicinity of such coffin repositories.

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Mr. MacDonald expresses the view that the Council should take steps to ensure that no new coffin repositories are erected close to residences.

It is decided to call for Departmental reports in respect to projected new repositories and to the expansion of the repository near Mr. Matthews' residence in Great Western Road, and to place the subject on the next Council meeting agenda.

The meeting terminates at 6 p.m.

Cornell S. Franklin

Chairman.

W. J. Subb

Acting Secretary.

At the meeting of the Council held on Wednesday, May 25, 1938, at 4.30 p.m.,

there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen, E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 W. H. Plant
 T. Sugisaka
 Yu Ya Ching

The Commissioner of Public Health

The Acting Commissioner of Public Works

The Treasurer & Controller,
 The Secretary General, and,
 The Acting Secretary.

Absent:

Messrs. W. Gockson
 E. Y. B. Kiang

The Minutes of the meeting held on May 12 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Health Committee held on May 20 are

submitted and, with the following exception, are confirmed.

Re-opening of Isolation Hospital. Mr. Okamoto expresses doubt as to the wisdom of making a reply to the Japanese Military Authorities in the sense recommended by the Health Committee, before personal consultations have taken place between Dr. Nagai, representing the Public Health Department, and Major-General Sasai or his representative. He feels that the recommended reply, that the Council finds it not possible to re-open the Foreign Isolation Hospital at the present time, might create the unfortunate impression that the Council is shirking its responsibility.

The Chairman states that under the prevailing conditions and restrictions in the area in which the Hospital is located it did not appear to the Health Committee to be practicable at present to operate this Hospital upon the former lines. Mr. Okamoto replies that the consultations he proposes contemplate the possibility of these restrictions being so eased as to permit the Hospital's re-opening by the Council.

The Commissioner of Public Health states that, whilst it might be made feasible to re-open the Hospital through the easing of

C 1/12

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of restrictions, it could not be done with the present available staff. He is, nevertheless, in favour of the prior consultations which Mr. Okamoto recommends.

General Macnaghten, Chairman of the Health Committee, states that he also is in favour of the suggested discussions, and accordingly it is

RESOLVED that the Commissioner of Public Health depute Dr. Nagai to enter into conversations with Major-General Sasai or his representative regarding the practicality at the present time of re-opening the Foreign Isolation Hospital in Range Road, the results to be the subject of report by the Commissioner of Public Health.

The Minutes of the meeting of the Education Board of May 20 are submitted and confirmed.

C 20/2

Coffin Repositories. Relating to the discussion at the last Council meeting, reports are submitted by the Commissioner of Public Health and the Acting Commissioner of Public Works on the subject of a coffin repository in proximity to the residence of Mr. F. N. Matthews.

Mr. Matthews states that there are two such repositories in proximity to his residence, one closely abutting and the second about 150 yards to the South. The former has expanded since he had first raised objections to its operations. He states that this afternoon considerable annoyance to his home had been occasioned by three processions to these repositories, involving several hundred persons and creating excessive noise. He enquires whether processions to these coffin repositories can properly be regarded as of the habitual funeral type of which bands and wailing are an accepted feature. In raising the point as to whether bands and wailing are necessary to the transport of coffins to such repositories, he asks whether preventive action by the Police is feasible.

Whilst it is noted from the minutes of the last meeting that the Police have issued to the managements of coffin repositories warning against the creation of noise in connection with such processions, enquiry will be made of them as to whether any further steps are feasible in order to prevent nuisances such as that occasioning annoyance to Mr. Matthews' residence.

It is also

RESOLVED to inform the proprietors of the two Repositories in proximity to the residence of Mr. F. N. Matthews in Great Western Road that they must not further extend the areas thereof, nor construct any more sheds within their areas for the accommodation of coffins.

With regard to steps to prevent the erection of new coffin repositories close to residences, reports by the Commissioner of Public Health and the Acting Commissioner of Public Works are submitted. The Chairman refers to the plan, exhibited at this meeting, which has been prepared by the Public Works Department, showing areas most suitable for coffin repositories.

Mr. MacDonald and Gen. Macnaghten favour the issue by the Council of a notice warning the public of the necessity of a municipal permit authorizing the location of projected repositories. The Chairman expresses doubt as to the wisdom of the Council embarking upon the issue of permits for repositories which may be in territory not under the Council's jurisdiction, and the Secretary General supports him in this view, adding that he considers that the present practice should suffice of putting pressure upon repositories not conforming to the Council's wishes. The Secretary General feels that publicity in the matter is inadvisable and that it is not necessary to do more than to act upon Public Works Department reports as to specific objectionable repositories. Mr. Matthews suggests that access to such objectionable repositories should be barred.

Upon further discussion, the Chairman agrees with Mr. MacDonald that a public notice should be issued, though he deems it unnecessary that any reference should be made therein of the steps the Council may take in the event of its warning not being heeded, Accordingly it is

RESOLVED that a public notice be issued warning that in future coffin repositories shall not be permitted to be erected close to residences and that their erection will be permitted only in such areas as have been defined by the Public Works Department as being suitable for such purpose.

The Chairman refers to a repository whose construction has been commenced opposite No. 155 Tunsin Road, without the permission of Municipal Departments, and the work whereon is being continued in defiance of the instructions of the Public Works Department that it shall remove elsewhere, having regard to the unsuitability of the present location.

The Secretary General states that he had authorized the stoppage of its erection, pending the Council's instructions in the matter. The Acting Secretary states that neighbouring residents had entered protests against this place. He adds that the construction so far accomplished had been small, involving little expense, and thus no great amount of hardship would ensue upon its stoppage. Upon the Chairman's proposal it is

RESOLVED that the unauthorized coffin repository opposite No.155 Tunsin Road be required to desist construction and to remove to a suitable location, and that in the event of failure to comply with the Council's instructions and should it be necessary access thereto be blocked with a view to enforcing compliance.

C 5/1

Country Hospital Board of Governors. Upon the proposal of the Chairman, seconded by Gen.Macnaghten, it is

RESOLVED that Mr. Ellis Hayim be re-appointed to the Board of Governors of the Country Hospital for a further period of three years.

K 35/14

Refugee Camps. The Chairman refers to the criticism which has been entered by the Western Extra-Settlement Association against a projected refugees' industrial camp at a site situated between Yuyuen, Keswick and Tunsin Roads. He states that the alternative site which the Association had suggested for this proposed camp was in the French Defence area and had been found not to be available. Since the use of the area proposed by the sponsoring organization is a temporary emergency measure, the Chairman states that he is disposed to agree with the Commissioner of Public Health that the public good necessitates approval of the suggested site. It is noted that Municipal Departments are not opposed to a properly regulated camp on this site, and that the project has the approval of the International Red Cross, who have stated that efforts to find a suitable alternative site have been fruitless. Moreover, despite the assistance of the Public Works Department in locating suitable sites, the refugee organizations are experiencing great difficulty in actually securing sites within the defence perimeter. In this connection, an important element in the location of refugee camps, particularly in the minds of the refugees themselves, is that of security. Dr. Baker, Director of the International Red Cross, has stated that there is no conflict between this industrial camp project and the finding of camp sites for evicted refugees.

The project has the support of the Commissioner of Public Health, who has reported that one of the greatest difficulties in the control of threatened epidemics lies in the presence of small un-organized camps. Larger camps, such as that under consideration, offer better facilities for sanitation and health measures. A further consideration is that the camp is at least a desirable substitute for possible squatter occupation of the area. Dr. Jordan emphasizes the necessity of speeding up removals to larger camps, in view of the threat of epidemics, and adds that an essential to any camp is a supply of water, the absence of which contributes to cholera.

Mr. MacDonald states that he is not satisfied that other less objectionable sites are unavailable, and refers particularly to the Singapore-Penang Roads area. The Chairman replies that a difficulty is to find an alternative site of the large area required by the sponsors of the industrial camp.

Mr. Mitchell speaks upon the desirability of finding a suitable site outside the perimeter, having regard to the congested population inside, and also upon the related question of the need for the Council to formulate a policy to deal with the refugee problem as a whole, in view of the approaching financial difficulties of the refugee organizations. In his view it is not sufficient to leave matters to the refugee organs; and particularly in respect of finding a large camp site for refugees outside the perimeter does he feel that responsibility for making approaches to the Japanese Authorities devolves upon the Council. Regarding enquiry by the Council into refugee problems, the Chairman refers to the functions in this direction already exercised by the Council's Refugee Survey Committee. Continuing, Mr. Mitchell refers to the desirability to imitate the French Municipality's objective in regulating the influx of refugees.

Mr. Platt refers to his understanding of the subject gained as a member of the Council's Refugee Survey Committee and of the International Red Cross Committee. He states that there has been no recent increase in the numbers of refugees whose feeding is undertaken by the refugee organs. He explains the existing division of responsibility in refugee financing and camp management as between the major organization, the International Red Cross and the two other Chinese senior parent bodies. Whilst the International Red Cross does the major financing, it is not in full control of the camps. The International Red Cross is, however, very well aware of certain deficiencies in the organization and is aiming to better the camp control. He enters a warning against the Council itself attempting to remedy these deficiencies, having regard to the danger that any opportunity will probably be eagerly welcomed by the refugee organizations to transfer their responsibilities and financial obligations to the Council. With regard to camp sites beyond the perimeter, Mr. Platt expresses considerable doubt of their practicability or of the willingness of the refugees to make any resort thereto.

On the subject of responsibility for refugee maintenance generally, the Chairman supports Mr. Platt's view that the Council would be well advised to take no step which might unwittingly anticipate that time when the Council might find itself compelled to relieve the refugee organs of their burdens.

Mr. Keswick states that he agrees with Mr. MacDonald that the possibilities of sites alternative to that proposed off Keswick, Tunsin and Yuyuen Roads should be explored, and particularly does he favour an approach by the Council to the Japanese Authorities for the allocation of a site beyond the perimeter, so enclosed as to have access only from within the perimeter. Mr. Matthews refers to large areas of land lying fallow among Chungshan Road which might be suitable.

Mr. Plant states that he remains sceptical as to what will be achieved even should the Council be successful in prevailing upon the Japanese Military to make available a piece of land for refugees, since it is not beyond question that the existing control and financing organs will be willing to transfer their energies to a site so located. He reiterates the danger of tempting transfer to the Council of the responsibilities of these organizations. Regarding the proposed large industrial camp, he can see no valid objection thereto, and states that the French Authorities operate such large camps in their area without apparent protests from residents. The International Red Cross are themselves actively engaged in trying to substitute large camps for small and are combing all possible sites for the purpose. In his view validity is lent to the industrial camp scheme precisely because the site is large and aims to concentrate large numbers of refugees. Mr. Yulin Hsi states that he also supports the scheme for these reasons.

Mr. Okamoto states that since the Japanese objective is a return of the refugees to the country, he feels that they may be expected to co-operate in providing a camp site beyond the perimeter. The Chairman replies that he doubts that the Japanese Authorities will identify the first objective with the latter provision. Mr. Okamoto suggests that the Japanese Deputy Secretary be authorized to hold informal conversations with the Japanese Military and to sound them out as to their willingness to provide a camp site outside but abutting upon the perimeter. Mr. Ibusuki consents to this course, in collaboration with Mr. Okamoto or Mr. Sugisaka.

Upon the proposal of Mr. Mitchell it is thereupon

RESOLVED that decision upon the project for an industrial Refugee Camp in the Tunsin, Keswick, Yuyuen Roads area be deferred until the next regular meeting of Council and pending informal approaches to be made by Mr. Okamoto or Mr. Sugisaka and the Japanese Deputy Secretary to the Japanese Military regarding the allocation of an alternative site beyond but abutting upon the defence perimeter.

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F 30/12 (cont.)

Export of Rice from Shanghai under Permit. A report has been submitted by the Treasurer & Controller, recommending, in agreement with the Rice Joint Administrative Committee, that the Council should forthwith give public notice that its permits are necessary prior to export of rice from the Settlement or for the movement of rice to surrounding areas, excepting movements into the French Concession, but including movements to the north of Ssoohow Creek. The view of the Treasurer & Controller is that it is unreasonable that the Council should be burdened with large and costly rice stocks, with risks of deterioration, while at the same time the present considerable rice exports continue. The French Municipality's policy at the moment is to restrict the export of rice. It is the feeling of the Rice Joint Administrative Committee and of the Treasurer & Controller, which is shared by the Chairman of the Supplies and Fuel Sub-Committee, that rice should be subject to the same control that flour exports are.

In amplification of his report, the Treasurer & Controller states that the underlying ideas of the permit system is the obtaining of information and the exercise of control of rice supplies. It is possible that the reason for the present export tendency is the unrestricted rice arrivals in Shanghai at the moment, but from his past knowledge of fluctuations of the rice situation he states that it is impossible to say when there will be a shortage. In his view, even the Rice Guilds are not fully acquainted in the matter and they are not able accurately to gauge the future of rice stocks and needs. Though there may be ample supplies at the moment, the probable crop shortage does not reassure him as to the future position. He reiterates that it seems inappropriate that he should hold large and costly rice stocks as a public precaution, while unrestricted exports are permissible. In his view measures to ensure control of rice are important, and public knowledge that the Council is exercising such control will have a reassuring effect.

Messrs. Singloh Hsu, Mitchell and Keswick are of the opinion that since rice imports to Shanghai are now unrestricted and no shortage threatens, imposition of the permit system at the moment is unnecessary and unwarranted. Mr. Hsu believes that the permit system is unnecessary if required solely to furnish information as to rice stocks, since in his view this information can be acquired from the Rice Guilds. The permit system appears to him rather to pre-suppose the possession of such information.

Messrs. Mitchell and Keswick state that the former restrictions on rice imports were largely attributable to the Yangtze River closure, but that this obstacle no longer remains. Rice has now free access from Saigon, Rangoon and overland from the up-river port

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of Wuhu. In their view the fact that rice is being exported from Shanghai is in virtue of Shanghai's natural function as a distributing centre, a function which, given the present plentiful supplies, they do not consider it reasonable to disturb. A certain amount of disturbance of this function has already resulted from news of the proposed permit control system having got about, which has tended to cause certain stocks to avoid the Settlement. They are of the view that it will suffice to introduce the permit system when there actually is a rice shortage or prices become excessive.

Mr. Hsu repeats that in his view the permit system is not at present needed, but that it should be introduced if and when needed. Mr. Yulin Hsi states that he shares Mr. Hsu's views. Mr. Mitchell states that he considers that there are ^{at present} no reasonable grounds to anticipate a rice crisis. The Treasurer & Controller is, however, unable to share the assurances that there is no danger in the rice situation. Since in his opinion it is impossible to forecast the turn the situation may take, he therefore favours a system devised to make it possible to regulate rice movements.

Mr. Matthews favours the permit system and feels that it would appear to be reasonable to draw the conclusion from the fact that the French Municipality's present policy is one of restriction, that the position is not altogether reassuring. He also refers to the Council's past anxieties in the matter of adequate rice stocks. Mr. MacDonald agrees with Mr. Matthews, and expresses doubt that the permit system will divert rice from Shanghai. The Chairman is, however, inclined to Mr. Singloh Hsu's view that the introduction of the permit system should be deferred until danger actually is foreseen. In view of the division of opinion the matter is put to a vote and by a majority it is

RESOLVED that the introduction of a rice export permit system be deferred for the present.

The meeting terminates at 6.30 p.m.

Cornell S. Franklin

Chairman.

[Handwritten Signature]

Acting Secretary.

At the meeting of the Council held on Wednesday, June 9, 1938, at 4.30 p.m.,

there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 T. Sugisaka
 Yu Ya Ching
 The Commissioner of Police
 The Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. W. Gockson
 S. L. Hsu
 W. H. Plant

The Minutes of the meeting held on May 25 are confirmed and signed by the Chairman.

C 20/2

Coffin Repositories. Mr. Matthews states that he wishes to make it clear to members that, though he has his own grievance in respect to the repositories near his residence where the noise nuisances have not yet been wholly eliminated, his representations are on behalf of residents generally who suffer annoyance from coffin repositories and their attendant processions.

The Acting Secretary states that a Police report, recommending measures to minimize particularly the procession band nuisance, has today been received and will be submitted for members' consideration in due course.

K 35/14

Refugee Camp outside the defence perimeter. Mr. Mitchell explains the developments since the last Council meeting, referring to the Refugee Survey Committee's consideration of the practicability of his proposal for a refugee camp site beyond but abutting the defence perimeter. Whilst the Committee was sceptical of the feasibility of his proposal, and their doubts had at first been shared by Dr. Baker, Director of the International Red Cross, Dr. Baker now considers that a site so located, catering solely for old women and child refugees, might be practicable. Accordingly, Mr. Mitchell states, the Refugee Survey Committee has been convened further to consider the matter.

The Minutes of the meeting of the Works Committee of June 3 are submitted and confirmed.

L 12/3

Bund Landing Accommodation Charges. Whilst he reveals a private interest, Mr. Mitchell states that, though he does not regard as otherwise inequitable the scale of charges recommended by the Works Committee, he considers it unfair that there should not be discrimination between lighters the cargo in which is subjected to wharfage dues and those the cargo in which is not so subject. Since the landing accommodation charges in effect become transferred to the cargo, he feels that cargo that pays wharfage dues has already discharged its responsibilities to make a return for landing facilities, since in his understanding the Council's receipts from wharfage dues are allocated to furnish such facilities. In his view, to tax in the manner proposed lighters carrying cargoes upon which wharfage dues are paid is to subject them to double taxation, which he considers unfair. Accordingly, he feels that lighters in this category, whose scope of operation is inside the harbour, should be exempt from the proposed charges.

The Secretary General states that the Council's wharfage dues receipts go into the revenues for general expenditures and are not earmarked specially to provide landing facilities.

The Chairman and the Treasurer & Controller refer to the temporary and provisional nature of the scheme of charges, devised to provide a reasonable return to the Council to offset the special expenses ensuing upon the present intensive use of the Bund landing facilities. Of the total burden of charges falling upon all varieties of craft, only a small proportion is borne by lighters, and accordingly the Treasurer & Controller feels that the reasons advanced by Mr. Mitchell are insufficient to warrant any variation of the scheme recommended by the Works Committee. Mr. Matthews, Chairman of the ^{Works} Committee, supports the Treasurer & Controller's view.

Upon the Chairman's invitation to vote, members unanimously declare themselves in favour of adoption of the Works Committee's recommendation, without the modification proposed by Mr. Mitchell.

In referring to complaints which had been made to him regarding the present control of mooring arrangements, Mr. Mitchell states that, while the Police have done as well as could have been expected of them, they are necessarily not experienced in wharf management. He therefore suggests that the Council should employ a person accustomed to wharf management to operate the Bund landing arrangements. The Treasurer & Controller states that difficulty might attend fitting such a person into the arranged departmental Bund control organization. He suggests that the agreed scheme, which is an improvement upon that which has been superseded, should be judged upon the results of its trial.

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Upon Mr. Mitchell's enquiry, the Treasurer & Controller agrees that the term registered ton, within the meaning of the agreed scale of charges, is a capacity ton as defined in the Customs' register of the lighter.

H 3/231 Police Force - Staff. There is submitted for members' consideration a report by the Commissioner of Police recommending the re-grading of Mr. S. C. Young, Deputy Commissioner, and the promotion to Deputy Commissioners of Police of Captain H. M. Smyth and Messrs. G. W. Gilbert and T. Robertson, Assistant Commissioners of Police.

A further report by the Commissioner of Police is also submitted recommending the transfer of Mr. A. H. Samson, Deputy Governor of the Shanghai Municipal Gaol, to the post of an Assistant Commissioner of Police.

Reports by the Treasurer & Controller in comment upon the Commissioner's proposals are also submitted.

The above reports were in course of circulation to the Staff Committee and members of Council, but have been tabled at this meeting in view of members' observations and as a matter of urgency.

In reply to General Macnaghten's enquiry, the Commissioner of Police states that his recommendation for the promotion of Captain Smyth, with seniority above Messrs. Gilbert and Robertson, to whom he is now junior, has regard primarily to the fact that he considers Captain Smyth is the best man, and also to the fact that he feels he should properly be credited with three years' seniority for previous service as an Assistant Commissioner prior to re-engagement in 1936.

In connexion with these proposed promotions, Mr. MacDonald states that it is his opinion that the present method of promoting men to posts which normally make them eligible for the highest Officerships and ultimately the Commissionership, could be improved upon. He instances promotions from the rank of Superintendent to that of Assistant Commissioner in cases where the person concerned is due shortly to retire and whose services are thus not available when the Police are looking for eligible men for the senior officer posts. As a further illustration of the unsatisfactory nature of the present methods of providing eligible men for the highest posts, he states that in his opinion only one of the three proposed Deputy Commissioners is fitted ultimately to be Commissioner of Police. He has in mind the special recruiting of personnel eligible for the higher Officer posts, upon the lines of the London Police College; the careers of these special recruits would be watched and their rapid promotion ensured should they give the looked-for evidence of capability to command. In reply to the Chairman, Mr. MacDonald states that he submits his views for record and that it is not his expectation that action should at the moment be taken thereon. Members thereupon

RESOLVE that the staff recommendations contained in the two reports of the Commissioner of Police under date May 28, regarding the re-grading of Deputy Commissioner S. C. Young and the promotion to Deputy Commissioners of Capt. H. M. Smyth and Messrs. G. W. Gilbert and T. Robertson, and the transfer of Mr. A. H. Samson, Deputy Governor of Gaols to the post of an Assistant Commissioner of Police, be approved, pay to be issued in accordance with the recommendations contained in the two reports of the Treasurer & Controller under date May 31.

K 7/3 French Lottery for the benefit of Refugees. There has been submitted to the Secretary General a proposal requesting that the Council will not object to the sale in the Settlement of the tickets of a lottery organized by certain reputable members of the French community, with the authorization of the French Consul, designed to benefit refugees. The proposal states that the Board of Directors of the Company to operate the lottery are giving their services without compensation and that all profits from the lottery, after a deduction for prizes and covering expenses, will be devoted to the relief of the large number of refugees in Shanghai.

The Commissioner of Police has reported that in his opinion the proposal is a very good one, with satisfactory regulations and supported by substantial French citizens. He feels that residents of Settlement generally will approve a lottery devised to aid refugees, who are urgently in need of funds. He therefore strongly favours the official grant of permission by the Council for the free sale in the Settlement of the proposed lottery tickets, provided it is stipulated that no other lottery will be permitted and that the proceeds for the refugees be lodged with the International Red Cross or other central control refugee organization caring for refugees in the French Concession, the Settlement and Nantao.

The Secretary General states that a representative of the promoters had called upon him. As the promoters are thoroughly familiar with the Council's policy of prohibition of lotteries, they had made the suggestion that the Council might overlook the sale of such tickets in the Settlement, if express recognition of such sale would involve embarrassment. He states that the Council's policy for the past 70 years has been a consistent prohibition of public lotteries. The Council had been legally powerless to prevent the exception in the case of the Chinese National Government Lottery, since such had been authorized under Chinese law. Prior to the present French application, certain groups had advanced purported refugee lottery proposals, but the Secretary General states these were not responsibly promoted and their aims were for the benefit of the promoters themselves. In stating that

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approval involves a decision to depart from a long-established policy, the Secretary General adds that he has no strong views in the matter but that he feels inclined to accept the Police proposals. From a practical viewpoint, he does not consider there will be any difficulty in ensuring that this lottery alone shall be permitted and that any others arising will be suppressed.

Mr. Yulin Hsi enquires whether it is the promoters' intention to discontinue the lottery when the refugee need therefor no longer exists. The Secretary General states that he believes the intention is to operate the lottery only so long as the financial need of the refugees so requires. The Chairman suggests that the Council's approval might continue only so long as the refugee need remains.

With regard to Gen. Macnaghten's suggestion that the proceeds should go solely to the International Red Cross, thereby relieving the Council of all responsibility for ensuring proper distribution to the refugees, the Commissioner of Police states that his proposal had in mind any distribution organ approved by the Council.

Mr. Okamoto suggests that the Council might well require reduction of the amount of 50 per cent. which the promoters propose to allocate from the ticket sale proceeds for the payment of prizes. The Secretary General replies that the promoters may be relied upon to arrange a proper apportionment of their income, since they will find it necessary to the success of their project to ensure the popularity of their lottery tickets. Mr. Matthews enquires whether the Council's responsibility in the matter should not require an audit by the municipal auditors.

The Chairman suggests that it might suffice for the present if the Council's approval in principle of the proposed French lottery were accorded, leaving the details for later settlement. Members agree, and accordingly it is

RESOLVED that the tickets of the French Lottery project for the benefit of refugees, authorized by the French Consul, be permitted to be sold in the Settlement, subject to details and conditions satisfactory to the Police and the Council.

X 35/3

Departmental Control in the Western extra-Settlement Area within the defence perimeter. In order to ensure proper control of building and other developments in the Western extra-Settlement area within the defence perimeter, the Chairman of Council proposes that the responsibility of watching, investigation and reporting to the Council developments in this area be delegated specifically to the Public Works Department (in collaboration with the Industrial Section) in respect to matters within the scope "factories and industries generally", and to the Public Health Department in respect to matters within the scope "insanitation and pollution", including squatter village regulation."

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The Chairman adds that whilst it is proposed that responsibility in regard to these two differing fields be co-ordinated respectively in the two Departments named, it is not intended that they shall be precluded from inviting the collaboration of each other or any other Municipal Department in the discharge of their responsibilities.

Members approve the Chairman's proposal.

F 5/18 Annual Recess. Mr. Okamoto suggests that the Annual Recess might well be lengthened this year, to compensate for members' exceptionally arduous labours and to permit of absence in July. The Chairman, however, states that he is inclined to associate himself with Gen. Macnaghten and Mr. Matthews, who feel that the usual duration is sufficient and who are concerned that the public shall not gain any wrong impression of relaxed vigilance on the part of the Council during the present specially difficult times. Upon the proposal of Mr. Kiang, it is decided to defer a decision in the matter until the next meeting of Council.

M 6/8 Air-Conditioning of Council Chamber. Upon Mr. Okamoto enquiring as to the possibility of measures to reduce the outside noise from which the Council Room suffers, it is decided to call for estimates from the Public Works Department for air-conditioning and the attendant elimination of outside noise.

The meeting terminates at 5.45 p.m.

Cornell S. Franklin

Chairman.

W. G. M. V. H.

Acting Secretary.

At the meeting of the Council held on Wednesday, June 22, 1938, at
4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
Messrs. Yulin Hsi
W. J. Keswick
E. Y. B. Kiang
R. G. MacDonald
F. N. Matthews
E. E. Mitchell
O. Okamoto
T. Sugisaka
Yu Ya Ching
The Commissioner of Police
The Acting Commissioner of Public Works
The Treasurer and Controller
The Secretary General, and
The Acting Secretary.

Absent:

Messrs. W. Gockson
Singloh Hsu
W. H. Plant

The Minutes of the meeting of June 8 are confirmed and signed by the
Chairman.

K 7/3

French Lottery in aid of refugees. The Secretary General states that although he has communicated the Council's decision, the promoters have not yet replied nor acted in accordance with his request, that they should confer with the Commissioner of Police in the matter of the conditions to govern the operation of the lottery in the Settlement.

K 35/14

Refugee Camp outside Defence Perimeter. Mr. Mitchell states that approach to the Japanese Authorities has not been further pursued, having regard to an inconclusive discussion of this matter by the Refugee Survey Committee, from which it became apparent that Dr. Baker, Director of the International Red Cross, did not maintain his first optimism as to the practicability of a scheme of the nature and scope as envisaged by him (Mr. Mitchell).

K 35/14

Eviction of Refugees. Mr. Mitchell refers to the Council's endorsement of the Refugee Survey Committee's recommendation regarding the further postponement to July 10 of the landing of Police assistance to landlords in the eviction of refugees. He states that he does not feel assured that the refugee organizations will succeed, by the stipulated date, in providing accommodation sufficient to house the 30,000 refugees

whose eviction by July 10 is evidently contemplated. It is his opinion that the time will shortly arrive, if it has not already arrived, when the Council will perforce have to abandon its present policy of detachment in regard to the refugee problem, and will at least have to consider the leasing of suitable sites to furnish accommodation for refugees urgently needed in view of the imminent evictions. From information available to the Council, he states, it appears that the new camps projected by the refugee organizations, even should they be completed by July 10, will suffice to accommodate only 18,000 refugees, leaving 12,000 still to be cared for.

General Macnaghten states that the three projected new camps, planned to accommodate 18,000 persons, have been delayed owing to the necessity of the refugee organizations reaching an understanding with the Japanese Authorities. The Chairman states that he has twice seen the Japanese Consul-General in this connection and that the latter was hopeful that this matter would shortly be satisfactorily settled.

Mr. Matthews enquires as to the exact commitments made by the Council to the landlords in the matter of lending Police assistance to evict refugees. In reply, the Acting Secretary reads a typical letter which has been addressed to one of the landlords, wherefrom it is made clear that the transfer of the refugees from the buildings concerned is the responsibility of the refugee organizations; that evictions are primarily a matter between these organizations and the landlords, and that such Police assistance as it is reasonably possible to extend in facilitating evictions would not be extended until the postponed date of July 10. Mr. Kiang agrees that the Council did not commit itself in any form of guarantee that it would itself ensure that evictions would be accomplished on July 10, since this is not its direct responsibility.

The Chairman states that while this is so, the Council has promised after several postponements, and with effect from July 10, to assist owners in securing refugee evictions. With this in view, the refugee organizations were expediting the new camps, in response to the Council's representations emphasizing the need for urgency in such provision.

As to the legality of Police action in effecting evictions, the Chairman states that, in the final resort if necessary owing to delay in the provision of alternative accommodation, the Council could justify withholding its assistance to landlords on the grounds that a court order is a prerequisite of Police action in effecting refugee evictions. In the event of lack of available alternative accommodation, discretion in assisting evictions might have to be exercised by the Police in certain cases, for example where the property was not required

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for immediate use. In support of the Chairman's opinion, the Secretary General states that under normal conditions the Police would not be justified in effecting an eviction without a court order. Under the present abnormal conditions, and having regard to the circumstances of entry of refugees upon certain premises, the Council may be willing to go beyond its strict legal obligations and consider it justifiable to lend the assistance of its Police without a court order. In reply to Mr. Matthews the Secretary General affirms that the Council's position remains the same where a case of trespass is involved, since the Police are not competent to decide as to the trespasser's rights.

Regarding Mr. Mitchell's suggestion that the Council should immediately appreciate its responsibility towards the refugees, which he feels will inevitably finally devolve upon it, by financing the leasing of refugee camp sites, the Treasurer and Controller states he is apprehensive that such action would open the door to transfer from the refugee organizations to the Council of general financial responsibility for refugees. The Chairman states that the Council's policy of detachment in respect to the refugee problem is to an extent explained by the Treasurer and Controller's justifiable apprehension, the Council's aim being to postpone for as long as possible the assumption of increased financial responsibility for refugees. In this connection Mr. Matthews suggests the possibility of the use of the proposed refugee lottery funds for financing camp site leasing.

In concluding the discussion, the Chairman requests that General Macnaghten and Mr. Mitchell should urge upon the refugee organizations the necessity for speed in providing new accommodation for refugees.

r 5/18

Annual Recess. With reference to the discussion at the last Council meeting, the Acting Secretary suggests that, if members are content with a Recess period of the customary duration, the dates Thursday, July 28, to Tuesday, September 6, both days inclusive, would appear to be suitable, conforming with the dates in recent years. Members approve and it is accordingly

RESOLVED that the 1938 Annual Recess be effective between July 28 and September 6 inclusive.

m 6/8

Air-Conditioning of Council Chamber. A report by the Acting Commissioner of Public Works is submitted, estimating the cost of an air-conditioning plant in the Council Chamber, which would also serve to eliminate noise, at approximately \$28,000, of which \$22,000 would be subject to exchange fluctuations. To give immediate relief from the excessive noise experienced in the Council Chamber, he states that he is arranging for regulation of motor car traffic in the compound so as to diminish noise from that source.

The Treasurer and Controller in comment suggests that, in view of the high cost involved, the question be deferred until a later date.

The Chairman states that in his view the scheme of air-conditioning, though desirable, is not at present justified on financial grounds. He adds that the measures to be introduced by the Acting Commissioner of Public Works for diminishing motor car noise from the compound will prove of assistance and should suffice for the present. Members agree and it is accordingly

RESOLVED that the question of air-conditioning of the Council Chamber be deferred, and that the scheme to diminish motor car noise proposed by the Acting Commissioner of Public Works be approved.

The Minutes of the meeting of the Education Board of June 16 are submitted and confirmed.

The Minutes of the meeting of the Joint Finance and Staff Committees of June 17 are submitted and confirmed.

H 12/2

Superannuation Fund - Withdrawals and Transfers to Alternative Currency Funds. Upon the proposal of Mr. Matthews, the intention of the Committee recommendation under this heading is made more explicit by substitution of the words: "at the rate of not less than 1s/- to the dollar" in substitution of: "at the rate of 1s/- to the dollar". Subject to this textual amendment, the recommendation is approved.

H 1/2

Temporary Bonus. In regard to the Temporary Bonus the Treasurer & Controller explains that in publishing reference to the 8% Bonus it is also necessary to include the limit of \$50 for otherwise certain employees would be misled. As regards the provision for a minimum Bonus, this was intended to relate to the lower percentage rate of bonus as set out in the scale and does not arise at the present time - consequently no reference to this aspect of the matter is necessary.

The Minutes of the meeting of the Staff Committee of June 17 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of June 20 are submitted and confirmed, with the following exceptions in respect to the subjects 1937 Emergency Medal and Midget Hire Cars.

F 30/20

1937 Emergency Medal. In submitting the Watch Committee's recommendation, endorsing proposals made by the Commissioner of Police and the Acting Chief Officer that the 1937 Emergency Medal be awarded to certain of their civil staff, General Macnaghten, Chairman of the Committee, states that he remains in opposition to the Committee's recommendation, and that his opposition has not been altered by a further report submitted by the Commissioner of Police in explanation of his proposal to award the medal to certain of the Police civil staff.

General Macnaghten states that his opposition to the award of the medal to certain of the civil staff of the two Departments named is based on his view that the dictates of consistency would necessitate extending the same treatment to the civil staff of other Departments, with the result that the question of eligibility for the medal would be reopened. He feels that determination of individual eligibility in so wide a field would prove difficult and he favours adherence to the regulation adopted by the Council, limiting the award to uniform personnel only.

In reply to Mr. Keswick, the Commissioner of Police states that the work performed by the civilian staff whom he has recommended for the medal can properly be described as duties normally undertaken by uniform Police. One of the civilians was actually permitted to don uniform.

Mr. Matthews states that he is inclined to favour issue of the medal to those civilians of the Police and Fire Brigade who actually undertook uniform emergency duty without, however, reopening the question of eligibility. The Chairman replies that he does not consider it reasonable to distinguish between Departments in assessing the merit of emergency duties performed by the civilian staff, and that accordingly consideration of the advisability of varying the eligibility regulations is necessarily involved in adoption of the Watch Committee's recommendation. In support of his view that it is reasonable to limit the medal to actual uniform personnel only, the Chairman states that medals awards are a normal feature of uniform life as contrasted with civilian life. Mr. MacDonald, agrees with the views of the Chairman and General Macnaghten, whilst not opposing the particular awards recommended by the Commissioner of Police and the Acting Chief Officer, Fire Brigade. Mr. Mitchell, however, considers that a distinction might reasonably be drawn in favour of civilians who performed recognized uniform duty, for which otherwise uniform personnel would have had to be employed. Mr. Okamoto also considers that they might be deemed uniform personnel for the purpose of the medal award.

Mr. Yulin Hsi, in agreeing that a distinction between different departments should not be drawn in assessing the merits of civilian emergency services, suggests that while it may not be desirable to recognize such services by a medal some other form of recognition might be warranted. The Treasurer & Controller suggests that a Certificate of Service might be appropriate.

The Chairman then puts to the vote the Watch Committee's recommendation endorsing the Police and Fire Brigade proposals to issue the medal to certain of their civilian staff. By a majority of one vote this recommendation is defeated.

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Consideration follows as to recognition of civilian emergency services in some form other than by a medal. Mr. Kiang favours this course and recommends its extension to civilians in all of the Municipal Departments subject to recommendation of the Head as to eligibility.

In reply to Mr. Mitchell, the Commissioner of Police states that he cannot yet say how the proposal of a Certificate of Service would be received by the civilian staff he recommended for a medal award. Upon the Acting Secretary's suggestion, it is decided to invite the views of Heads of Departments on the proposal of a Certificate of Service and to defer consideration until the next Council meeting. Accordingly it is

RESOLVED that the Watch Committee's recommendation endorsing the proposals of the Commissioner of Police and the Acting Chief Officer, Fire Brigade, to issue the 1937 Emergency Medal to certain of their civilian staff, be disapproved. The Committee's recommendation regarding the issue of the medal to the Commanding Officers of the French Police and Fire Brigade is, however, approved.

I 2/16

Midget Hire Cars. Consideration of the Watch Committee's recommendation under this heading is, upon the proposal of the Chairman, postponed until the next regular meeting of Council.

The meeting terminates at 6 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, July 6, 1938, at 4.30 p.m.,

there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. Yulin Hsi
 S. L. Hsu
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 T. Sugisaka
 Yu Ya Ching
 The Commissioner of Police
 The Commissioner of Public Health
 The Acting Commissioner of Public Works
 The Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. W. Gockson
 W. H. Plant

The Minutes of the meeting held on June 22 are confirmed and signed by the Chairman.

K 7/3

French Lottery in aid of Refugees. The Chairman refers to receipt of a letter from the French Company which has been granted permission to sell lottery tickets in the Settlement in aid of refugees, in which it agrees that no other lottery be permitted. With regard to the Council's proposal that the proceeds be handed over to the Shanghai International Red Cross for distribution to officially recognized refugee organizations, the Company states that its Byelaws provide for distribution by a special committee to be appointed by the Company Board;

The Chairman states that a further letter received from the Company includes the names of General Macnaghten and Mr. Plant among the tentative Lottery Distribution Committee of the Company, the composition of which in his opinion provides a sufficient assurance to the Council of the proper distribution of the lottery proceeds.

In reply to Messrs. Hsi and Kiang's enquiry as to whether the Council would be advised to reserve to itself the right to permit other refugee lotteries, the Secretary General is of the view that the Council should content itself with the Company's agreement that no other lottery be permitted. The Chairman agrees that for the present the stipulation should remain that no other lottery be permitted.

Having been invited to serve on the Company's Distribution Committee, General Macnaghten enquires as to what his position might be with reference to British law regarding lotteries which is rather broad. In view of the fact that the lottery is to be operated solely for the relief of refugees and is legal under French law and primarily promoted by French citizens and that the functions of the Distribution Committee are largely advisory, the Chairman and the Secretary General express the opinion that from a practical point of view they do not think the situation should give rise to any concern on General Macnaghten's part as to his position as a member of the Distribution Committee.

F 30/20

1937 Emergency - Proposed Certificate of Service. The Chairman refers to a summary which is submitted of Departmental views as to the desirability of recognition of services rendered during the 1937 hostilities by the Council's civilian staff, by means of a Certificate of Service. In his view the reception of the Council's suggestion may be characterised as lukewarm, and he feels that the issue of the certificate will entail embarrassment in assessing individual merits. For this reason he feels it would be difficult to adopt Mr. Okamoto's suggestion to treat the Fire Brigade and Police civilians preferentially. Members generally agree that the difficulty of discrimination and the avoidance of dissatisfaction in individual cases would involve wholesale award of the certificate, with consequent detraction from its value. Messrs. Kiang and Hsi are, however, in favour of some form of recognition and do not consider the probability of a wholesale award an obstacle, having regard to the wholesale recognition of uniform services by a medal.

Asked for their views, the Commissioner of Police and the Commissioner of Public Health favour a certificate; the Acting Commissioner of Public Works is not particularly in favour, while the Treasurer & Controller and the Acting Secretary express themselves as definitely opposed.

By a majority vote it is decided to drop the proposal of a certificate of service.

182/16

Midget Hire Cars. The Chairman states that he has discussed with the Japanese Consul-General the application of the Kiangnan Industrial Company for the licensing of a small hire car service. Upon the Chairman's proposal it is accordingly

RESOLVED that the application of the Kiangnan Industrial Company for the licensing of a small hire car service be approved, the basis of approval to be that, having regard to the existing abnormal circumstances, temporary licences valid for three months be granted, subject to the conditions that the cars be operated North of the Soochow Creek only and that they do not cruise or install meters.

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K 35/14

Eviction of Refugees. The Chairman refers to the Council's decision to defer until July 10 permitting the services of the Police in assisting refugee evictions at the request of landlords. He states that a joint petition has been received from the refugee organizations requesting that such Police action be further deferred having regard to their failure to find alternative camp accommodation.

The Acting Secretary enquires whether it may not be advisable, in order to ensure gradual rather than wholesale evictions and thus to gain time to find alternative accommodation, that the Council should require a Court Order before lending Police action. The Secretary General states that it may be undesirable to force landlords to secure Court Orders, thereby imposing a necessity upon the Council to evict refugees, and he favours continuing the practice, if it can be peaceably accomplished, of individual evictions by arrangement with the landlords without the necessity of a Court Order. The Commissioner of Police replies that he can give no general guarantee that evictions so arranged can always be carried out without a breach of the peace.

General Macnaghten suggests that the Nantao Zone Committee should be approached as to whether they are willing to accommodate in Nantao the many refugees whose eviction the landlords seek. He is of the view that if the refugees will be accepted there, they should be compulsorily required to go to the Nantao Zone.

In reply to Mr. Matthews, the Chairman states that the intention would be that should accommodation be provided in the Nantao Zone, the Council would authorise the Police to effect evictions forthwith.

Mr. Yulin Hsi states that he is not in favour of Police evictions until alternative accommodation for the refugees is assured, and suggests an approach to the French Authorities for utilization of their vacant refugee camps. In replying that there is little likelihood of such an approach to the French Authorities being successful the Chairman assures Mr. Hsi that the Police will not be authorized to take action unless alternative accommodation has been found for the refugees.

The Chairman thereupon suggests reference to the Council's Refugee Survey Committee of the matter of undertaking an approach to the Nantao Zone Committee, and the formal appointment to the Survey Committee of Mr. Mitchell, who has been serving unofficially thereon. Members agree with both these proposals.

The Minutes of the meeting of the Education Board of June 30 are submitted and confirmed.

K 35/7

Squatters in Western Extra-Settlement Area. Following a personal inspection of the Western Extra-Settlement area, Messrs. Keswick and Mitchell have recommended that, as a defence against epidemics, sanitation should be

installed and supervised in squatter settlements by Municipal Departments, the cost to be borne by the Council where necessary. They furthermore recommend that squatter settlements should wherever possible be fenced, at the Council's cost if necessary, and that supervision of squatter settlements should be exercised by Municipal Departments, at public cost.

A report by the Public Works Department states that since the tour of inspection by the Western District Association, the work of cleaning up the squatters' camps has proceeded and would have progressed more rapidly had the recent rains not intervened. The collection of garbage and ordure has been organised and very shortly these camps will be provided with latrines and the insanitary drainage arrangements will be improved.

The Chairman states that though there has been an improvement of the squatter areas in certain localities, no general campaign is yet in progress. The Acting Commissioner of Public Works states that he has a special staff engaged on this work, and that its increase will be necessitated if members approve action in accordance with the recommendations of Messrs. Keswick and Mitchell. Members approve such action.

F 7/3

Extension of Gee Mai Road by Japanese Military (incorporation of Council's

Road.) Upon the Chairman stating that he has had no opportunity to go into this subject, members agree that consideration thereof be postponed.

F 30/12
(Pt. XI)

Rice Situation. Letters are received from the Acting Consul General for France and from the Food Committee of the French Concession, referring to the declining stocks of local rice, due to reduced quantities arriving, and to the fact that the price of rice is approaching the figure of \$14.00 per picul. The letters recommended that, in conformity with action taken in the French Concession, the export of Chinese rice be prohibited in the Settlement.

In reporting upon the matter, the Treasurer & Controller recommends that immediate steps should now be taken to control further exportations of rice until such time as the position can be judged more clearly.

In reply to members, the Treasurer & Controller states that the control measures immediately contemplated are to be construed as temporary prohibition of Chinese rice exports. Members approve of action being taken by the Treasurer & Controller upon the lines he recommends.

The meeting terminates at 5.30 p.m.



Acting Secretary.

Chairman.

At the meeting of the Council held on Wednesday, July 20, 1938, at

4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

Messrs. Yulin Hsi

S. L. Hsu

W. J. Keswick

E. Y. B. Kiang

R. G. MacDonald

F. N. Matthews

G. E. Mitchell

O. Okamoto

L. T. Yuan

Yu Ya Ching

The Treasurer and Controller

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. W. H. Plant

T. Sugisaka

F 5/11

Co-option of Mr. L. T. Yuan. The Chairman welcomes Mr. Yuan upon his taking his seat, and expresses members' assurance that the Council will profit from his past experience as a Councillor and from his advice.

The Minutes of the meeting held on July 6 are confirmed and signed by the Chairman.

K 35/14

Eviction of Refugees. In order to facilitate and expedite the evacuation of refugees from buildings whose re-possession is desired by landlords, members approve of a letter in terms of the draft submitted being addressed to the International Red Cross regarding the formation by the International Red Cross of a Refugee Camp Transfer Committee, representative of the parent refugee organizations, the Refugee Survey Committee, and Council Departments, whose function it will be to draw up a plan of the manner and order in which evacuations from these buildings into the new camps, to be provided, shall progressively be carried out.

The Minutes of the meeting of the Staff Committee of July 8 are submitted and confirmed.

H 12/4

Ex-Public Works Department Staff - Withdrawals of Superannuation Moneys. Regarding members' adoption of the recommendation of the Staff Committee under this head, Mr. Matthews desires it recorded that his dissent remains, which is based on his view that the ex-employees concerned have been unfairly treated.

The Minutes of the meeting of the Library Committee of July 14 are submitted and confirmed.

The Minutes of the meeting of the Education Board of July 15 are submitted and confirmed.

F 30/29

Primary Schools for Chinese - Temporary Premises. Regarding the view of Mr. MacDonald and Mr. Matthews that the premises No.15 The Bund should only be used if the school hours there are arranged so as to differ from the traffic rush hours, it is understood from the Acting Superintendent of Education that this can be arranged.

The Minutes of the meeting of the Public Utilities Committee of July 18 are submitted, and decision is rendered on the several recommendations of the Committee as follows.

G 9/5

Tramway Company - Trolley Bus Route Extension. The recommendation of the Committee is adopted.

G 5/3

Shanghai Power Company - Application for Increase in Tariffs. Discussion takes place upon the recommendation of the Public Utilities Committee, that the Company be permitted to increase its revenue by means of a surcharge on the present tariffs based on the effect of variations in exchange on the Company's working costs, the exchange adjustment to be made quarterly instead of monthly as first proposed by the Company.

The Chairman refers to a report by the Treasurer & Controller, which has been submitted since the above recommendation was framed, covering a letter from the Company setting forth its views pursuant to discussions which had taken place between the Company's President and the Treasurer & Controller after the meeting of the Public Utilities Committee. In this letter the Company submits reasons in support of a tariff surcharge based upon exchange fluctuations averaged over a month instead of over a quarter. In his report the Treasurer and Controller expresses the opinion that the Company's request, which however it is prepared to abandon if the Council so prefers, might suitably be conceded.

The Chairman and General Macnaghten agree with the Treasurer and Controller that the Company has made a good case for a monthly computation of the surcharge and that a monthly computation is in the financial interests of the consumers. Mr. Matthews agrees that a monthly computation is more equitable to both Company and consumer. Mr. Keswick concurs, adding that the Company has made a very fair proposition, and that its acceptance is justified by the commendable restraint shown by the Company in deferring its reasonable claims for exchange compensation from the beginning of the year until August.

Messrs. Kiang and Hsi, however, favour a quarterly computation and a quarterly billing of the surcharge, on the grounds of the better levelling out of the average of the exchange fluctuation over a longer period, and in the interest of the consumer knowing his surcharge

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commitments for a fixed period of three months instead of only one. The Chairman concurs with the Treasurer and Controller on the ground that more immediate relief is afforded under the monthly computation.

In reply to Mr. Matthews, the Treasurer and Controller states that the monthly average exchange rate on which the percentage surcharge is assessed will be known to consumers in advance, and in reply to Mr. Kiang he states that the surcharge will be distinctively shown on the consumer's bill. The Treasurer & Controller also informs members that any variations in the surcharge will be subject to examination and verification by his department.

Members thereupon vote as to whether the surcharge shall be monthly, as desired by the Company, or quarterly, as recommended by the Public Utilities Committee. A majority vote favouring a monthly surcharge, it is accordingly

RESOLVED that the Shanghai Power Company be permitted to increase its revenue by means of a surcharge on the present tariffs, based on the effect of variations in exchange on the Company's working costs, as shown by the percentages in the scale submitted, the adjustment to be made monthly, to commence from August 1, it being understood that the surcharge is to be considered temporary.

Hire Charges for Radiators and Cookers. Whilst the Public Utilities Committee has recommended that the Company be permitted to increase its rentals for radiators to Tls.5 per annum and Tls.1.25 per mensem, it has recommended a reduction in the monthly rental for cookers from the proposed increased figure of Tls.1.50 to Tls.1.

The Company's latest letter expresses the view that the proposed moderate rates for the hire of cookers and cooker electrical rates in effect amount to a subsidy of this form of service at the expense of the body of consumers.

This submission notwithstanding, members adopt the recommendation of the Public Utilities Committee.

Obligation to supply Equipment and install Wiring. The Public Utilities Committee has recommended that the Company be not released from its obligations under the Franchise to supply equipment on rental and to install wiring for cookers.

The Chairman states that members will appreciate that the above-mentioned argument of the Company, that these services entail a form of subsidy at the expense of consumers generally, applies similarly in this connection. He adds that if capital is tied up in unremunerative equipment the burden is transposed to the general body of consumers.

Mr. Keswick states that the monetary effect on the body of consumers is possibly negligible, but that the Company finds this form

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of service inconvenient. Aside, however, from the aspect of the Company's competing with trade concerns furnishing these services, he regards the service as provided by the Company as of convenience to the public.

Members generally are of the view that the Company should not be released from its Franchise obligations in these respects, and accordingly the recommendation of the Public Utilities Committee is adopted.

Western District Power Company Tariffs. The recommendation of the Public Utilities Committee is endorsed, that similar and proportionate increases in the rates and rentals as approved for the Shanghai Power Company, be also approved in respect of the Western District Power Co.

Shanghai Gas Company - Application for Increase in Tariffs. With regard to the recommendation of the Public Utilities Committee under this heading, the Treasurer and Controller states that he has learned since the meeting that there is a difference of view between the French Municipality and the Gas Company, which may necessitate some mutual compromise between them, with corresponding bearing on the Council's decision as to a surcharge increase. Accordingly, he proposes adoption of the Committee's recommendation as modified to provide for a temporary surcharge increased from 15 percent to "not more than 20 percent." Members approve the Treasurer and Controller's proposal and adopt the Committee's recommendation as so modified. The Committee's recommendation as to permitting the Company to establish a system of meter rentals is adopted.


M 5/17 Publicity regarding Shanghai. A letter is submitted from Millington Limited inviting the Council's co-operation in a Supplement to the Christmas Edition of the Times Weekly, giving authoritative information concerning the importance of Shanghai and Hongkong. The cost to the Council of its participation is stated to be £200, and the Treasurer & Controller has no objection to expenditure up to this amount, provided the Supplement material is to be international in character and that all nationalities are invited to participate therein. The Secretary General is of the opinion that the project is one which the Council might well encourage.

Whilst certain members are in favour of the Council's participation in the project on the grounds that it will assist to a needed restitution abroad of faith in Shanghai's future, such service well warranting an expenditure by the community of £200, other members object on the grounds of the need for economy and of doubt that effective propaganda will be afforded through the particular medium contemplated. Reference is also made to the establishment of a precedent for similar claims for the Council's financial co-operation from other publications.

Upon the matter being put to a vote, it is decided by a majority to disapprove the application.

The meeting terminates at 6.15 p.m.


Acting Secretary.


Chairman.

At the Special Meeting of the Council held on Friday, August 5, 1950,

at 4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

Yulin Hsi

W. J. Keswick

R. G. MacDonald

G. E. Mitchell

L. T. Yuan

The Commissioner of Police

The Commissioner of Public Health

The Acting Commissioner of Public Works

The Treasurer & Controller

The Secretary General, and

The Acting Secretary.

Absent:

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

Messrs. Singloh Hsu

E. Y. B. Kiang

F. N. Matthews

O. Okamoto

W. H. Plant

T. Sugisaka

Yu Ya Ching

F 5/18

Absence of Quorum. The Acting Secretary states that though there is a quorum as prescribed under the Land Regulations, there is not the requisite quorum of nine members present as provided under the Council's Standing Orders, and that accordingly any decision reached at this meeting and action taken in pursuance thereof are subject to ratification at the first subsequent meeting of Council at which a quorum of nine members is present.

K 35/14

Provision of Camp Sites within the Settlement Boundaries to accommodate Refugees due for Eviction. In enquiring of Mr. Mitchell as to the present position of negotiations to transfer to the Jacquinet Zone in Nantao or to a camp site just beyond the Western defence perimeter the estimated number of about 30,000 refugees for whose eviction from buildings the landlords are urgently pressing, the Chairman reminds members that his attitude has been that the Council should postpone, for as long as it possibly could, taking action in respect of the refugee problem which would lead to its assuming greater financial obligations in respect thereof than it already carries. He emphasizes the danger of tempting the refugee organizations increasingly to transfer their financial burdens to the Council, by giving them initial encouragement in this direction.

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This danger notwithstanding, the Chairman states that he appreciates the inequity of the burden at present borne by landlords who, against their wishes, are relieving the general public of the responsibility for providing camp accommodation for a large number of refugees, who have illegally housed themselves in the landlords' properties. He is unable to admit, however, that the landlords are justified in their contention that the Council is guilty of condoning the continued unauthorized occupation of properties by refugees, since he considers that the landlords have done little towards making use of the Courts in this matter, which he states is, technically speaking, the correct remedy to which they should resort for securing the evictions which they wish the Police to carry out.

Mr. Mitchell states that he is not optimistic as to a favourable reply respecting the availability of the Jacquinet Zone in Nantao for the use of the refugees due for eviction, and that Dr. Baker was not convinced as to the feasibility of the alternative project of a camp beyond the Western defence perimeter as a means to meet the eviction problem. Father Jacquinet, he hopes, will now represent to the Japanese authorities the Council's request.

In expressing the opinion that considerable delay must, in any case, necessarily attend any possible materialization of the schemes to use the Nantao Zone or the Western perimeter camp, Mr. Mitchell reiterates his former view that the Council cannot reasonably longer postpone assuming a further public responsibility towards the refugees, when the effect of not doing so is the victimization of one section only of the public, namely the landlords whose premises refugees have illegally occupied. He feels that by the Council continuing indefinitely to postpone recognition of the fact that such refugees are properly a public liability and not the private liability of a group of landlords, the landlords concerned have a legitimate grievance against the Council. No further deferment of action by the Council to remedy the grievance of the landlords is, in his opinion, justifiable.

Mr. Mitchell adds that he does not consider that the Council can reasonably excuse itself from action on the technical plea that it is for the landlords to secure the evictions themselves by resort to the courts in the normal way. It is his understanding that the only reason why the Council has not itself directed its Police to enforce such evictions without the authority of court orders, has been the menace to public health and order that would attend the absence of alternative accommodation for evicted refugees.

Invited by the Chairman to express his views as to measures to secure alternative accommodation for the refugees, Mr. Mitchell refers to a report submitted by the Acting Commissioner of Public Works suggesting

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the occupation of vacant land in the Western District within the Settlement boundaries, suitable for refugee camp sites, without prior consultation with the owners. In the Acting Commissioner's view, the problem of urgently obtaining land for this purpose may well prove insoluble if the prior acquiescence of the many private owners in the leasing of their lands is to be awaited.

The Acting Commissioner of Public Works states that the possibilities of such land sites have recently been reviewed by his Department, and that the eleven sites of vacant land he has in prospect within the boundaries plus a twelfth site on the boundary will suffice to furnish accommodation for about 30,000 refugees. He states that such twelve sites will provide the necessary 90 mow, assuming a camp population density, which he has agreed with the Commissioner of Public Health, of 360 persons to a mow, as contrasted with the overcrowded density in the Salvation Army refugee camps of 750 persons to a mow.

As to the rental costs for these 90 mow, the Acting Commissioner of Public Works states that he estimates the total rent at about \$10,000 a month, assuming a return to the owners on the assessed value of 6 percent per annum, which he considers reasonable, though he observes that such land is commanding an increasingly higher return, up to 14 percent, due to market values of the land being in excess of the assessed value.

Mr. Mitchell states that he favours early action to acquire the sites held in prospect by the Acting Commissioner of Public Works, for the purpose of matched accommodation for refugees whose eviction he considers the Council should thereafter immediately enforce.

Mr. Keswick expresses his apprehension as to whether the Council would not be acting illegally either in itself directly occupying such land without prior consultation with the owners or in aiding and abetting the refugee organizations to such manner of occupation. He discerns a measure of inconsistency in the Council's proceeding to remedy the difficulties of the building owners, who have asked for evictions, at the expense of land owners whose property it is suggested should be expropriated.

As to the legal rights to carry out such expropriation, the Secretary General interprets the relative Land Regulation, which is read, as conveying no express authority upon the Council to undertake such land expropriation for the purpose in question. Such expropriation would, in his view, have no sanction other than the ground of mere expediency.

In reply to Mr. Keswick, Mr. Mitchell states that the intention, following occupation of the land for refugee purposes, would be to assess a rent payable to the owners. He adds that in his view the Council cannot justifiably any longer permit refugees illegally to occupy property without reimbursing the landlords for the lost rentals. This would be more expensive than renting vacant land.

Discussion ensues on the point as to whether the proposed land occupation should be effected by the Council itself, or by the refugee organizations. In this connection the Commissioner of Police remarks the embarrassment that would be occasioned his Department, in the absence of express instructions from the Council, by a request from any landowner, affected by such occupation, to prevent such occupation if it happened to be observed while in actual course of being carried out.

In this connection reference is made by Mr. Hsi to the abortive efforts of the refugee organizations to acquire camp sites and their need for the Council's assistance to this end. The Chinese Deputy Secretary states that some of the difficulties experienced by the refugee organizations in trying to obtain land sites have been the owners' doubts as to the financial stability of the organizations and the uncertainty as to the length of occupation by the refugees. He feels, therefore, that the Council's financial and other help of the organizations in obtaining land is desirable. He mentions, in connection with the houseowners' wish for evictions, that offers of some of the refugee organizations to pay rent had been declined by the houseowners, who feared deterioration of their buildings through refugee occupation and an indefinite occupancy.

Mr. Mitchell considers that better results will be achieved if the Council itself occupies the land and thereafter itself negotiates for an assessed rent, rather than that these two courses should be undertaken by the refugee organizations. He feels that the Council must choose between offending the houseowners, by not effecting evictions, and possibly offending the landowners whose property it is proposed to expropriate. He inclines to the latter course, as involving a smaller volume of criticism of the Council, and having regard to the fact that expropriation without reasonable compensation is not contemplated.

Mr. Mitchell's recommendation is, therefore, that the Council itself, under the plea of a public need related to the circumstances of the emergency, should enter into occupation of the proposed sites, fence them, and thereafter directly negotiate the owners' claims for compensation. So soon as the new camps on these sites are ready for occupation, he considers that the Council should immediately enforce the transfer thereto of the refugees whom the landlords wish evicted, by giving notice to the refugee organizations that such transfer is required.

The Acting Commissioner of Public Works considers that direct occupation and negotiation by the Council, would be the only effective course, for the reason that such could be undertaken by the refugee organizations themselves only at less speed and greater cost. He emphasizes the urgency of occupying the land, since land in the area is rapidly being taken into use, and feels that occupation and negotiations undertaken by the refugee organizations may result in failure to acquire all the land necessary and thus nullify his Department's plan of matched housing for all

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the refugees involved through eviction.

Mr. MacDonald feels that the relief of the houseowner, which with Mr. Mitchell he considers the Council is obligated to undertake, can most speedily be effected by camp site occupations undertaken direct by the Council.

As to the financing of the land rents, Mr. Mitchell suggests that the rents should be a first charge on the Council's income prescribed for refugee relief. In stating that the refugee relief income approximates \$25,000 a month, the Treasurer & Controller adds that a part of this is already earmarked for distribution through the International Red Cross and other direct grants to recognized public service institutions. The fund is also called upon to recoup the expenditure of municipal departments on refugee relief work. He desires to emphasize that the Council has already expended well over \$100,000 on behalf of the refugees. He favours the responsibility for the proposed new camp sites being borne directly by the International Red Cross, with the Council's contribution in assistance, rather than that the Council should give the impression of assuming primary responsibility in the matter.

Mr. Mitchell suggests that the Council's expenditure in respect of the contemplated new camps should be confined to the rent payments estimated at \$10,000 monthly, the balance of expenditure being borne by the refugee organizations. Members agree that the Council should assume responsibility to this extent for the burden imposed upon landlords whose property has been illegally occupied by refugees.

The Chairman then puts to a vote the question as to whether the Council itself should occupy and pay assessed rents for the lands contemplated by the Acting Commissioner of Public Works, to be used as sites for matched camps to accommodate an estimated number of 30,000 refugees for whose eviction landlords have made application to the Council, or whether this should be done by the refugee organizations. By a majority vote the answer is that the Council itself should undertake ^{this} occupation and payment.

To permit of time for a response to the enquiries as to the alternative possibility of use of the Mantao Refugee Zone for this purpose, it is further decided that on the date August 15 at latest, if no affirmative reply comes before then, or earlier if a reply comes in the negative, action will forthwith be taken in accordance with members' majority decision to possess the land sites mentioned. Unless a reply in the negative is received previous to that date, no such action will be taken before August 15. In response to Mr. MacDonald, the Acting Commissioner of Public Works states that during this interval his Department will watch and report on any moves by other parties to use these sites.

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Upon Mr. Keswick suggesting that all efforts should be made to obtain the use of the Nantao Refugee Zone, Mr. Mitchell states that he has seen Father Jacquinot in the matter. The Chairman, furthermore, undertakes to call on the American and British Consuls-General, with a view to obtaining their support of the Council's representations to use the Zone.

In closing, the Chairman reminds members of the obligation that devolves upon them, at the meeting of the Council at which these minutes will be presented for ratification, to uphold the course of action which they have at this meeting decided upon.

The meeting terminates at 6.00 p.m.



Acting Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, September 7, 1938, at

4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
(Acting Chairman)

Messrs. Yulin Hsi

W. J. Keswick

E. Y. B. Kiang

R. G. MacDonald

F. N. Matthews

G. E. Mitchell

O. Okamoto

L. T. Yuan

Yu Ya Ching

The Deputy Commissioner of Police in Charge

The Acting Commissioner of Public Works

The Commissioner of Public Health

The Acting Treasurer & Controller

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. C. S. Franklin

W. H. Plant

T. Sugisaka

P 5/11

The late Mr. Singloh Hsu. General Macnaghten, Acting Chairman, addresses the meeting, as follows:-

"Gentlemen, - Since we were last assembled in Council Meeting there has occurred the tragic event which has caused so deep a shock to the Council and the community. I refer to the untimely death of Mr. Singloh Hsu. In his passing, members have lost a staunch colleague, and some an intimate friend. Though my business relations with the late Mr. Singloh Hsu may not have been as close as those of some of you, ten years of collaboration with him on the Council have enabled me to estimate his sterling worth and charming personality. At all times his presence in meeting was a great asset. His words carried conviction by reason of the quiet sincerity with which they were spoken. Not only do his colleagues mourn a gentleman who rendered invaluable service to the community, but they also have a deep sense of personal loss. I would ask you, Gentlemen, to rise in token of respect to his memory."

The Minutes of the meeting of July 20 are confirmed and signed by the Acting Chairman.

The Minutes of the Special Meeting of August 5 are confirmed and signed by the Acting Chairman.

K 35/14

Transfer of Refugees from buildings in unauthorized occupation. The Acting Chairman states that since the Special Council Meeting, the Refugee Camp Transfer Committee has met, and that progress on three camp sites in Yenping Road is well advanced, to accommodate about 5,000 refugees whom it is hoped can be evacuated by the end of September from buildings that they have occupied illegally.

F 30/28

Refugee Camp Expenses. In connection with the transfer of refugees to new matched camps on sites rented by the Council, which have been provided to relieve landlords of the burden of unauthorized occupation of their premises, General Macnaghten states that Mr. Mitchell and he had informed the Refugee Camp Transfer Committee that whilst they would not be prepared to recommend that the Council should bear any general financial responsibility for the upkeep of refugees or the costs of the matched buildings, they would be prepared to recommend the defrayal by the Council of expenses directly related to the renting of the ground and the camp layout.

Accordingly, it is recommended by General Macnaghten and Mr. Mitchell that the Council defray, from Municipal refugee relief funds, electricity and drainage installation costs at the new camp sites to an amount of approximately \$2,300. The Acting Treasurer and Controller has reported concurring in this proposal.

Members approve the expenditure recommended.

The Minutes of the meeting of the Education Board of September 2 are submitted and confirmed.

The Minutes of the meeting of the Public Utilities Committee of September 5 are submitted and confirmed.

G 5/3

Power Company Surcharge. The Power Company and the Council have received a number of enquiries as to whether the action of the Company in imposing the recently approved surcharge on bills rendered on or after August 1 but in respect to July consumption, is correct.

It is noted that the Company's first request was clearly for application of the surcharge to consumption periods ending on or after July 1.

It was not appreciated by some members that approval of the Company's request for a surcharge, subject only to change of the date to August 1, involved approval of application of the surcharge to consumption previous to August 1.

In explanation of the Power Company's original request for application of the surcharge retroactively it is noted that, in view

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of the impracticability of reading all the meters on a single day, the Company's monthly meter readings are spread evenly over the whole of the month, and bills are rendered not in respect of any one calendar month but in respect of the period of about 30 days that has elapsed between one meter reading and the next.

It is, furthermore, noted that retroactive charges have been permitted by the Council on previous occasions in respect of variations of Public Utility tariffs.

The Acting Chairman states that, through the good offices of Mr. Mitchell, who has been to considerable trouble in the matter, the position has been further discussed between the Power Company and the Council and, in order to overcome the difficulty created by this misunderstanding, for which the Power Company is in no way responsible, the Company at the request of the Council has consented to postpone the application of the surcharge by one month, and this will now therefore commence with bills rendered on or after September 1st, 1938, in respect of consumption periods ending on or after that date, for which bills the surcharge, assessed on a basis subject to monthly adjustments in accordance with fluctuations in exchange, will be 32.5 percent as already announced. Electricity consumed prior to August 1st will not now be subject to any surcharge. The Company will refund or credit to all consumers the surcharges paid in respect of consumption periods ending during the month of August 1938.

The Acting Chairman states further that the Council is also indebted to Mr. Hopkins, President of the Company, for his extreme courtesy in this matter, which has rendered possible a solution satisfactory to Chinese members and Chinese parties who had protested against the method in which the surcharge was applied. Draft of a public statement to be issued by the Council, covering this arrangement, is submitted and approved for publication in the Gazette and foreign and Chinese press.

Mr. Keswick desires that his view should go on record that the arrangement conceded by the Company at the request of the Council is in a measure unfair to the Company. In his opinion the Company is being penalized for a misunderstanding the sole responsibility for which is attributable to the Council or its officials. The Company's original case for a surcharge had been advanced in a conciliatory and reasonable manner, and the accommodation now made will cost the Company over two lakhs of dollars. He feels that the Company's generous attitude in this matter should be borne in mind in the Council's future dealings with the Company. Members concur in this expression of view.

K 18/16

Garage Maintenance Charges for Prisoners convicted for River offences. The Acting Chairman states that since it is hoped that a settlement satisfactory to the Council will shortly be effected in this matter, he will with members' approval remove this subject from the agenda. Members approve this course.

L 22/2

Projected Artificial Silk Factory opposite No.657 Amherst Avenue. A Secretariat memorandum on this subject is submitted, bearing upon the An Loh Spinning and Weaving Company's appeal against the disapproval of the Company's application for a permit to erect an artificial silk factory on a site in Amherst Avenue opposite residence No.657 and against the action taken to prevent construction of the factory by prevention of access to the Council's road.

The Acting Chairman states that though previously not objecting to a factory project on this site for the reason that it then had not assumed the requisite power of control in the area, the Council had since April of this year, assumed a measure of responsibility for factory development in this area. When the factory management registered their application with the Public Works Department in July of this year, they were informed that the site was not suitable for the purpose in view of its proximity to existing residences. Recently it was found that extensive work on the foundations had, nevertheless, been commenced, and accordingly the Public Works Department had informed the owners that the work must forthwith be discontinued. At the same time Police action was taken to prevent access to the site from the Council's road.

The Acting Chairman states that a personal visit to the site has convinced him of its unsuitability for the projected factory. In the interests of all nationalities of the community he strongly recommends the preservation of the area concerned exclusively for residential purposes, notwithstanding that at the moment perhaps only the residence opposite the site will be affected should the proposed factory be permitted.

As a corollary, the Acting Chairman adds that in his view the Council should take a strong attitude in preventing the erection of buildings actually on the Council's extra-Settlement roads in residential areas without the Council's authority.

Members support the Chairman in agreeing with the prohibition of this factory project and the adoption of Police action in preventing road access to uphold this prohibition.

L 22/2

Weaving Factory near No.105 Columbia Road. Protest is entered by the occupant of No.105 Columbia Road against a nearby weaving factory in course of construction directly on the Council's road. The use of the site for the purpose has been prohibited by the Acting Commissioner

of Public Works. Since work on the factory is proceeding, the Acting Commissioner of Public Works recommends that Police action be taken to prevent access to the Council's road.

The Acting Chairman states that the same argument as to the necessity of preserving this area exclusively for residential purposes applies in this case. Mr. MacDonald states that he has personal knowledge of the nuisance occasioned by the operations of weaving factories.

Members agree that the prohibition of this factory by the Acting Commissioner of Public Works should be upheld and that in support of this prohibition Police action be taken to prevent access to the Council's road.

L 22/2

Proposed Silk Filature in Singapore Road . The Pao Tai Silk Filature has

appealed against the decision of the Acting Commissioner of Public Works, refusing a permit for the erection of a modern silk filature on a site in Singapore Road near the northwest corner of Kiaochow Road.

The applicant states that machines of the latest type will be used, being noiseless and clean in operation, and that there will be little if any odour. Further, although the boilers and the chimney will be installed beyond the boundary line of the Settlement, the Company offers to adhere to the Council's building rules.

The Company states that, having been forbidden to erect a factory in the western residential area, they necessarily had to look to the "industrial section" of the city for its site. It adds that one of its objects in erecting the filature is to relieve unemployment and to help revive business in Shanghai.

The Company appeals against the refusal of a permit which refusal, it states, is based upon the intention of the Council to use a nearby site for future municipal hospitals, and asserts that there are already factories in the neighbourhood of the hospitals' site.

The grounds for the refusal of a permit are reported by the Acting Commissioner of Public Works to be primarily the objections of the Commissioner of Public Health to the odours, which it is considered will certainly arise from the factory, in their effect upon the future hospitals. He adds that in addition to the proposed factory site being immediately opposite the future mental and fever hospitals' site, adjoining which is Kiaochow Park, there are also in the vicinity, but further distant, two schools. A further objection, which however he does not regard as being really serious, is stated by the Acting Commissioner of Public Works to be that, although the district is partly industrial, it is equally residential, and the residents might reasonably claim some consideration in view of Municipal Notification No.4933.

The Acting Commissioner of Public Works refers to the exaggerated nature of the statement made by the applicant that the mental hospital site already has factories on three sides, and adds that there are no factories

in the immediate vicinity other than the chemical factory the applicant refers to, which has been there for some years. The Commissioner of Public Health states that this chemical factory was in existence before the hospitals' site was purchased.

The Commissioner of Public Health reports that a silk filature in this area would render it extremely difficult ^{to} use the site earmarked for an isolation hospital, though the factory would be nearer the mental hospital part of the site. Regarding the point made by the applicant as to the existence of the chemical factory, the Commissioner of Public Health states that the objection is to any further factory development in proximity to the hospitals' site. He is strongly of the opinion that if this silk factory is permitted to function, the whole area will become unsuitable for hospitals, since he feels that the erection of other factories in this area will follow.

It is noted that Notification No.4933 is not strictly applicable in this case, since the proposed factory site in question is situated mostly within the Settlement boundary and, moreover, the Acting Commissioner of Public Works does not consider that the factory project should be disqualified solely on the grounds of "residential" objections.

In opening the discussion, the Acting Secretary refers to a further letter, tabled for members' information, received from the factory applicants, stressing that the area concerned should be classified as industrial, that there are already factories in the vicinity of the proposed hospitals' site and questioning the wisdom of embarking on a hospital scheme in this area.

The Acting Chairman states that, from a personal visit to the site, he is of the view that whilst the existing factories would not prove a nuisance to the hospitals if erected, the project under consideration now would prove a definite nuisance. He considers that the projected new Isolation Hospital has already been too long deferred, and that this hospital site should not be abandoned in case an alternative site cannot be found.

At the request of members, the Acting Commissioner of Public Works demonstrates on plans the proximity of existing factories and the projected factory to the hospitals' site.

The Commissioner of Public Health, in amplification of his written views, states that the nuisance arising from the existing chemical factory is not insurmountable, and that its site is further distant from the hospitals' site than the projected silk filature site, which type of factory he adds is particularly objectionable. He does not consider it will be feasible to proceed with hospitals on the earmarked sites if the projected and other new factories are to be permitted. Whilst recognizing that in view of factory development in the area the site is not ideal for

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hospital purposes, he is reluctant to relinquish an area acquired only after consideration for several years of hospital needs. Regarding the part allocation of the site for mental hospital purposes, Dr. Jordan states that though this building will not materialise for some time, use of the site may shortly be required for epidemic purposes.

Mr. Hsi emphasizes that this factory project is in a different category from the two projects previously considered at this meeting, since the former involved an unquestioned residential area whilst in this case the area may justifiably be classified as industrial. Having regard to this fact he considers that it may be wise to abandon the hospitals' project. As there is very little land available at the moment for factories within the Settlement boundaries, he considers that the Council should afford industrialists all possible facilities in their search for factory sites.

Mr. Yuan supports Mr. Hsi's views, adding that it may benefit the Council financially to sell the present hospitals' site and to buy another. He feels that the presence of factories has already rendered the site unsuitable for hospital purposes.

Mr. Mitchell agrees with Mr. Hsi that the circumstances of the previous two factory cases are dissimilar from the present case, since the former concerned an acknowledged residential area. He states that enquiries after land in connexion with the search for refugee camp sites disclosed the paucity of vacant land within the boundaries and in areas at present offering security. He notes that a weaving factory has been authorized on a site almost equidistant from the hospitals' site. He feels that the needs of labour and industry should impose limitations on any policy of factory prohibition. In his view it is not improbable that the site will never be used for a mental hospital and that there is little probability of a new isolation hospital building being erected under the existing unsettled conditions. A temporary epidemic hospital on the site he regards as feasible despite the erection of the proposed silk filature. Apart from these views, Mr. Mitchell states that he has no strong opinion either way.

Mr. Kiang concurs in the views expressed by Messrs. Hsi, Yuan and Mitchell. In view of the presence of a Chemical factory he considers it inadvisable to consider the future development of hospitals in the neighbourhood. He feels that encouragement should be lent to industrialists in search of factory sites by regarding this area as appropriated to factory purposes.

Mr. Matthews states that the establishment of a precedent for further factories in this area will inevitably entail disqualification of the hospitals' site as being suitable for hospital purposes. He suggests that to allow time for further consideration of the issues involved, decision

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should be deferred from this meeting. By a vote, members however do not favour deferring of the matter, the Acting Secretary pointing out that the applicants have already waited unduly long for a decision.

Mr. Okamoto enquires as to the possibility of an alternative hospitals' site and as to whether there is any strong objection to a site beyond the Settlement boundaries. The Secretary General states that since there are already hospitals established beyond the boundaries, he does not consider there are strong objections to an alternative site beyond the boundaries.

Upon the Acting Chairman putting the matter to a vote, a majority is in favour of granting the application of the Pao Tai Silk Filature.

In reply to the Acting Secretary, the Acting Chairman states that this decision does not at present involve a decision regarding the disposal or otherwise of the hospitals' site in question.

The meeting terminates at 5.50 p.m.

Cornell S. Franklin
Chairman.

W. C. ...
Acting Secretary.

At the meeting of the Council held on Wednesday, September 21, 1938, at 4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. W. Gockson
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 W. H. Plant
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Police
 The Acting Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

Absent:

Mr. T. Sugisaka.

Co-Option of Mr. W. Gockson. The Chairman extends a welcome to Mr. Gockson upon his resuming his seat on the Council.

The Minutes of the meeting held on September 7 are confirmed and signed by the Chairman.

H 3/231

Retention of Services of Mr. S. C. Young, Deputy Commissioner of Police. A

letter from eight prominent Chinese organizations is submitted suggesting the retention of the services of Mr. S. C. Young, Deputy Commissioner of Police, beyond the date fixed for his retirement. In referring to the public confidence on the part of the Chinese community which Mr. Young's long and efficient services have earned, and especially to his work in the Crime Branch, the letter represents that at the present critical state of the history of the Settlement the Council should adopt the policy of retaining as many long-service men as possible, notwithstanding their having reached the age limit. It is the wish of the Chinese Community that Mr. Young's services be retained at least until the local crisis is over. In making this recommendation, the Chinese organizations disavow any wish to interfere in the smallest degree with the freedom of the Council or the Commissioner of Police in the selection of Police Officers.

It is noted that Mr. Young reached the age for compulsory retirement under the Terms of Service on September 27, 1937, but

that his services were extended for one year upon the recommendation of the then Commissioner of Police, owing to depletion of the immediately lower ranks. He will be 56 years of age on September 27, 1938.

A report is submitted by the Commissioner of Police which, whilst readily acknowledging the past value of Mr. Young's services, states that he is unable to say that Mr. Young is indispensable. On the further grounds that the retention of men beyond the age limit is a cause of resentment among those seeking promotion, and since the promotion of other officers to the rank of Deputy Commissioner has already been authorized, the Commissioner states that he is unable to recommend Mr. Young's retention, but that he is content to leave the decision to the Council.

The Chairman states that after careful consideration of the matter he feels that the very decided public sentiment in favour of Mr. Young's retention should be met, though without interference with the normal scheme of Police promotions. To this end he suggests that Mr. Young be retained in the Force in the rank of Extra Deputy Commissioner until July 1, 1939. He adds that Mr. Young might continue in the Force in a supernumerary capacity.

The Acting Treasurer & Controller states that the cost of this limited period of further retention would approximate \$20,000 less Pension at the rate of £500 per annum.

In reply to the Chairman's suggestion, the Commissioner of Police states that as Mr. Young could not now be allocated for normal duties within the Force, his retention without definitely assigned responsibilities would cause surprise in the Force and possibly dissatisfaction. His continuation in his present duties would definitely cause resentment, since by virtue of his seniority he would technically be in a position to give orders to the other Deputies. The Commissioner therefore prefers that Mr. Young's continued services be attached to the Council's Service other than the Police Department and suggests the possibility of his being a Council Liaison Officer to represent the wishes of the Chinese community in certain defined spheres such as refugee care and the rice problem.

General Macnaghten states that if there is the slightest possibility of dissatisfaction being caused by Mr. Young's retention within the Force proper, then he does not favour such a course, though he is desirous of meeting the wishes of the Chinese community in some way. If it is to be understood that Mr. Young would no longer act for the Commissioner in his absence, he feels that it is preferable that Mr. Young be detached from the Force.

Mr. MacDonald states that Mr. Young's retention within the Force in his present position would definitely cause resentment and dissatisfaction.

Mr. Keswick states that he does not favour any course which would serve to establish the principle of service retention beyond the authorised limit, since though the retention in this case might not appear to hinder promotion yet in effect it would to some extent prejudice chances of promotion. In the present exceptional circumstances, however, where a large and important body of public opinion is involved, he is in favour of some expedient under which Mr. Young's services could be retained.

In this opinion Messrs. Mitchell and Matthews concur, the former suggesting the possibility of a Police supernumerary for a limited time and the latter the position of Deputy Commissioner-at-large.

Mr. Kiang and Mr. Hsi state that the wish of the Chinese community as represented in their letter is that Mr. Young should be retained in the Police Force, full authority however being left to the Commissioner of Police as to the disposition of his services. They emphasize the anxiety of the Chinese organizations not to create the impression of interference with the staff organization of the Force.

Mr. Yuan suggests that Mr. Young be retained in the rank of Extra Deputy Commissioner, his services to be available to all the Council's Departments as the Commissioner of Police directs.

In view of the possibilities of friction within the Force envisaged by General Macnaghten and Mr. MacDonald, Mr. Keswick favours a position for Mr. Young as a Police officer in uniform, with an office in the Administration Building, but serving separate from the Police executive. Mr. Plant supports this course.

Mr. Okamoto states that he considers it very unwise to create a post which cannot clearly be shown to be in the interest of the Service. It is evident, he adds, that no particular work is available to Mr. Young should his services be retained. He is, therefore, strongly opposed to the retention of Mr. Young's services.

Mr. Mitchell offers as a solution the suggestion that Mr. Young be permitted to retire on due date, and that thereafter he be re-engaged temporarily in the rank of Deputy Commissioner for such special services as the Commissioner of Police may decide, there however being no question of his taking command.

The Commissioner of Police states that Mr. Mitchell's suggestion provides a solution acceptable to him.

Mr. Okamoto states that he remains opposed to this course. He feels that it is unwise and will create a bad precedent to permit staff appointments to be subject to the wishes of the community. In reply to the Chairman, he states that he does not consider that the appointment of Mr. Akagi as Special Deputy Commissioner furnishes a precedent, since there was a definite task available for him.

The Chairman thereupon puts Mr. Mitchell's proposal to a vote and it is carried, Mr. Okamoto alone dissenting. Accordingly it is

RESOLVED that Mr. S. C. Young, Deputy Commissioner of Police, be permitted to retire on due date, and that he be immediately re-engaged until June 30, 1939 in the rank of Deputy Commissioner for such special services as the Commissioner of Police may decide, it being understood that he will not be eligible to assume command of the Force; his remuneration to be referred to the Staff Committee for consideration.

K 35/14

Transfer of Refugees in Unauthorized Occupation of Buildings - Expenses in connection with New Camps. In relief of the provision by the Council of further camp sites to accommodate refugees due to be evicted from buildings, the Shanghai Emergency Relief Committee has secured the use of a site of over 60 mow off Avenue Haig.

Mr. Kwei Yen-fong, representative of this Committee, has requested that the Council will undertake at its own cost the levelling of this ground.

It is proposed to deal first with only 36 mow of this land and it is estimated by the Public Works Department that the excavation and filling costs, using the Council's garbage, in respect of these 36 mow will approximate \$7,000, the work being completed in about two to three months.

General Maonaghten and Mr. Mitchell, members of the Refugee Camp Transfer Committee, have informed Mr. Kwei that whilst they could not commit the Council to this expenditure, they would be prepared to recommend that the Council should bear this expenditure upon the condition that the Shanghai Emergency Relief Committee will give priority on the Avenue Haig site to the accommodation of refugees both of the Emergency and Federation Organizations in unauthorized occupation of buildings. Mr. Kwei agreed to this condition, stating that he would see to it that refugees of the Federation Organization as well as his own Organization, in unauthorized occupation of buildings, would be accommodated on the Avenue Haig site.

Since this recommendation is not inconsistent with the Council's policy that whilst it will not bear any general financial responsibility for the upkeep of refugees or the costs of mached buildings, it is prepared to bear reasonable expenses directly related to the renting of the ground and the layout of camp sites to accommodate refugees transferred from buildings, the Acting Treasurer & Controller agrees to the aforementioned expenditure by the Council, to be met from the Municipal Refugee Relief Funds.

Members adopt the recommendation of General Maonaghten and Mr. Mitchell.

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B 4/4

Refugee Relief Fund. Upon Mr. Plant's suggestion, it is decided that the Acting Treasurer & Controller shall submit a report showing the total disbursements to date from the Council's Refugee Relief Fund acquired from the proceeds of the voluntary entertainment levy. Such report will be circulated to members in order to obtain a decision as to the advisability of its publication.

The meeting terminates at 5.30 p.m.

Cornell S. Franklin

Chairman.

W. G. ...
Acting Secretary.

At the meeting of the Council held on October 5, 1938, at 4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. W. Cocksion
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 W. H. Plant
 T. Sugisaka
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Police
 The Commissioner of Public Health
 The Acting Commissioner of Public Works
 The Acting Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

The Minutes of the meeting held on September 21 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Staff Committee held on September 29 are submitted and confirmed.

C 4/17.

Waterworks Company Directorate. There is submitted the report of the Sub-Committee, composed of Messrs. W. H. Plant (Chairman), W. J. Keswick and F. N. Matthews, appointed by the Council to investigate the question of the Council's representation on the Waterworks Company Directorate in relation to the question of the acceptance by Councillors of Directors' fees.

The recommendation of the Sub-Committee is that no change should be made in the existing practice whereunder the Council's nominees to the Directorate accept directors' fees.

Upon the Chairman's proposal, the report is adopted, General Macnaghten and Messrs. Mitchell and Kiang stating, however, that whilst not opposing adoption they desire recorded their view that they are in principle opposed to Councillors accepting remuneration for work related to their public office.

C 20/2.

Coffin Repositories. General Macnaghten states that, as a result of a visit of inspection of the Western Extra-Settlement area in which coffin repositories are located, he wishes to suggest examination of the

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feasibility of concentrating the coffin repositories in this area to a prescribed part of the area bordering on Keswick Road north of Great Western Road,

Furthermore, General Macnaghten expresses the view that permits for funeral processions should be issued by the Police only in respect to removals to approved repositories. The Commissioner of Police states that this is the present practice; approved repositories being listed by the Public Health Department.

With regard to a repository off Keswick Road near Rockhill Avenue, as to which the resident at No.150 Keswick Road has protested, and the erection of which has only begun, General Macnaghten feels that this should be prohibited.

In reply to Mr. Mitchell, the Acting Commissioner of Public Works states that his Department has given only tentative approval to the location of this repository, written permission being withheld pending the Council's decision. Dr. Jordan states that the function of his Department in connection with repositories is to ensure satisfactory operation and it is not concerned with their location.

General Macnaghten states that it appears to him that neither the Public Works or Public Health Departments are sufficiently staffed adequately to watch repository and other building development in the Western Extra-Settlement area. He suggests that a special squad of Russians might be employed for this purpose. Dr. Jordan states that the opportunity to obtain more outside supervisory staff would be welcomed by his Department. Mr. Stableford expresses himself similarly, stating that though his staff is at present able to deal with all specific complaints, it is unable to maintain a general surveillance to the extent of preventing all unauthorized building erections.

With regard to General Macnaghten's suggestion as to concentrating repositories, the Commissioner of Public Health, in emphasizing the need for repositories to care for coffins which cannot be removed from local areas, states that, whilst concentration would suit his Department there would probably be difficulties in obtaining the necessary land at a reasonable price.

In reply to the Chairman, Messrs. Kiang and Yuan express the view that some period of time would be required before Chinese susceptibilities would permit of disposal of their dead by means other than that of the generally accepted practice.

Messrs. Hsi and Yuan emphasize the statement of the Commissioner of Public Health as to the demand for coffin repositories. They feel that the limitation of coffin repositories in the Western Extra-Settlement district to one defined area only would be impracticable and would cause hardship. They feel that the public is amply safeguarded against repositories by the Council's requirement

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that the location must be approved by the Public Works Department and the conduct of the premises be satisfactory to the Public Health Department.

In responding to the Chairman's enquiry as to the conclusions derived by Messrs. Keswick and Mitchell from their visit of inspection to coffin repositories, Mr. Keswick states that the premises they visited were satisfactorily maintained and that there appears to be a genuine need for such repositories. Though concentration would be desirable if feasible, he recognizes that such may influence a rise in the land prices concerned which would be passed on in increased charges to those who utilize the repositories. Regarding ^{Keswick's} Mr./concurrence in the suggestion that such concentration might be in the area north of Great Western Road and south of Brennan Road, the Commissioner of Public Health states that a repository in this area has already been the subject of public protest.

In reply to the Chairman's enquiry as to the practicability of a concentration north of Great Western Road bordering upon Keswick Road, the Acting Commissioner of Public Works states that the areas in the Western Extra-Settlement district delimited by his Department for coffin repositories have in fact ensured their concentration bordering upon Keswick Road; which delimitation had regard to a policy of not permitting repositories where there actually are residences. Messrs. Hsi and Yuan consider that this policy suffices to regulate the location of repositories.

With regard to Mr. Mitchell's suggestion that coffin repositories might be licensed and coffin removals restricted to such licensed premises, the Acting Secretary states that, in the absence of express provision in the Byelaws for licensing, approval could appropriately be conveyed under a form of certificate or permit instead of a licence as such. The Commissioner of Police adds that the restriction aimed at by Mr. Mitchell is in fact secured, since the Police do not issue removal permits in respect of non-approved repositories.

Mr. MacDonald states that he does not consider the concentration of repositories necessary, provided they are approved and certified by Municipal Departments. He suggests that, in respect of approved repositories, the Public Health Department might well issue an assurance to allay the apprehension of residents in the neighbourhood.

Mr. Keswick states that provided Municipal Department permits or certificates stipulate the temporary nature of coffin repositories, he withdraws from the suggestion regarding the desirability of their concentration.

Mr. Yuan refers to the specific case of the repository off Keswick Road near Rockhill Avenue, in respect of which a protest on the part of the resident of No.150 Keswick Road is before the meeting.

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Since Municipal Departments have no objection to this repository, he considers that the public need for approved repositories should outweigh a single personal interest.

Upon the Chairman's proposal it is thereupon

RESOLVED that all Coffin Repositories must obtain the approval of the Public Works and Public Health Departments, such approval to stipulate that it is given only temporarily; and that the erection of such repositories in respect of the Western Extra-Settlement district be restricted to the area north of Rockhill Avenue and south of Bremen Road.

F 30/31. "Lone Battalion" Incident. The Chairman states that he has had numerous conferences with various people regarding a satisfactory settlement of the "Lone Battalion" Incident. After discussion of the many angles and aspects involved, a settlement had been reached which was satisfactory to the Chinese Councillors and, it was hoped, to the Chinese public. The settlement reached involved three recommendations, which he submits for members' consideration:

1. That the Officers of the "Lone Battalion" now billeted with the Russian Detachment on the Bund be returned to the Soldiers' Camp; the Officers having given their word of honour to Messrs. Hsi, Kiang and Yu that they will cause no further trouble and that they will co-operate in enforcing discipline in the Camp.
2. That the Council writes to the Chinese Ratepayers' Association expressing regret that circumstances were such that the Council was forced to take the action it did and sympathizing with the families of the three members of the Battalion who were killed.
3. That the Council pays to the Chinese Ratepayers' Association for distribution to the three families \$1,000 for each family. The Chairman states that he does not consider this sum excessive having in mind the payment made to families of Chinese members of the Police killed on duty.

A letter to the Chinese Ratepayers' Association, drafted by the Acting Secretary, embodying the above recommendations is submitted and read by the Chairman. It is unanimously

RESOLVED that the settlement arrived at by the Chairman of Council with Chinese members of Council in connexion with the "Lone Battalion" Incident, comprising the three recommendations set forth above, be approved, and that the draft letter to the Chinese Ratepayers' Association which has been submitted and read be also approved.

The meeting terminates at 5.30 p.m.

Cornell S. Franklin
Chairman.

W. G. Gable
Acting Secretary.

At the meeting of the Council held on Wednesday, October 19, 1933, at

4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. W. Gockson
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 W. H. Plant
 T. Sugisaka
 L. T. Yuan
 Yu Ya Ching

The Acting Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

The Minutes of the meeting held on October 5 are confirmed and signed by the Chairman.

C 20/2.

Coffin Repositories and other Building Development in the Western Extra-Settlement Area. The Chairman states that the Acting Commissioner of Public Works at the moment has under consideration the question of additional staff to cope with new coffin repositories and other rapid building development in the Western Extra-Settlement area and that he will report upon his requirements in due course. The Acting Secretary states that it is the desire of the Acting Commissioner of Public Works to consult with Mr. Gimson, Commissioner of Public Works, upon his imminent return from long leave, whereafter a report will be submitted. The Chairman agrees with General Macnaghten that the acquisition of new staff to cope with this building development is urgent. The Acting Secretary states that if necessary in order to save time the report on staff requirements when received can be submitted to members by circular.

The Minutes of the meeting of the Education Board of October 7 are submitted and confirmed.

A 2/3.

Pei Chu Primary School, No.133. In reply to Mr. Matthews, Mr. Yuan, Chairman of the Education Board, explains that the decision in this case is based on a precedent and has regard to the fact that though the school was willing to meet the Council's requirements, the landlords of the building proved obstructive.

The meeting terminates at 4.40 p.m.

Conrad S. Franklin
 Chairman.
W. J. Keswick
 Acting Secretary.

At the meeting of the Council held on Wednesday, November 2, 1938, at 4.30 p.m.

there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. A. C. Cornish
 W. Gockson
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 O. Okamoto
 T. Sugisaka
 L. T. Yuan
 Yu Ya Ching

The Commissioner of Public Health
 The Commissioner of Police
 The Commissioner of Public Works
 Miss E. M. Hinder, Industrial Section
 The Acting Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

Absent:

Mr. G. E. Mitchell.

Membership. The Chairman states that members will notice the absence from the meeting of Mr. Plant, consequent upon his resignation on departure for New York. He desires recorded the appreciation of his colleagues and himself of the excellent services rendered by Mr. Plant during his one and a half years' service on the Council and its Committees.

The Chairman extends a welcome to Mr. Cornish upon his taking his seat, in succession to Mr. Plant. He states that Mr. Cornish brings to the Council a rich experience gained through a long residence in China and through public service in other Municipal Administrations in China Ports. He is assured that Mr. Cornish will prove of great assistance to the Council.

The Minutes of the meeting held on October 19 are confirmed and signed by the Chairman.

L 22/2

Control of Building and Factory Development in the Western Extra-Settlement Area. A report is submitted by the Commissioner of Public Works recommending the engagement on a temporary basis of one foreign Assistant Clerk-of-Works, to assist in the control of building development in the Western Extra-Settlement Area. This recommendation has received the approval of the Acting Treasurer and Controller.

General Macnaghten states that this single appointment will not suffice to cope with the problem in the wide aspect which he had in mind, which included measures to control factories and other unsuitable building development not only on the roads but also within the enclaves of the Western Extra-Settlement area. Mr. Matthews supports the view that control off the roads also should be undertaken, involving more than a single staff appointment.

The Commissioner of Public Works states that the single appointment recommended envisaged control measures as now undertaken, which are limited to buildings actually fronting the roads. If the enclaves, also, were to be watched and controlled, the single appointment would not suffice.

Upon Mr. Keswick's proposal, it is decided that the matter of staff requirements be considered in relation to the general problem of the adoption of measures to preserve the Western Extra-Settlement residential area, which is on the agenda for discussion at to-day's meeting.

G 1/6.

The Minutes of the meeting of the Public Utilities Committee of October 24 are submitted and confirmed, subject to the following modification in regard to the subject of the Proposed New Railless Car and Omnibus Routes. Subsequent to the meeting of the Public Utilities Committee, the Acting Secretary convened a discussion with the three Departmental heads concerned, as a result of which reports have been submitted by the Commissioner of Public Works and the Acting Treasurer and Controller setting forth the views agreed at this conference.

The Commissioner of Public Works recommends approval of the proposed new railless car route from Jessfield Park to the Bund via Weihaiwei Road, and that the contingent work on the roads be put in hand forthwith; further, that any reconsideration of omnibus route No.14 be deferred until the new railless route has started running. As regards omnibus route No.16, he recommends that the Omnibus Company finds an alternative route which would avoid the narrow part of Chengtu Road immediately north of Weihaiwei Road.

The Acting Treasurer & Controller reports the agreement reached with the General Manager of the Tramway Company whereunder, as a special case not to be regarded as a precedent, should the Council approve the use of Weihaiwei Road by railless cars, the General Manager shall recommend to his Directors that the Company shall assist the Council, if required, in financing upon terms to be mutually agreed between the Treasurer and Controller and the Company, up to but not exceeding the sum of \$300,000, the cost of such essential widenings in Weihaiwei Road as are deemed necessary in order to enable railless cars to operate thereon.

Mr. Yulin Hsi states that he considers that the recommendations agreed between Departments are reasonable and should be adopted. Mr. Keswick, as Chairman of the Public Utilities Committee, concurs in this view, though he gives notice of his interest as a Director of the Tramways Company. General Macnaghten, whilst not opposing the recommendations, desires recorded his concern that funds which he considers should be employed upon public health projects, such as an Isolation Hospital, should be diverted into other channels.

The Chairman states that the proposed expenditures upon the widening of Weihaiwei Road should not be regarded as abnormal, since had local conditions been normal the widenings would presumably have been proceeded with under the general scheme of projected road schedulings. The Commissioner of Public Works agrees that this is the case, and states that the expenditure of \$300,000 contemplated may be regarded as an outlay to derive full benefit from the previous expenditures for widenings on Race Course Road.

Replying to enquiries as to what form the Tramway Company's financial assistance will take, the Acting Treasurer and Controller states that he would prefer to leave this matter for decision by the Treasurer and Controller upon his return. He had indicated to the Company, however, that they should either take over some of the Council's surplus investments at market price, or make a loan to the Council for a period of five years at 6% interest. He refers to the public benefit that will ensue from the widenings to be financed by the Company and to the increased royalties to the Council which will derive from the extended transport services that will be rendered possible.

The Acting Secretary refers to other subsidiary recommendations contained in the two reports of the Interdepartmental committee. The Chairman suggests, and Mr. Keswick agrees, that these should be referred back for consideration by the Public Utilities Committee in the light of the decisions reached at this meeting.

It is thereupon

RESOLVED that the joint recommendations of the Commissioner of Public Works, the Commissioner of Police, and the Acting Treasurer & Controller, set forth in reports dated November 1st, and referred to above, in respect to approval of a new railless car route from Jessfield Park to the Dund via Weihaiwei Road, including the necessary road widenings and arrangements with the Tramway Company for the financing thereof, be adopted. Further, that any reconsideration of omnibus route No.14 be deferred until the new railless route has started running, and that the Omnibus Company be requested to submit a modification of proposed omnibus route No.16.

The Minutes of the meeting of the Library Committee of October 25 are submitted and confirmed.

D 1/5

Bug Infestation of Library premises. Mr. Matthews and Mr. MacDonald recommend that steps for dealing with bug infestation of the Library premises should be taken immediately. The Commissioner of Public Health states that the infestation is not widespread. Members decide that the measures recommended by the Commissioner of Public Health, in his report submitted, be adopted and put in hand forthwith, which it is noted will involve temporary closure of the premises.

C 20/2

Coffin Repositories. The Chairman refers to the reassurances as to the adequate control of coffin repositories, set forth in a report by the Commissioner of Public Health submitted in pursuance of the discussion at the last meeting of Council. In view of these reassurances, as also of the public pronouncement on the subject issued in June last, it is his view that no further public statement is called for, but that individual apprehensions as to the danger of these repositories should be allayed by a written communication conveying the Public Health Department's assurances. Members agree.

K 7/3

Lottery for Refugees. A letter from Messrs. Ellis & Hay is submitted requesting, on behalf of the proposed International Charity Lottery Syndicate, that the Council will approve or at least will not raise any objection to the operation by the Syndicate of a lottery for the purpose of raising funds for distribution amongst the various organizations that assist refugees in the Settlement and the French Concession, in the same manner as the lottery scheme which was recently formed under French sponsorship.

The Commissioner of Police has reported, referring to his recommendation, made when the French refugee lottery was under consideration, that only one refugee lottery be permitted. The Commissioner adds that unless the French Lottery is unsatisfactory, there can be no advantage in a second such lottery. He, therefore, recommends that permission be not given to any other organisation to conduct a lottery and that accordingly the present application be refused.

The Acting Secretary points out that at the time when the Council authorized the sale in the Settlement of the tickets of the French refugee lottery, it was stipulated as a condition of such authorization that no other lottery be permitted. This condition the French lottery management assented to. When discussing the matter in meeting, the Secretary General had stated that, from a practical viewpoint, he did not consider that there would be any difficulty in ensuring that the French lottery alone would be permitted and that any others arising would be suppressed.

Mr. Yu Ya Ching, in whose behalf Mr. Kiang speaks, objects to the grant of permission for this lottery on the grounds, among others, that the proposed ticket costs would encourage purchasers among the poorer classes, that insufficient of the proceeds are earmarked for the refugees, and that

the French lottery has not been an unqualified success.

Mr. Yuan states that the representation in the application that Mr. Yu Ya Ching is a Member of the lottery drawing committee is incorrect, and that his own willingness to serve was conditional upon the prior assent of the Council to the lottery. His advice to the promoters had been against the proposed lottery.

In view of the stipulations laid down by the Council when authorizing the French refugee lottery, members unanimously agree that it be

RESOLVED that the application of Messrs. Ellis and Hays, on behalf of the International Charity Lottery Syndicate, for permission to operate a refugee lottery, be refused.

C 20/2.

Control of Factory Development in the Western Extra-Settlement Area. The Chairman

refers to reports submitted by the Acting Commissioner of Public Works and the Commissioner of Police regarding steps successfully taken, and proposed further steps, to deal with the preservation of residential parts of the Western Extra-Settlement area from the encroachment of factories and other undesirable building development.

It is noted that in the great majority of cases where a measure of success has attended the efforts of the Public Works Department, the buildings actually fronted upon the Council's roads.

The report of the Acting Commissioner of Public Works instances six examples for testing the effect of attempting prohibitive measures off the roads and within the enclaves, and the majority being cases where the building work has already commenced. The report states that if the prohibition is to be effective, Police action to prevent access to the sites should immediately be taken, and no building materials or machinery whatsoever be permitted to enter the areas concerned from the Council's roads.

From a report by the Commissioner of Police, submitted in comment, it is noted that any immediate implementation of the Public Works Department proposals has not been possible, by reason of the inability to furnish personnel further to that already employed in barring access to a factory in Yuyuen Road. To implement the proposal to prevent transport of material to the six sites named, the services of 6 foreign and 75 Chinese police would daily be required in addition to those already employed in barring access to the Yu Yuen Road factory.

The Chairman states that it does not appear to be practicable for the Council's Departments to do more than so far has been found possible. In reply to the Chairman, Mr. Okamoto states that he does not consider feasible any approach by Japanese members of Council to the Japanese Authorities to influence the Extra-Settlement Chinese Municipal Authorities to support the Council's aims.

The Commissioner of Public Works, in emphasizing the immediacy and magnitude of the problem, states that in the last fortnight 200 new buildings of undesirable class have commenced erection.

The Commissioner of Police states that he has under consideration a scheme to give support to the Public Works Department's proposed prohibitive measures within the enclaves, involving 108 Police and 6 foreigners. Whilst he is prepared to report in the matter, he believes that his proposals will involve the Public Works Department staff to an impracticable extent.

Mr. MacDonald states that the disclosure of the Public Works Department as to the rapidity of spoliation of the area, in his view only emphasizes the need for the exploration of every possible avenue to prevent this spoliation. He suggests that the Public Works Department proposal to prevent access of materials to the area should be pursued, and that to this end four Police posts should be established on the four main East and West roads and that the movement of building materials and machinery to the area from the Settlement should be permitted only under permit of the Public Works Department. The Commissioner of Police states that the Police posts would have to be extended much beyond the number of four suggested. The Commissioner of Public Works states that the mere issue of permits, without active Police control in the enclaves would prove abortive.

The Chairman states that he is seriously apprehensive that measures on the widespread scale suggested by Mr. MacDonald might involve the Council in very unhappy legal consequences. The Secretary General states that he shares the Chairman's apprehensions, and that in view of possible suits in the Court of Consuls for heavy damages against the Council, he feels that the opinion of the Council's legal advisers should first be obtained and considered.

Mr. Kiang favours considering each individual factory project on its merits, and Mr. Hsi doubts the justification of proceeding against those factories which have been erected or are in course of erection on the strength of the Council's former policy of not assuming responsibility for factory development in the area concerned.

Members decide to call for, and to consider before any action is taken, an opinion from the Council's legal advisers as to the proposals to control and issue permits for the movement of building materials and machinery to the Western Extra-Settlement area and to prevent the access from the Council's roads of such materials and machinery to certain proscribed areas where factory and other undesirable building development is prohibited by the Council.

Having regard to the fact that the single additional staff appointment recommended by the Commissioner of Public Works, referred to in the above recorded minutes, is to deal only with factories actually abutting the Council's roads, in accordance with the existing control practice, members approve of such appointment.

At the request of Mr. Yuan, the Commissioner of Public Works

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and the Commissioner of Public Health agree to examine the case of the Tsu Chong Sing Gelatine Factory, situated south of Gt. Western Road.

K 35/14.

Transfer of Refugees in unauthorized occupation of buildings. A report is submitted by General Macnaghten, Chairman of the Refugee Camp Transfer Committee, stating that the Committee has accomplished the transfer to camps at Yenping Road, on land rented by the Council for the use of the Refugee Organizations, of refugees to the number of about 5,500, and the camps at Yenping Road are practically filled. There remain about 8,500 refugees yet to be transferred from buildings in unauthorized occupation.

It will be remembered that the Council decided that it would meet expenses, in connection with these transfers, for land rentals at a rate approximating \$10,000 per month, or \$120,000 for a year.

To accommodate the balance of 8,500 refugees remaining, which with probable wastage during the process of transfer may it is considered be reduced to 5,000, the Refugee organizations have themselves and without responsibility whatever of the Council, secured the use of a site of over 30 mow in Tunsin Road. The location of the site is suitable to Municipal Departments and will not cause annoyance to the neighbourhood.

This land has been secured rent free, except for small obligations totalling about \$2,000. There remain, however, the expenses of preparing the land and building the matcheds for, in the first instance, 5,000 refugees. The cost is estimated in the neighbourhood of \$50,000. Any cost above this figure the Refugee Organizations themselves will bear. Of this \$50,000 the Organizations seek one-half, i.e. \$25,000, from the Council. This amount approximates 2½ months rent at the rental rates the Council contemplated paying for other land sites in prospect for refugee transfer uses.

The Acting Treasurer & Controller has been approached and he is prepared to endorse expenditure by the Council out of the Voluntary Entertainment Levy of \$25,000 for the camp at Tunsin Road. He points out, however, that expenditure of this amount may influence the funds available for distribution to Charity Organizations, which matter will receive consideration by the Treasurer & Controller on return to Shanghai.

General Macnaghten states that he wishes to amend his report so as to apply on behalf of the Committee for an amount up to \$25,000.

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The Chairman states that, so far as is known, the refugee organization which is securing the use of the land has seen to it that no objections on the part of the Extra-Settlement Authorities will be raised.

RESOLVED that a sum up to \$25,000 be expended, out of the proceeds of the voluntary entertainment levy, for preparing the land and erecting matcheds at a site off Tunsin Road for the accommodation of refugees at present in unauthorized occupation of buildings.

The meeting terminates at 5.50 p.m.

Cornell S. Franklin

Chairman.

W. G. Smith

Acting Secretary.

At the meeting of the Council held on Wednesday, November 16, 1938, at

4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. A. C. Cornish
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. W. Gockson
 O. Okamoto
 T. Sugisaka

The Minutes of the meeting held on November 2 are confirmed and signed by the Chairman.

L 22/2

Control of Factory Development in the Western Extra-Settlement Area. The Chairman refers to the opinion of the Council's Legal Advisers to the effect that the Council's right of control over its extra-Settlement roads is of such a nature as not to warrant it putting into force the proposed scheme for the control of factory development in the Western extra-Settlement area enclaves, by means of prohibition of the use of the Council's roads to vehicles carrying building materials destined for work in the enclaves which has not received the Council's approval. It is noted that the legal opinion states that it would be ultra vires the Council to enforce the scheme proposed, which, if put into effect, might conceivably render the Council liable to heavy damages.

Mr. MacDonald states that he is not satisfied that the Council should regard itself as precluded from all further action in preventing deterioration of the Western extra-Settlement area by factory development because of the legal opinion rendered. He suggests that the Council might be prepared to disregard the fear of claims for damages and might resort to an extra-legal expedient such as was recently adopted in the acquisition of land for refugee purposes, which was justified on the grounds of urgent public necessity. In response to the Chairman, Mr. MacDonald admits that the case is not precisely parallel, since it involved exercise of the

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Council's powers within the Settlement boundaries and not outside those boundaries, and furthermore the Council paid adequate compensation to the owners of the properties thus acquired.

General Macnaghten states that it was his impression that members had contemplated consideration of other schemes of action in the event that the legal opinion as to the Council's right to adopt the proposed prohibitive scheme was adverse.

Upon Mr. MacDonald's proposal, it is decided to refer to a Sub-Committee of the Watch Committee investigation of possible alternative courses for preventing the deterioration by factory development of the Western extra-Settlement area.

A 2/8

The Minutes of the meeting of the Education Board of November 4 are submitted and confirmed, with the exception of the minute relating to Chinese Grant-Aided Schools - Overcrowding as to which it is noted that the recommendation of the Education Board will be reconsidered by the Board prior to submission to the Council.

H 1/2

The Minutes of the meeting of the Staff Committee of November 14 are submitted and confirmed, subject to the following modification.

Scales of Pay - Triennial Increments on Promotion. Mr. Matthews refers to the remark of Mr. Mitchell, Chairman of the Staff Committee, that the first of the two recommendations in respect to increments on promotion was to serve only as a guide to the Staff Committee in considering individual cases. Mr. Matthews states that the positive wording of the Staff Committee's recommendation in this matter would appear to preclude any exception in the application of the ruling. Mr. Mitchell reiterates that it was the Staff Committee's intention that the ruling should serve only as a guide, and that departures therefrom were contemplated in specific cases where good cause was shown for making an exception. Members agree that adoption of the Staff Committee's recommendation shall be subject to the understanding that the ruling regarding increments on promotion shall serve only as a guide, to which permissible exceptions may be made by the Staff Committee.

With regard to the second part of the recommendation, under this same subject heading in the Staff Committee minutes, that where promotion takes place during an employees absence on long leave, seniority in the post shall be graded from the effective date of the promotion but that the increased pay shall take effect from date of resumption of duty, Gen. Macnaghten states that he considers it more equitable that the increased pay should take effect from the date of promotion regardless of whether the employee is at the moment on long leave.

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The Treasurer & Controller states that he is inclined to agree with Gen. Macnaghten, since he feels that the application of the ruling might cause dissatisfaction among the staff, particularly among the Police Force who would be most affected. The Acting Secretary replies that the Commissioner of Police had assured him that he did not object to the application of the ruling to members of the Force.

Mr. Mitchell states that pay on promotion is in a different category from those automatic increases of pay under the scales to which an employee becomes entitled irrespective of his absence on long leave. In the case of promotion he considers it entirely equitable that the increased pay should be in respect of the actual undertaking of increased responsibilities.

Mr. Keswick states that he agrees with Mr. Mitchell that the justification for increased pay in the case of a promotion is the actual assumption of added responsibilities. In view, however, of the limited number of cases of promotion occurring during an employee's long leave, he is prepared to accept Gen. Macnaghten's view if adoption of the Staff Committee's ruling would cause any general dissatisfaction among the staff.

Mr. Matthews states that he regards the Staff Committee's recommended ruling as wholly equitable, since he considers that increased pay on promotion should date only from the time when the employee actually enters upon his new responsibilities.

Upon the matter being put to a vote the recommendation of the Staff Committee is adopted by a majority.

The meeting adjourns at 5.15 p.m.

Cornell S. Franklin

Chairman.

Acting Secretary
Acting Secretary.

At the meeting of the Council held on Wednesday, November 30, 1938, at

4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. A. C. Cornish
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 T. Sugisaka
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. W. Gockson

H 3/760
 H 3/1564

Return of Secretary - Acting Secretary's Services. On Members' behalf, the Chairman extends a welcome to Mr. G. Godfrey Phillips, Secretary, upon his return from long leave, and expresses appreciation of the able and satisfactory manner in which the Acting Secretary, Mr. T. W. Gubb, had fulfilled the duties of the Secretary in the latter's absence.

The Minutes of the meeting held on November 16 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Health Committee of November 21 are submitted and confirmed, subject to the following modification.

I 25/3

Proposed Private Pig Slaughterhouse - Western District. Referring to the desire of the Commissioner of Public Health to make available to private interests a piece of Council land for the purposes of a pig slaughterhouse, and to the recommendation of the Health Committee that no portion of the Penang Road Incinerator site or the Kiaochow Road site be leased for the purpose, the Chairman, in sympathising with the desire of the Public Health Department for the provision of private pig slaughterhouses, enquires as to the possibility of any other Council site being available.

The Chairman states that he was under the impression that because of the nature of local garbage, a large proportion of which is non-inflammable, that further development of incinerating processes was not contemplated by the Public Works Department. This impression, he

states, was gained from the Acting Commissioner of Public Works in connection with discussions which had taken place with the Japanese authorities regarding the disposal of garbage.

Mr. Mitchell refers to the non-constructive recommendation of the Health Committee, and enquires whether members might wish to refer the matter back to the Health Committee, with an expression of view on the part of the Council that if there is no intention to extend the incineration processes, the Penang Road Incinerator site would be made available for the purpose of the proposed private pig slaughterhouse.

The Treasurer & Controller states that a large amount of money has been expended on the Incinerators, that they are little used, and that they are not paying propositions.

General Macnaghten, Chairman of the Health Committee, states that there was no alternative to the recommendation of the Health Committee, having regard to the statement of the Acting Commissioner of Public Works, which was before the Committee, that extension of the incinerating processes was possible.

Mr. Keswick states that it would appear to be desirable before a decision in this matter that the views of the Commissioner of Public Works, recently returned from leave, should be obtained on the question as to whether the extension of incinerating processes is contemplated.

Upon the Chairman's proposal it is decided to call for a report from the Commissioner of Public Works on the subject, in the light of which the Health Committee's recommendation will be reconsidered.

D 1/5. Bug Infestation of Library Premises. Mr. Matthews refers to the notice which is to appear in this week's Gazette informing the public that the Public Library is to be closed for disinfectant treatment, and enquires as to the reason for the delay in acting upon the Council's decision that steps be taken forthwith to remedy the bug infestation of the Library premises.

The Acting Secretary replies that the Commissioner of Public Health had subsequently found that the fumigation treatment, which he had recommended and which the Council had agreed to adopt, was ill-suited for the purpose, and that experiment had indicated that disinfection rather than fumigation should be undertaken.

Mr. Matthews states that the Council's decision to take immediate action has thus not been carried out without reference to the Council.

The Chairman states that he feels that members generally are satisfied, after the Acting Secretary's explanation, that there was no intention to disregard a Council instruction.

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Mr. Mitchell suggests that probably Mr. Matthews would be satisfied if it were recorded that where action on a Council decision cannot be taken by the permanent officials in the manner anticipated by such decision, the Council should be so informed.

Mr. Matthews states that such record would satisfy his intention in raising this matter.

It is decided that the words "for disinfectant treatment", in the proposed public notice as to closure of the Library, be altered to "for renovation".

The meeting terminates at 5 p.m.

Cornell A. Franklin

Chairman.

[Handwritten signature]

Secretary.

At the meeting of the Council held on Wednesday, December 14, 1933, at

4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

A. C. Cornish

W. Gockson

Yulin Hsi

W. J. Keswick

E. Y. B. Kiang

F. N. Matthews

G. E. Mitchell

O. Okamoto

T. Sugisaka

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Works

The Commissioner of Public Health

The Treasurer and Controller

The Secretary General, and

The Secretary.

Absent:

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

Mr. R. G. MacDonald.

The Minutes of the meeting held on November 30, are confirmed and signed by the Chairman.

I 25/3.

Private Pig Slaughterhouse - Use of Penang Road Site. The Commissioner of Public Works refers to the report which he has submitted, in which it is stated that the piece of land asked for by the Public Health Department for the purpose of a private pig slaughterhouse is not in any way connected with the operation of the incinerator, but is part of the adjoining Penang Road Highways Depot for the storage of road materials and equipment. Apart from a portion temporarily permitted to be used by the Health Department as a coffin repository, the whole of the remaining area, as well as the loading areas around the incinerator, are in use. Moreover, it is understood that the small strip of land asked for would not meet the needs of the scheme the Health Department now has in view.

The Commissioner of Public Works states that, since reporting, he has discussed the matter with the Commissioner of Public Health and that he believes that a satisfactory site for the purposes of a private pig slaughterhouse has been found.

In reply to the Chairman, the Commissioner of Public Works states that there is no intention on the part of his Department to propose the building of further incinerators as a means for the disposing of garbage.

The Minutes of the meeting of the Education Board of December 2 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of December 7 are submitted and confirmed.

K 1/11.

Mui Tsai (or Pei Mu). In response to the Chairman's request for amplification of the reasons for the Watch Committee's recommendation endorsing the proposal of Miss Hinder to engage two further assistants, at a total annual cost of \$3,600, for Mui Tsai protection purposes, Mr. Mitchell (in the absence of the Chairman of the Watch Committee) explains that, apart from the wish to meet the desires of the League of Nations in the matter, the Committee was actuated by local humanitarian considerations and the desire to ensure, through the check afforded by the extra staff, better value for the money granted to institutions offering protection to children.

I 32/1

Revision of Cart Loads and Licence Fees. In reply to Mr. Kiang, the Secretary states that alterations in the cart licence conditions will be made, corresponding with the increased loads recommended by the Watch Committee to be permitted to carts equipped with pneumatic tyres, whereunder safeguards will be established to ensure an adequate number of men per cart to handle the greater loads without danger.

I 2/17

Revision of Private Motor Car Licence Procedure. In reply to the Chairman, the Secretary states that it is the intention to make proportionate refunds for periods of non-use of the private motor car licence, the fee for which the Watch Committee recommends should be an annual instead of a half-yearly one.

Replying to Mr. Matthews, Mr. Mitchell states that the view of the Watch Committee was that annual payment of the fee was within the capacity of the possessor of a car.

The Secretary reminds members that adoption of the revised procedure is subject to the views of the French Municipal Administration, and that there has not yet been time to submit to members these views, which have just come to hand.

The Minutes of the meeting of the Library Committee of December 12 are submitted and confirmed, subject to the following modification:

U 1/5.

Bug Infestation of Library Premises. The Chairman states that he has formed the impression that members of the Library Committee are taking an unduly serious view of the matter of the extent to which the Library premises are infested, and that he considers that certain of their recommendations to deal with the question are unwarranted. He refers particularly to the expenditure proposed to be incurred by the replacement in wood of the wicker seats of chairs and the substitution of the wicker arm-chairs by wooden chairs.

The Commissioner of Public Health states that, whilst wicker could harbour bugs, no bugs have actually been found in the chairs. He adds that treatment with cocconut oil might meet the case.

Members generally share the Chairman's view that the matter has been unduly emphasized and that expenditure in respect of the chairs does not appear to be warranted by the small extent of the infestation.

Since it is noted that the Library premises have been disinfected in respect of the infestation, members concur in the suggestion of Mr. Cornish that expenditure on the chairs be deferred pending re-examination of the matter in the early summer.

B 6/3. Claim against Council for Police action. The Secretary General informs members

of the circumstances arising out of which Mr. Ranald G. McDonald has entered a claim against the Council in the sum of \$5,000. He states that, as the result of his examination of the Police investigation, the reports of which he has not troubled members with on account of their detail and volume, he has formed the opinion that the Chinese Police Constable involved had exceeded his duties and that Mr. McDonald had been subjected to what at least he would term technical assault and technical false imprisonment. Apologies had been tendered both by the Commissioner of Police and the Council, and Mr. McDonald had been asked to give evidence against the Constable at a Police Disciplinary Board.

The Secretary General states that he regards as ridiculous the reasons given in the letter of his legal representative in support of Mr. McDonald's claim for damages for so large an amount as \$5,000. Whilst he regards the heavy amount of the claim as an attempt at an unwarranted exaction, his knowledge of the personal characteristics of the claimant leads him to believe that he would take advantage of a possible suit in the Court of Consuls to indulge in considerable unpleasantness directed against the Council. The Secretary General states that he regards a Court of Consuls' suit as inevitable, unless the Council endeavours to make a settlement. In his opinion, since he considers that there is no question but that the Police Constable was in the wrong, the Court of Consuls would not dispute that the payment of damages was warranted and would concern itself merely with the question as to the appropriate amount.

The Secretary General instances a case which occurred in 1922 of Police arrest without a warrant and imprisonment for six hours. The Court of Consuls then decided that the Police had exceeded their authority and were guilty of false arrest and imprisonment. Claim had been entered for Tls.15,000; judgment being given in favour of the claimant in the small amount of \$350 only. The claimant in that case occupied a humbler social position to that of Mr. McDonald. Finally, the Secretary General requests members instructions in the present matter.

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The Chairman states that, on the facts of the incident as reported by the Secretary General, and having regard to the two apologies tendered to Mr. McDonald and the invitation to afford him redress by means of Police disciplinary proceedings against the Constable, he feels that no payment whatsoever should be offered and that the Council should not be influenced by the possibility of Mr. McDonald causing unnecessary unpleasantness should he bring suit in the Court of Consuls. He is opposed to the creation of a precedent by making a payment in this case.

Mr. Keswick and Mr. Kiang express themselves as sharing the Chairman's view that the Council should face the possibility of a Court suit. Mr. Kiang adds that though the Court may find the Police in the wrong, he has some doubt that Mr. McDonald could prove that he has suffered damage.

The Secretary suggests that if the Council admits the Police were in the wrong, it might be preferable to pay into Court with an admission of liability a sum of say \$50. In the event of the plaintiff not accepting this sum and the Court regarding it as adequate judgment would be in the Council's favour.

The Secretary General states that under American law the Police Constable in this case would personally be liable and not his employers. He adds that this would not necessarily be so in English law.

In reply to the Secretary's suggestion, the Secretary General states that in American law there would be no defence of the Constable's action and that there would bound to be a judgment against the Council. He feels that the offer of so small a sum as \$50 might be interpreted by Mr. McDonald as a studied affront. A larger sum, such as \$500, might however, he suggests, prevent a suit for a much larger sum, and be regarded as a sufficient earnest of the sincerity of the Council's admission of guilt and of its apology.

Mr. Okamoto states that, since it is difficult to define the amount of damage which Mr. McDonald has sustained and that as the Court may possibly regard it as heavy, he favours a settlement by an offer of a reasonable amount, such as \$500. Mr. Matthews shares this view.

Mr. Mitchell states that if there were public witnesses of the incident, Mr. McDonald may rightly feel that he has been subjected to serious indignity.

The Treasurer and Controller observes that heavy legal expenses are likely to be involved in any case and having regard to the Secretary General's statement that each side bears its own lawyers' fees, he favours an offer either of \$500 or no payment at all.

Upon the matter being put to a vote, a majority is in favour of

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rejecting the claim for \$5,000, offering no payment whatever, and
defending any suit that may be brought in the Court of Consuls.

The meeting terminates at 5.45 p.m.

Cornell S. Franklin

Chairman.

M. J. [unclear]

Secretary.

At the meeting of the Council held on Wednesday, December 23, 1933, at

4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

A. C. Cornish

N. Gockson

Mulin Hsi

E. Y. J. Kiang

R. C. MacDonald

G. E. Mitchell

O. Okamoto

L. T. Yuan

Tu Ya Ching

The Commissioner of Police

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Brig.-Gen. E. B. Macnaghton, C.M.G., D.S.O.

Messrs. W. J. Roswick

F. H. Matthews

T. Sugisaka

The Minutes of the meeting held on December 14 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Public Utilities Committee of December 19 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of December 21 are submitted and confirmed.

I 2/11

In inviting Mr. MacDonald, in the absence of the Chairman of the Watch Committee, to present the Minutes of the meeting of the Watch Committee of December 22, the Chairman suggests, and members agree, that in view of the absence of several members of Council, consideration of the Watch Committee's recommendation pertaining to Special Motor Car Licences for Diplomats and Consuls be deferred until the next meeting of Council. With this exception, the minutes of the meeting of the Watch Committee of December 22 are confirmed.

H 1/2

The Minutes of the meeting of the Staff Committee of December 23 are submitted and confirmed. In referring to members' adoption of the recommendations of the Staff Committee in respect to Foreign Staff Salaries and Chinese Staff Temporary Allowance, the Chairman thanks Mr. Mitchell for his investigations and report/^{which} formed the basis of the Staff Committee's recommendations. He congratulates Mr. Mitchell upon the success of his work in

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assisting the Council correctly to adjust the pay of its staff to meet
present economic circumstances.

The meeting terminates at 5.10 p.m.

Cornell S. Franklin

Chairman.

J. M. [unclear]
Secretary.

At the meeting of the Council held on Wednesday, January 11, 1939, at

4.50 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

A. C. Cornish

W. Godson

Fulin Hsi

E. F. B. Kiang

R. G. MacDonald

F. H. Matthews

G. B. Mitchell

O. Okamoto

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

Messrs. W. J. Keswick

T. Sugisaka.

The Minutes of the meeting held on December 29 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Public Utilities Committee of December 29 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of January 9 are submitted and confirmed.

1 2/11

Special Motor Car Licence Plates for Diplomats and Consuls. Reference is made to the recommendation of the Watch Committee framed at its meeting on December 22, 1938, in the matter of the proposal of the Acting Consul-General for France that an elaborate revision be made of the present practice which limits the issue of special motor car licence plates to two free special licences to each Embassy or Legation and two free special licences to each Consulate.

The proposal of the Acting Consul-General for France was that a new type of special licence plate conferring diplomatic immunity should be issued to all career appointees of Embassies and all career appointees of Consulates excluding honorary or merchant Consuls; that this issue should be free to seven persons of the personnel of the Embassies and two persons of the personnel of Consulates, and that all other career appointees of Embassies and Consulates should have the new type of special plate at half fee.

The recommendation of the Watch Committee envisages a considerable modification of the Acting French Consul-General's proposals, the essence of the recommendation being that no one except of Ambassadorial or Ministerial rank should have a plate which confers any immunity whatsoever, and that other than the one special plate of new type to be issued free of charge to Ambassadors and Ministers, the present maximum of special plates should not be exceeded, i.e., that the three remaining special plates (viz. one to an Embassy and two to a Consulate) should continue to be of the present special type conferring no immunity, such to continue to be issued as at present without fee.

A memorandum is submitted by the Secretary stating that since the meeting of the Watch Committee the Chairman of Council had given very careful consideration to the matter, since he felt that it was extremely desirable that agreement upon this matter should be reached with the French Authorities. At the Chairman's request, the Secretary had engaged in conversations with the French Consul-General, when it had been made clear that members of the Diplomatic Body appreciated the necessity of observance of traffic regulations on their part and on the part of their chauffeurs. It was observed, however, that in the event of a breach of traffic regulations by a member of the Diplomatic Body or his employees when driving his car, it is customary that instead of the usual Police action a complaint should be made to the head of the Diplomatic Mission concerned.

The conversations with the French Consul-General revealed the view of the Diplomatic Body that all career Diplomats should have on their cars identification plates which will enable the Police, whether foreign or Chinese, to recognize the car as a diplomatic car. It is emphasised, however, that the object of the plate will not be to grant any form of immunity but to ensure that the Police will know with whom they are dealing, so that the ordinary courtesies employed in dealing with professional diplomats can be observed.

As the outcome of these conversations, the Chairman suggests that, in order to reach a solution of this matter, the following proposals should be approved:-

1. No increase be made in the number of special licence plates issued free of charge, i.e. two free plates to each Embassy or Legation and two free plates to each Consulate.
2. The present type of special plate to be changed to a plate of distinctive colouring bearing some Chinese character signifying the "governmental" nature of the car.
3. This new type of plate to be issued to all career Diplomats and to two members of each Consulate.
4. Those who will not receive plates free, i.e. career Diplomats who do not receive one of the two free plates issued to each Embassy or Legation, will pay for their plates in the ordinary way.

The foregoing proposal is satisfactory to the French Authorities and is welcomed by the Commissioner of Police.

The proposal of the Chairman is unanimously adopted by members without discussion.

F 5/1
F 6/1.

Election of Council and Annual Meeting of Ratepayers. The Chairman proposes the adoption of suggestions submitted by the Secretary regarding the dates for the Election of Council, and the date, place and hour of commencement of the Annual Meeting of Ratepayers. It is accordingly

RESOLVED

- (a) that Wednesday and Thursday, April 12 and 13, be suggested to the Consular Body as suitable dates for the Election of Council.
- (b) that it be proposed to the Consular Body that the Annual Meeting of Ratepayers be held on Wednesday, April 19, in the Grand Theatre, and that the hour of commencement be 2.30 p.m.

F 6/4.

Annual Meeting of Ratepayers - Chairmanship. - On the proposal of the Chairman it is unanimously

RESOLVED that Sir Allan Mossop be invited to allow his name to be proposed for election to the Chair at the Annual Meeting of Ratepayers.

The Meeting terminates at 4.45 p.m.

Cornell J. Franklin

Chairman.

[Handwritten Signature]
Secretary.

At the meeting of the Council held on Wednesday, January 25, 1939, at

4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

Messrs. A. C. Cornish

Yulin Hsi

W. J. Keswick

E. Y. B. Kiang

R. G. MacDonald

F. N. Matthews

G. E. Mitchell

O. Okamoto

T. Sugisaka

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Commissioner of Public Works

The Treasurer & Controller, and

The Secretary.

Absent:

Mr. W. Gockson.

The Minutes of the meeting of January 11 are confirmed and signed by the Chairman.

B 9/20

The Minutes of the meeting of the Education Board of January 20 are submitted and confirmed, subject to reference to the Finance Committee of the Estimates of Ordinary Expenditure for 1939, including the recommendation under the heading Primary and Night Schools and Chinese Education Office, in regard to which the Treasurer and Controller states that in agreeing tentatively to provide an appropriation of \$40,000, it was his intention that, in accordance with the usual procedure, this item should require consideration and approval by the Finance Committee, without necessarily waiting for the Ratepayers' Meeting, before the project for a new Chinese Primary and Night School was embarked upon.

L 22/2

Artificial Silk Factory opposite No. 657 Amherst Avenue. A letter from the Western Extra-Settlement Association is submitted drawing attention to the erection which is taking place of an artificial silk factory opposite No. 657 Amherst Avenue, whose erection had been prohibited by the Council in September 1938. The Company concerned in the project had been addressed in September last and informed that the Council supported the action of the Public Works Department in refusing a permit for this factory. The Company was also informed that in support of this refusal the Police had been authorized, if necessary, to prevent

the construction of the factory by barring access to the Council's road. It is noted that the fact of the issue of a Building Permit in this case by the Ta Tao authorities was not permitted to affect the Council's decision.

The sponsors of this factory project addressed the Council in October 1938 requesting a reversal of its decision, which was refused, whereafter they wrote intimating the possibility of a court suit against the Council for damages, alleging a loss of \$132,000 in respect of land lease, machinery and other commitments. The threat was not, however, treated seriously and did not materialise.

In November 1938 the Commissioner of Public Works reported that the sponsor of the factory project had submitted an application for the erection of two residences on a portion of the site concerned. The Commissioner of Public Works stated that there was no objection to the proposal and he suggested that the Commissioner of Police be requested to permit access to the site for this purpose. The Commissioner of Police was accordingly addressed by the Secretariat on the same date with instructions that the Police on duty should "permit access to the site for the purpose of the erection of residences, at the same time ensuring that the erection of a factory is not commenced."

A report submitted by the Commissioner of Public Works states that though the Police were requested to prevent building materials for the factory going to the site, this did not prove sufficient impediment to prevent work on the factory taking place at the same time as the residences were being erected, since it is understood that a considerable quantity of the factory building materials had been accumulated on the site before the Police were able to take action. The Commissioner of Public Works adds that this is an instance where the Council appears to have lacked sufficient powers to ensure enforcement of the prohibition of a factory on a site off the Extra-Settlement roads.

In a further report submitted by the Commissioner of Public Works he states that nuisance from the factory may possibly be anticipated from fumes and smoke and also from possible night work. He further states that enforcement of the Council's requirements by barring access would require encircling the property with a physical barrier adequately patrolled, and that this would require Police patrols inside the enclaves.

A report by the Industrial Section states that machinery for the factory is due to arrive in Shanghai in about two months. The report states that if the chimney is high enough there should be little neighbourhood nuisance, and adds that there is already a silk filature adjoining the site.

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In reply to enquiries as to how far building has actually proceeded on the site, the Commissioner of Public Works states that the factory has been nearly completed, except for the installation of machinery, and that the permission accorded for the erection of two residences had been availed of to the extent of the construction of one building, which however was being used as an office.

In explaining the ineffectiveness of the Police watch in the matter, the Commissioner of Police states that it was impossible for the Police on duty to distinguish between materials intended for the approved residences and the prohibited factory. Police action, he adds, could have been effective only if they had found it possible to enter upon the factory site. To do so would have been to enter upon Chinese territory in the endaves and this the Police hesitated to do because of the possibility of a difference with the Ta Tao authorities.

Mr. MacDonald states that he cannot agree that the fact of a differing jurisdiction over the factory site prevented the Police from effectually preventing the prohibited work, provided the Police took every practicable step to bar access. In reply to his enquiry as to why the fact that the Police were failing to carry out the Council's preventive order was not reported to the Council, the Commissioner of Police states that report was made to the Commissioner of Public Works but not he regrets to the Secretary.

In reply to Mr. MacDonald, the Commissioner of Public Works states that, without resorting to an extensive scheme of cordoning the whole area about the site, which the Council was aware the Police had found impracticable by reason of the impossibility to provide sufficient personnel, barring of access only along Amherst Avenue would probably prove ineffective since materials could gain access to the site from areas not under the Police administration. The Commissioner of Public Works adds that the public had now become generally aware that the Council had not the full powers or the means to enforce the factory control measures to which it had given publicity by a Municipal Notification in April last. Accordingly, despite success in dissuading a considerable number of undesirable projects in the past, there was a growing tendency to disregard the Notification.

Mr. Okamoto states that, since the Ta Tao Police are actually functioning in the area concerned, he considers that negotiations should be entered into with the local authorities of the area with a view to securing their co-operation towards the end desired.

Brig.-Gen. Macnaghten states that he prefers that the Council should rely on its own practical means of enforcement of its wishes in this matter. He agrees that the Council would appear to be limited to preventive action on Amherst Road only. In this connection the Commissioner of Public Works states that whilst access could be gained

from the rear, these pathways were not suited to trucks, but only foot and wheelbarrow traffic. General Macnaghten states that he is in favour of blocking the entire frontage of the site on Amherst Road, provided this can be done without inconvenience to third parties. The Commissioner of Public Works states that such permanent barring would not cause inconvenience to third parties. In this connection Mr. MacDonald confirms that the question of preventing undesirable factories by extensive Police cordoning of the surrounding areas had been deferred by the sub-committee of investigation, owing to the Police having found that they could not spare the large number of men required for the purpose. In the present case, however, he feels that every effort should be made to prevent access to the site and he suggests the possibility of action to prevent egress of manufactured goods from the site.

Mr. Matthews states that the parties concerned would appear to have been guilty of a breach of faith with the Council, by reason of their action in having taken advantage of the permission to build residences to build the prohibited factory instead. He considers therefore the Council would be warranted in preventing access of all building materials to the site, whether destined for the residences or the factory. Mr. Kiang also enquires whether a contract with the Council has not been broken.

The Chairman states that he interprets the legal opinion recently given by the Council's legal advisers, which the Secretary reads to members, as being definitely against the use of the Council's roads for the purpose of opposing factory projects in the Chinese territory of the enclaves. He emphasizes that the Council has no authority of this nature off the extra-Settlement roads. Even in respect of the building of the residences in question he doubts the validity of the Council's permit, having regard to its general lack of authority over buildings outside the Settlement boundaries and particularly off the Council's outside roads. He states that if these permits are not valid, then no contract with the Council would appear to have been broken. In his opinion no permit from the Council is legally necessary in respect of buildings off the roads and within the enclaves. Mr. Cornish agrees that if no permits for the residences in question were necessary then no breach of faith is involved.

Mr. MacDonald refers to the opinion given by the Council's legal advisers in another connection, wherein they stress that the Court of Consuls, to which the Council would be subject in the event of improper action in the present case, is generally influenced more by the commonsense view than by legal precedents. He considers that the Court would uphold action by the Council designed to prevent a public nuisance and the despoiling of residential amenities. General Macnaghten supports this view and favours blocking access, but only

upon the Council's road. Mr. Okamoto states that the Council should not so act until it is certain that it has the right to do so, lest it render itself liable for damages.

The Chairman states that in his opinion, having regard to the explicit advice of the legal advisers, the barring of access in this case would render the Council liable to a suit for heavy damages, the party concerned having already hinted at a figure of \$132,000 in respect of a long lease on the land and other commitments. He states, and the Secretary concurs, that a further reason which would operate to weaken the Council's case is the Departmental non-objection to the factory project, which anticipated the Council's objection by nearly a year. He emphasizes that the Municipal Notification claiming for the Council powers of factory control in the Extra-Settlement area was not issued until some time after Departments had indicated their non-objection to the project under consideration. The Commissioner of Public Works mentions in this connection that Departments had indicated only their non-objection as they had no powers enabling them to object since the Council did not administer the area. Mr. Yulin Hsi considers it a material factor that the Departments had at one time indicated their non-objection.

Mr. Matthews states that he remains of the view that the Council should try to prevent the operation of this factory. Mr. Mitchell states that he considers that progress in the erection of the factory has gone so far that it would be better now not to interfere. Mr. Keswick concurs, stating that in view of the legal opinion of Messrs. Hansons he considers that interference would be dangerous.

In putting the matter to the vote, the Chairman emphasizes the risk of a damage suit that interference entails. The Secretary adds that such interference would disregard the legal advice members have received.

By a majority vote of one it is

RESOLVED that access from Amherst Avenue to the site opposite No.657 Amherst Avenue of all materials of whatever description be prevented, and that the permit to erect two residences thereon be revoked.

M 7/4

Court of Consuls' Case - Forfeited Deposit. Reference is made to a petition in the Court of Consuls which has been served upon the Council in connection with the action of the Council in withholding a tenderer's deposit, which was considered forfeit on the grounds that the tenderer had withdrawn his tender and thereby evidenced that it had not been submitted in good faith. Whilst the action in withholding the deposit was based upon the opinion of Messrs. Hansons, the Secretary General, the

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Municipal Advocate and the Secretary are of the opinion that in law the Council has no right to retain the deposit in this particular case.

In a memorandum explaining the details of the case the Secretary states that Mr. Badeley of Messrs. Hansons agrees with him in doubting whether the Council would be entitled to confiscate the deposit merely on the ground of bad faith. If the case is to be defended, Mr. Badeley would prefer to rest the Council's case upon the contention that it is an implied condition of the terms of tender that the tenderer has not the right to withdraw his tender after the tenders have been opened without allowing a reasonable time for acceptance.

The Chairman states that he is inclined to agree with the written opinion of Messrs. Hansons. Mr. Kiang states that he supports the opposite view. The Treasurer & Controller mentions that the loss actually sustained (approximately \$4,000) in having to accept tenders higher than the one withdrawn, was considerably more than the amount of the deposit confiscated.

Mr. Matthews favours defending the case. At the same time he suggests that the conditions governing tenders should in future provide expressly against tender withdrawals. The Secretary replies that this express provision is being made in the tender conditions. Mr. Mitchell states that having regard to this intention to safeguard the future, he favours returning the deposit and allowing the case to drop, in view of the small amount involved. Mr. Keswick favours returning the deposit rather than risking a defeat in Court. The Secretary states that his preference is to return the deposit, notwithstanding the possibility of a chance of winning the case in the Court of Consuls. Members generally favour this course and it is resolved accordingly.

The meeting terminates at 5.45 p.m.

Cornell S. Franklin

Chairman.

H. J. Bin

Secretary.

At the Special Meeting of the Council held on Friday, January 27, 1939,

at 12 o'clock noon there are:

Present:

Mr. C. S. Franklin (Chairman)

Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.

Messrs. A. C. Cornish

W. Gockson

Yulin Hsi

W. J. Keswick

E. Y. B. Kiang

R. G. MacDonald

F. N. Matthews

G. E. Mitchell

O. Okamoto

T. Sugisaka

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer & Controller, and

The Secretary.

The Minutes of the meeting of January 25 are confirmed and signed by the Chairman.

L 22/2

Artificial Silk Factory opposite No.657 Amherst Avenue. The Chairman

states that this Special Meeting has been convened because a member who voted with the majority in the carrying of the resolution adopted at the Council meeting on January 25, on the subject of the artificial silk factory opposite No.657 Amherst Avenue, requested reconsideration of the decision then arrived at. Mr. Sugisaka states that subsequent to the meeting at which he had cast his vote in favour of the adopted motion, he had reconsidered his decision and had asked for the matter to be re-opened. In support of his present decision to reverse his vote and to oppose the motion in question, he refers to the Departmental non-objection to the factory project which preceded the later decision of the Council to veto it, and to the fact that he now realizes that the Council has no jurisdiction in the area where the factory is situated.

Mr. Cornish enquires of Mr. Okamoto as to whether his view that the Council should enter into negotiation with the Shanghai Special Municipal Government applied to all matters where the interests of both parties are involved or only to the particular matter under consideration. Mr. Okamoto replies that he intended

that the Council should negotiate in all such cases.

Mr. Matthews states that he considers that the factory project in question provides a most suitable opportunity for a test case as to whether the Council's action is not warranted in the public interest. He submits, with deference, that the opinion of Messrs. Hansons, regarding the Council's legal rights respecting factory projects in the enclaves, has only general application and that it does not apply in all particulars to the present case, which he considers differentiated from others by reason of the breach of faith involved. He feels that a Court defence of the Council's prohibitive action in this case would meet with general public sympathy. Whilst admitting that those instances were concerned with moral offences, he refers to the Council's action in barring premises in the case of greyhound and other public gaming. It is his conclusion, therefore, that the Council should uphold its decision to bar access and, if necessary, defend any suit that may be brought in the Court of Consuls.

The Chairman states that in his view the Council would have a weak defence should any case be brought, having regard to the tacit permission which he feels was accorded by virtue of the Departmental non-objection. He, therefore, doubts the wisdom of a course which may result in a suit against the Council the defence of which is characterised by the weakness which he has mentioned. In reply to Mr. Matthews' remark that if any tacit permission was given it was given by Departments and not by the Council, the Chairman states that nevertheless the factory had made commitments on the strength of the statement of Departments. He adds that the statement of Departments that they had no objection accorded with the Council's policy at the time of admitting that it did not administer the area, which policy had been communicated to Departments.

Mr. Kiang expresses the view that any decision in the matter should have relation to the prior determination of the principle as to whether the Council exercised authority over the area in question or whether its authority outside the Settlement boundaries was limited only to the Council's roads themselves. The Chairman replies that he considers it unnecessary and unwise to attempt to determine this principle in connection with the present matter. He states that even assuming that the Council decided in principle that it had jurisdiction in the area in question, the weakness of the Council's present case would remain, having regard to the Departmental non-objection referred to. Whilst he does not necessarily imply that the Council should refuse at any time to risk a court action in

connection with measures to preserve the residential amenities of the outside roads area, he feels that the present case is not a sufficiently good one to risk in Court. Mr. Keswick supports this opinion, adding that in his view he considers that in law the present case is a bad one for the Council.

The Commissioner of Public Works states that the present action of his Department to preserve the residential amenities of the outside area, though limited, has not proved altogether ineffective. He does not favour a course which might lead to a Court decision that the Council has no powers of any sort in the present matter, which would nullify even the present efforts of his Department. He adds that his Department has no powers even within the Settlement boundaries to prevent the erection of any factory, wherever located, provided it complied with the Building Rules. He states that under the Byelaws if no permit is issued within a period of 14 days in respect of a Settlement building which complies with the Building Rules, the building is at liberty to be proceeded with. He adds that, apart from the Council's powers in regard to the erection of buildings, it has powers to take action against any operation which is a menace to public health.

General Macnaghten states that he feels that the opinion of Messrs. Hansons is only in general terms and does not altogether cover the circumstances of the present case. Mr. Cornish enquires whether, if the Council does not intend to bar access, it is going to allow the use of its roads for the admission of materials to the site. He adds that the public feels that the Council has not done enough in the matter of attempting to preserve the residential amenities in the Western extra-Settlement area and that he feels that the present case offers a good opportunity to demonstrate the Council's efforts to meet the public wish.

Mr. Kiang feels that the Council should take action consistent with its former decision reached in meeting to prohibit this factory. Mr. Cockson states that action in this case should aim to provide a precedent for measures to preserve the residential amenities. Mr. Hsi endorses this view.

Mr. Mitchell considers that any case for the Council in the Court of Consuls may be weak should plaintiff base his action on the grounds that the Council had indulged in measures which prevented the erection of buildings for which permission had actually been given, namely, the two residences. He adds that other complications in the present case add to the weakness of any defence the Council could offer in court.

Upon the matter being put to a vote, a majority of 8 to 6 reaffirms the decision reached at the Council meeting of January 25, and it is accordingly

RESOLVED that access from Amherst Avenue to the site opposite No. 657 Amherst Avenue of all materials of whatever description be prevented, and that the permit to erect two residences thereon be revoked.

H 1/2

The Minutes of the meeting of the Health Committee of January 26 are submitted and confirmed.

Special Committee to review Staff Pay. The Secretary states that he has been approached by the Chairman of this Committee regarding the matter of publicity of the Committee's proceedings, the members of which are desirous of obviating calls made upon their time during business hours by press reporters. The Chairman of the Committee has enquired as to the Council's views regarding the suggested issue through the Secretariat Publicity Office of communiques drawn up by the Committee after each of the Committee's sittings.

General Macnaghten considers that the issue direct from the Committee to the public through the Publicity Office of such communiques would be dangerous. Mr. Keswick supports this view. He states that nothing should be done to give the impression that the Committee has been appointed by the ratepayers instead of by the Council. He adds that the Committee has been appointed by the Council to advise the Council, and that he considers that in accordance with the usual practice it should indulge in no publicity until after such time as it has made its report to the Council. The Chairman and Mr. Matthews concur in this view and members unanimously decide accordingly.

K6/5
F 30/20

British Defence Forces Commander. The Chairman refers to the farewell call which is shortly to be paid on him by Major-General Telfer-Smollett. He suggests that as a memento of the particularly close association between Major-General Telfer-Smollett and the Council, in view of his assumption at the Chairman's request of the unified direction of the Defence Forces of the Settlement, the Council's Emergency Medal might be presented to him on the occasion of his call. Members unanimously agree.

L 22/2.

Western Extra-Settlement Area Factory Control Sub-Committee. General Macnaghten, Chairman of this Sub-Committee, states that this Committee has met only once and that it had found that its deliberations were of little avail, having regard to the inability of the Police to spare personnel for a cordon system against the erection of objectionable factories, which the Committee considered was the only practical remedy of the existing situation. He refers also to the resignation from the Sub-Committee of Mr. Mitchell. He states that members

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of the Sub-Committee generally feel that there is little object at the present time in carrying on the work of the Sub-Committee. Members agree that the Sub-Committee be dissolved, it being observed that it can be re-assembled if the need should arise.

The meeting terminates at 12.55 p.m.

Cornell S. Franklin

Chairman.

[Handwritten Signature]
Secretary.

At the meeting of the Council held on Wednesday, February 8, 1939, at

4.30 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
 Messrs. A. C. Cornish
 W. Gockson
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 T. Sugisaka
 L. T. Yuan

The Commissioner of Police
 The Commissioner of Public Health
 The Commissioner of Public Works
 The Treasurer & Controller, and
 The Secretary.

Absent:-

Mr. Yu Ya Ching

The Minutes of the Special Meeting held on January 27 are confirmed and signed by the Chairman.

L 22/2.

Artificial Silk Factory opposite No.657 Amherst Avenue. General Macnaghten enquires whether there has been any reaction to the Council's barring of access as decided at the Special Meeting. The Secretary refers to a letter from the party affected which is in course of circulation. The Commissioner of Public Works states that the factory is practically completed except for a furnace building, and that one of the residences has been completed. He adds that, accordingly, the action taken in barring access is not likely to have any noticeable effect for some time.

The Minutes of the meeting of the Orchestra & Band Committee of January 27 are submitted and confirmed.

The Minutes of the meeting of the Waton Committee of January 30 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of January 31 are submitted and confirmed.

The Minutes of the meeting of the Library Committee of February 2 are submitted and confirmed.

The Minutes of the meeting of the Health Committee of February 6 are

submitted and confirmed.

B 9/13.

Estimates of Expenditure for 1939. The Chairman observes that confirmation by the Council of the above Committee minutes containing Estimates of Expenditure for 1939 does not obviate the necessity for reference to the Finance Committee of these Estimates.

C 13/9

Hospitalisation of Austrian and German Jewish Refugees. The Chairman of the Health Committee refers to the recommendation that the Chinese Isolation Hospital as it now stands on Haining Road be offered to the Refugee Committee for the hospitalisation of infectious cases among Austrian and German Jewish refugees, it being understood that the Council will not be responsible for any expense involved. He states that many of these refugees have been admitted to the General Hospital and have been unable to pay for accommodation. He requests that the Commissioner of Public Health will amplify his reasons for not favouring the re-opening of the Foreign Isolation Hospital and the Police Hospital in Hongkew.

The Commissioner of Public Health states that the majority of his staff is engaged in caring for the expanded Chinese Isolation Hospitals. To re-open ⁱⁿ Hongkew he would therefore require 10 more foreign nurses and 30 to 40 Chinese nurses. He states that there is no accommodation for this necessary additional staff. Transport to and from Hongkew would impose a severe strain on the nurses. He also doubts whether patients would be inclined to go to the Foreign Isolation Hospital in Hongkew. With regard to the Police Hospital he considers that there is more likelihood of this being opened shortly, but not at the moment.

The Chairman of the Health Committee refers to the condition that the Council should not be involved in any expense in respect to the provision for Jewish refugees of the Chinese Isolation Hospital in Haining Road, and states that it was the view of one member of the Committee that it would be a good gesture if the Council were to spend the estimated necessary \$5,000 on its rehabilitation.

In reply to Mr. Hsi, the Treasurer & Controller states that the Council has not committed itself to any expenditure in respect of the Jewish refugees.

In reply to Mr. Mitchell, the Commissioner of Public Health states that in order to prevent general public infection he would consider it necessary to isolate infectious cases arising among the Jewish refugees, irrespective of their ability to pay for hospitalisation. In respect of applications for the supply of sera, he feels that he would necessarily have to furnish such, regardless of whether his requests for payment are met or not. The Treasurer & Controller agrees that in respect of such infectious cases, constituting

a public danger, the Council would have to take responsibility and take the risk of bad debts.

Following the above discussion, members adopt the recommendation of the Health Committee on the subject of the hospitalisation of Austrian and German Jewish refugees.

K 38/1. Influx of Jewish Refugees. Related to the above discussion, the Secretary reads a letter received from the Senior Consul in reply to the representations by the Council requesting that the various Consulates take suitable steps to prevent the further influx of Jewish refugees.

From this letter it is noted that the Consular Body have agreed to make representations to their respective governments urging them to do everything possible to discourage persons of little or no means from emigrating to Shanghai. Further, it is understood from the Italian Consul-General that his country is employing radio broadcasts to discourage such emigration to Shanghai. In accordance with the wishes of the Senior Consul, it is agreed that the letter from the Consular Body be published.

F 30/12. Rice. There are submitted the minutes of the meeting of the Rice Joint Administrative Committee of February 4, wherefrom it is noted that the Customs Administration continues to prohibit the export of rice from Shanghai. It is noted that there is a steady inflow of rice to Shanghai, with over 3 months' supply available, and that the Committee feels that there is no cause for concern as regards the rice situation.

The minutes record the view of the Treasurer & Controller that the necessity for continuing to maintain a Municipal reserve of rice, with attendant expenses and risk of deterioration, is no longer justified, and also his proposal that the balance remaining be disposed of forthwith, in which view it is noted the Committee had unanimously concurred.

The minutes, furthermore, record the Treasurer & Controller's estimate of the final result of the Council's transaction in Saigon rice. It is noted that there will remain in this respect a credit balance of approximately \$280,000. From the source of non-Municipal importations there has also accrued in fees a sum of approximately \$54,000.

As regards the disposal of these funds, when finally determined, the Treasurer & Controller proposes that the latter amount which has been collected, being in the nature of fees without risk of loss to the Council, should be transferred direct to Municipal Relief Funds to augment those which have been derived from the Entertainment Voluntary Levy to be used for direct measures of Refugee Relief.

As regards the former amount of \$280,000, which is the outcome of a project fraught with risk of loss to the ratepayers but which has

fortunately been brought to a successful conclusion, the Treasurer & Controller considers that the proper course would appear to be to transfer this balance to the Ordinary Budget to offset departmental expenditure already made and still to be made on the work of Refugee Relief, such as Expenditure on Camps for refugees, Hospitals, provision of Water, Police Services, etc. etc. In this way, the ratepayers, who would have been called upon to bear the burden had the result gone the other way, will benefit to the extent that they will be relieved of a certain amount of the cost of the Refugee work which is continually being undertaken by Municipal Departments.

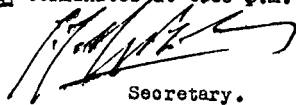
The Committee had unanimously agreed with these proposals of the Treasurer & Controller.

The Chairman states that he does not quite like the idea of the rice profits going into the Ordinary Budget under a single total entry. He prefers that the Budget should clearly indicate to the ratepayers that allocations have been made to each Municipal Department involved in reduction of their individual departmental expenditures on refugee work. Mr. Kiang considers it important that the amount should be shown in the Budget as definitely earmarked for refugee work. The Treasurer & Controller replies that separate departmental allocations could only be arbitrary, and therefore less desirable than disclosing the full total with a note of explanation as to its origin. A majority of members is in favour of the course proposed by the Chairman. With this proviso, the Minutes of the meeting of the Rice Joint Administrative Committee of February 4 are approved.

Mr. Matthews proposes that members should endorse the Committee's approval of the Treasurer & Controller's expression of appreciation of the services of the personnel of all Departments who have been connected with the Council's rice organization. In adopting Mr. Matthews' proposal, the Chairman refers appreciatively to the valuable ^{public} services rendered by the Treasurer & Controller in this connection.

K 35/14. Refugee Camp Transfer Committee. Mr. Mitchell states that with the anticipated completion before the next Council meeting of the Transfers of refugees from those buildings in respect of which landlords have made appeal to the Council for evacuation, the functions of the Refugee Camp Transfer Committee would appear to have been brought to a conclusion. He accordingly proposes the disbandment of the Committee and members agree that this disbandment should take place effective from the date of completion of the transfers in question.

The meeting terminates at 5.30 p.m.


Secretary.


Chairman.

At the meeting of the Council held on Saturday, February 18, 1939, at

11.00 a.m. there are:-

Present:

Mr. C. S. Franklin (Chairman)
 Brig.-Gen. E. B. Maonaghten, C.M.G., D.S.O.
 Messrs. A. C. Cornish
 W. Gockson
 Yulin Hsi
 W. J. Keswick
 E. Y. B. Kiang
 R. G. MacDonald
 F. N. Matthews
 G. E. Mitchell
 O. Okamoto
 L. T. Yuan
 Yu Ya Ching

The Commissioner of Public Health
 The Commissioner of Public Works
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. Sugisaka.

The Minutes of the meeting held on February 8, 1939, are confirmed and signed by the Chairman.

The Minutes of the meeting of the Staff Committee held on February 13, are submitted and confirmed.

G 1/7. The Minutes of the meeting of the Public Utilities Committee held on February 17, are submitted and confirmed.

In answer to Mr. Matthews, the Commissioner of Public Works confirms that his statement that the weight of ^{the} average omnibus compared with the original standard omnibus is now 22% heavier, is arrived at by assuming the vehicles to be half loaded.

C 9/11 Soldiers' Cemetery Memorial. In April 1938 the Council approved of the removal to the Hungjao Cemetery of the remains of British Soldiers from the British Soldiers' Cemetery in Nantao. The estimated cost of removal and re-interment at Hungjao Cemetery was stated to be \$2,500. The approval of the British authorities to the proposal was subsequently obtained.

In December 1938 the Commissioner of Public Health reported that the exhumation of the remains was completed on December 9 and that in all the remains of 316 adults and 2 children were found. He further reported that the whole of the remains exhumed had been taken

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to Hungjao Cemetery and placed in two large sized vaults pending arrangements being made for their re-interment. He added that the cost of the work to date was approximately \$842.

In a further report dated February 2, 1939, the Commissioner of Public Health submitted a plan showing the site proposed together with a sketch of the proposed design of the memorial. He stated that the memorial can be erected in artificial stone at a cost of \$1,000, which is well within the estimate. He added that the Second Battalion The East Surrey Regiment are desirous of subscribing towards the memorial and suggested perhaps some arrangement could be made whereby the inscription on the stone could be leaded in. The sketch of the proposed memorial was shown to Major General Telfer-Smollett before his departure and has subsequently been shown to other British Military Officers interested. They have expressed approval, though some doubt has been expressed as to whether the proposed artificial stone will wear well. As, however, reproduction of the memorial in real stone would be extremely expensive those who expressed this doubt have agreed to its erection in artificial stone for a sum of approximately \$1,000. The Commissioner of Public Health recommends that should the Council approve the design the work be proceeded with forthwith in order that it can be completed before the Second Battalion The East Surrey Regiment leave Shanghai. The army authorities will endeavour to get the Regiments concerned to lead in the stone, but this work can be completed at a later date.

The proposed design was tabled.

The Chairman states that it is necessary for the meeting to approve of the plan of the memorial and the site. The cost had already been authorized and the scheme is well within the authorized cost. In answer to questions by Mr. MacDonald and Mr. Mitchell, the Commissioner of Public Works states that the artificial stone that would be made by his Department would last just as long as many natural stones.

Members approve of the plan and the site.

H 1/2. Report of the Special Committee appointed to investigate Municipal Staff

Adjustments and Bonuses. This report, dated February 15, 1939 had been circulated to members. The Chairman states that in his opinion it is a very reasonable and satisfactory report from every point of view and he feels that the Council should approve and adopt it. He reads a letter from the Secretary-General which states that should the Council wish to bring the report into operation as from the first of March, the Heads of Departments and Deputies concerned would be prepared to waive their right to six months' notice. The Chairman states that this shows a very fine spirit on the part of the Heads and Deputies concerned.

Mr. Yulin Hsi draws attention to the paragraph on page 12 of the report under the heading "Ability of the Council to Pay". He wishes to emphasize that there is practically no increase in the burden to the Ratepayers. He also wishes to point out that the lower paid staff have been the hardest hit by the fall in exchange and the increased cost of living. These are also the people who have obtained least under the findings of the Special Committee.

The Secretary points out that the temporary bonus of 15% which the lower paid staff at present enjoy, is to be reconsidered in March of this year.

Mr. Kiang states that it would not be wise in his opinion to make any change in the report.

Mr. Mitchell makes the following statement:-

I think the Council should accept this Report for political reasons.

You all know my views and will realise that I very much regret that though this Special Committee has seen fit to state the salaries which will, according to their scheme, be paid to Heads of Senior Departments, they have declined to express an opinion as to the adequacy of these or any other salaries, except that for the prospective post of Secretary and Commissioner General. This question of the salaries of our senior men is, as you know, one on which I feel very strongly.

By adopting this report it will mean that our Commissioner of Police, our Commissioner of Public Works and, in a few months, our Treasurer, will be receiving salaries which, at the current rate of exchange, represent approximately £1,250 p.a. Those of you who think in terms of sterling or U.S. Dollars will know that that salary is not sufficient for a man with a wife to live in a reasonable degree of comfort in Shanghai and to educate even a small family of two or three children on a good standard in his own country. We must recognize, therefore, that we are trading upon the loyalty of the men at present holding our senior positions and that we are to a large extent denying them the fruits of their success in life. It has been said that we cannot afford to pay these men salaries such as would be demanded by men from outside for undertaking the same duties and responsibilities. To my mind that is no argument, and I contend that if we have good men and wish them to give us good service we must pay good wages.

As I said at the commencement, however, I think the Council should accept the Report for political reasons. I suggest though, that in order to avoid the possibility of any further misunderstanding between the Council and the Ratepayers in the future, the Council, in announcing the Report, should insert in its announcement a paragraph on the following lines:-

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"The Council takes note of the fact that the Committee expresses no opinion as to the adequacy or otherwise of the scales of basic pay, and, therefore, feels it proper to state that should it find the standard of recruitment lowered, it may find it necessary to take under consideration a partial or general revision of those scales."

The Chairman states that Mr. Mitchell's paragraph for publicity would appear to be reasonable.

Mr. Matthews states that his views are in agreement with those of Mr. Mitchell. He states that the report makes no reference at all to the importance of there being good positions eventually available to first class men in order to tempt them to join the Service. Under the arrangement now proposed, the Head of a senior department would start at a salary of about £1,200 per annum whereas a man holding a similar position in a municipality like Liverpool would get £2,700 per annum.

Mr. Mitchell states that he had urged upon the Special Committee the necessity for expressing an opinion as to the adequacy of the scales of pay of the higher posts. He had been unable to prevail upon the Committee to cover this point.

The Treasurer & Controller states that he agrees with the general sense of Mr. Mitchell's remarks but he does not agree with the Special Committee's recommendation that the 15% temporary bonus should be applied to two thirds of the pay of "A" Class employees. He nevertheless thinks that it would be expedient for the Council to accept the Committee's findings.

General Macnaghten states that in his opinion it would not be fair for the Council to accept the generous offer of the Heads of Departments and Deputies to surrender their right to six months' notice. The Secretary points out that there are two alternatives before the Council; either the recommendations should be brought into effect as from March 1 and all "A" Class employees enjoy the more favourable pay as from that date or the present basis of pay be continued for six months. He says that the adoption of the latter alternative would put the Heads and Deputies in a most invidious position. In view of this explanation General Macnaghten withdraws his suggestion.

There is no further discussion and the meeting, with a vote of thanks to the members of the Special Committee for the work that they have done, unanimously approves and adopts the report of the Special Committee, to be brought into operation as from March 1, 1939.

The meeting terminates at 11.45 a.m.


Secretary.


Chairman.

February 25, 1939. ¹⁴⁶

At a Special Meeting of the Council held on Saturday, February 25, 1939.

at 5.00 p.m., there are:-

Present:

Mr. C. S. Franklin (Chairman)
Brig.-Gen. E. B. Macnaghten, C.M.G., D.S.O.
Messrs. A. C. Cornish
W. Gockson
Yulin Hsi
W. J. Keswick
E. Y. B. Kiang
R. G. MacDonald
F. N. Matthews
G. E. Mitchell
O. Okamoto
L. T. Yuan
Yu Ya Ching

The Secretary.

Absent:

Mr. T. Sugisaka.

F 30/23

The Chairman states that this Special Meeting has been called to give consideration to the Council's draft reply to the letter addressed to the Council by the Japanese Consul-General dated February 22, 1939. The Chairman apologises for having to call a meeting on a Saturday afternoon. He says that he had hoped to give Members more time to study the draft reply. However, he has been informed this morning by the British authorities that they have had an interview with the Japanese authorities at which it developed that there are urgent reasons why it is essential that an answer to the letter should be sent immediately.

The Chairman states that the Council has received a memorandum from Colonel Fegan, the Commanding Officer of the U.S. Marines, dated February 25, 1939. Copies of this memorandum will be sent to Members for their information. He states that the draft reply that Members now have before them follows in general the lines of Colonel Fegan's memorandum.

Members then read through the draft reply, copies of which have been tabled.

Mr. Okamoto asks whether the Japanese request No.2 is, in fact, being rejected in the Council's draft reply. The Chairman answers that it is being rejected to the extent that the Council cannot allow independent action in the Settlement by an independent Police Force, for that would be contrary to the Land Regulations. The Council will, however, continue to welcome the co-operation of Japanese Gendarmerie and Consular Police with the Shanghai Municipal Police in the detection

of terrorism on the terms set out on page 2 of the draft reply.

Mr. Okamoto then states that he is not clear as to the position of foreign military forces vis-a-vis the Shanghai Municipal Police. The foreign military forces have an inherent right to take whatever measures they think fit to protect their own nationals. If the Japanese Forces propose to exercise that right, what would be the Council's attitude?

In reply the Chairman reads an extract from Colonel Fegan's memorandum which states that such action on the part of the Japanese Military forces in superimposing any law enforcement agency on those already in existence would result in a decreased effectiveness of the Settlement Police, divided responsibility in the enforcement of law, and thereby invite a general increase in lawlessness and terrorism. So far as the American Sector is concerned, Colonel Fegan's memorandum states that he has issued positive orders that Japanese military patrols will not be permitted to operate therein.

Mr. Okamoto points out that in fact in the area North of the Soochow Creek a state of affairs exists in which the Japanese military forces and Gendarmerie exercise independent police action.

The Chairman says that that is so, but it is a state of affairs which the Council has never approved and could never approve.

Mr. Okamoto states that the Japanese military forces may maintain that they have the right and the power to exercise independent action in the Settlement.

The Chairman replies that if the Council were to delegate its police power, the Consul of any Treaty Power would have the right to protest. Under the circumstances he does not see how the Council can give any other reply.

Mr. Okamoto states that he has nothing further to say, and with one or two very minor clerical emendations the draft letter is approved by the Council without dissent.

Mr. Okamoto then asks that in order to promote closer co-operation the Japanese high Police Officers in the Municipal Police, and in particular Mr. Akagi, be given more power to deal with police matters. The Chairman states that he doubts whether Mr. Akagi himself would complain that he is being neglected, but that he will be glad to discuss the matter with the Commissioner of Police.

The meeting terminates at 5.45 p.m.



Secretary.

Cornell S. Franklin
Chairman.

At the meeting of the Council held on Wednesday, March 8, 1939, at 4.30 p.m.

there are:

Present:

Mr. C.S. Franklin (Chairman)

Brig.-Gen. E.B. Macnaghten, C.M.G., D.S.O.

Messrs. A.C. Cornish

W. Gockson

Yulin Hsi

W.J. Keswick

E.Y.B. Kiang

R.G. MacDonald

F.N. Matthews

G.E. Mitchell

O. Okamoto

T. Sugisaka

L.T. Yuan

Yu Ya Ching

The Commissioner of Police

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer and Controller

The Secretary General, and

The Secretary.

The Minutes of the meeting of the Council of February 18 are confirmed and signed.

The Minutes of the special meeting of the Council of February 25 are confirmed and signed.

The Minutes of the meeting of the Watch Committee of March 6 are submitted and confirmed.

I 39/1

Bath Houses and Massage Establishments - Proposed Licensing. In reply to the Chairman, the Treasurer and Controller states that no appreciable amount of revenue would be obtained by the licensing of bath houses and massage establishments.

The Minutes of the meeting of the Education Board of February 24 are submitted and confirmed.

H 7/20

Nieh Chih Kuei Public School for Chinese - Headmastership. With regard to the recommended promotions to the posts of Headmaster and co-Headmaster, Mr. Mitchell remarks that the compromise reached would appear to be an expensive one if the cost of the two posts is to be based on the rate of pay for Headmasters. The Treasurer and Controller states that full double cost is not involved, and the Chairman adds that he does not regard the

compromise as unduly expensive since Mr. Aitchison is due to retire in a few years' time.

Reference is made to the recommendation, in response to the representations received from the Foreign Senior Assistant Masters regarding their prospects of promotion, that they be informed that each case as it arises will be considered on its merits and according to circumstances. Mr. Matthews remarks that he fears that such action is liable to cause uneasiness on the part of the persons concerned. The Secretary states, in this connexion, that the matter in question has a long history and that the Foreign Senior Assistants concerned were made aware some time ago that they might not be able to look for promotion. The Treasurer and Controller points out that their position is now slightly more favourable than it was.

The Minutes of the meeting of the Works Committee of March 2 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of March 3 are submitted and confirmed, subject to the following modification in respect to the date of introduction of the increased Rate and Land Tax.

B 9/24

Financial Statement for 1938. In referring to the considerably reduced amount of the actual deficit for 1938 as compared with the estimates, the Chairman compliments the Treasurer and Controller and his staff upon this excellent result.

B 9/1

Budget for 1939 and Schedule of Rates, etc. The Chairman refers to the recommendation of the Finance Committee that the Ordinary Budget for 1939 and the Schedule of Rates, Taxes, Dues and Fees, as submitted by the Treasurer and Controller, be adopted and that, subject to the approval of the ratepayers, General Municipal Rate and Special Rate be increased by 2 percent from July 1, 1939, and that Land Tax be proportionately increased as from the same date. He states that he regarded it as unfortunate that so narrow a majority as 5 to 4 members of the Finance Committee should have decided the matter. The arguments of the members of the Finance Committee, he states, were on the one hand that an increase in the Rate and Land Tax was necessitated by the recurring deficits and the depletion of Reserves, and on the other that bad business conditions rendered postponement of such increase desirable. After careful thought and discussion of the matter with certain individual members of Council, he recommends a 2 percent increase of the Rate and a corresponding increase of the Land Tax, but that such be introduced from October 1 instead of July 1 of this year. Whilst such postponement will cause an increase in the estimated deficit, he recommends it in order to give the business community more time to prepare itself for the

additional charge.

General Macnaghten enquires whether such postponement until October 1 will necessitate borrowing. The Chairman replies in the negative, adding that the effect will be to increase the depletion of the reserves. The Treasurer and Controller confirms the Chairman's statement. In reply to Mr. Okamoto, the Chairman states that the reserves may be computed at \$4,200,000, but that these may at present for the most part be characterised as "frozen". The Treasurer and Controller remarks that there is a market for investment sales but it is a restricted one at present.

Mr. Keswick states that he does not subscribe to the view that business conditions render desirable postponement of the increase beyond July 1, and that he favours that date for introduction of the increase.

The Chairman then puts to the vote decision as to the date of introduction of the increased Rate and Land Tax. Members approve such increase to be effective from October 1, 1939, Mr. Keswick alone dissenting.

L 5/66

Request to Purchase Island Site.- A letter is submitted from the Consul

General for Italy expressing a very strong wish on behalf of Italian Organizations to purchase the Island Site (Bubbling Well Road, Great Western Road and Tifeng Road) for the purpose of building an Italian Catholic Church, an Italian School and an Italian Hospital.

In a report submitted the Commissioner of Public Health states that, whilst desirous of obliging the Italian Consul-General, his Department is forced to oppose as strongly as possible the sale of this site, having regard to the necessity of the retention of Council land for the purpose of providing hospital accommodation for infectious diseases. The Commissioner of Public Health points out that the site in Kiaochow Road which was available for this purpose has now become valueless for hospital purposes owing to industrial development in the area and that, therefore, the sale of the Island Site would have the effect of postponing indefinitely the erection of the necessary hospital.

The Commissioner of Public Works, in a report submitted, confirms that the Kiaochow Park site is now unsuitable for an isolation hospital and that, accordingly, the Island Site has come to be regarded as earmarked for a new isolation hospital. He adds, however, that since the cost of such building would approximate a million dollars and would require two years for completion, he feels that its construction is hardly likely to be contemplated for some time. The Commissioner of Public Works states that the Island Site is now the last considerable piece of land south of the Soochow Creek in the Council's possession

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still available for use. As other urgent demands are almost certain to arise, he considers it unwise to regard the site as definitely reserved for any special Municipal purpose. He refers to the many Municipal activities housed in leased premises and suggests that the Council cannot renew these leases indefinitely. He states that it would be very difficult to find other premises for these activities, since there are now no large buildings left unoccupied. The Commissioner of Public Works adds that vacant land is now being so rapidly developed that, were the Island Site sold, it would probably be impossible to acquire another equivalent and equally acceptable site when the need arises. Having regard to these factors the Commissioner of Public Works concludes that it would be unwise for the Council to part with the Island Site and suggests that it continue to be used as at present and held in reserve until irresistible reasons arise for devoting it to some important public purpose.

The Treasurer and Controller, in a report submitted, states that the three lots comprising the Island Site were purchased by the Council for approximately \$505,000 in June 1929, and the Kiaochow Road area was later purchased for the purpose of a fever hospital at a cost of approximately \$863,000, upon the understanding that the whole of the area comprising the Island Site would be disposed of when a favourable opportunity offered. In his view the offer of the Italian Consul-General presents such an opportunity and he recommends that provided an adequate price is offered the site should be sold forthwith. He also refers to the beneficial effect to the Country Hospital and Nurses Home if the site is suitably developed.

A memorandum is submitted by the Secretary showing the past history of proposed sites for the erection of a new fever hospital. The Secretary also draws attention to the adoption by the Council in July 1932 of a recommendation by the Works Committee to the effect that it would be to the Council's advantage to advertise valuable sites in the press in addition to publishing a Notification in the Municipal Gazette, and that a period of two months from the date of issue of the Notification should be allowed for the receipt of offers for the purchase of surplus areas.

In reply to the Chairman, the Commissioner of Public Works states that his dissent to the sale of the Island Site may be characterised as very strong, and is based upon wider grounds than purely hospital needs. He emphasises the statement in his report that should the Council not be able to continue in occupation of the fourteen or more premises leased for a variety of public purposes, it would find itself embarrassed by the almost complete absence of alternative accommodation, since there are now few empty premises in the Settlement. He adds that even the Kiaochow Road site is practically used up to meet special needs arising out of the emergency.

The Commissioner of Public Health refers to the view expressed in his

report that an alternative hospital site beyond the railway would prove undesirable in the event of another emergency arising, by reason of the cost involved in and the danger to life from transfer to a safer area which would be necessitated.

The Chairman states that there is no likelihood that the Council would contemplate the development of the Island Site before the hostilities ended, and he considers that when that time arrived there would be no difficulty in procuring a hospital site further out and also that such site would then enjoy the necessary security. He refers to the fact that the Island Site is wanted by the Italian Consul-General for Italian community purposes in which, not improbably, other nationals would be permitted to participate and thus the sale could be regarded as serving a public purpose. Having regard to these factors, the Chairman states that he favours sale, as recommended by the Treasurer and Controller.

Mr. MacDonald states that he supports the view of the Commissioner of Public Health and the Commissioner of Public Works that the site should be kept available for the Council's own purposes, and he suggests that the Italian Consulate might be asked if they would consent to defer for a time their request for the sale.

Mr. Kiang favours the sale, having regard to his view that the termination of hostilities will find ample land available for the Council's needs.

General Macnaghten states that, for the same reasons as the Commissioner of Public Works, he is not in favour of the sale. Messrs. Mitchell, Keswick and Matthews also oppose the sale, the former remarking that the tenor of the application to purchase demonstrates the great shortage of suitable land for development purposes.

The Commissioner of Public Works reminds members that outside the Settlement boundaries proper the Council possesses no compulsory powers to schedule land for municipal purposes, and again emphasizes that the Council might in an emergency be in a very difficult position in respect of its accommodation needs if the Island Site is sold.

With regard to the previous offers of sale of the Island Site by the Council, Mr. Keswick states that the conditions at that time were different from those at present, since there was then not the same shortage of land. In reply to the Chairman the Treasurer and Controller states that the Island Site has remained undeveloped for 10 years and that the Kiaochow Road site was purchased in 1934. He also refers to the large amount of surplus land owned by the Council.

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Mr. Okamoto states that he feels that in the near future land for public purposes will become available North of the Soochow Creek.

Upon the matter being put to a vote, a majority of 8 votes to 6 decides in favour of a sale. Mr. Mitchell enquires as to whether the Council might now wish to determine upon an acceptable sale price, and also whether the Council might wish to purchase the land of the late Mr. A.L. Anderson in lieu of the Island Site. He emphasizes that he remains very much concerned with the shortage of land for Council purposes. The Departmental Heads concerned agree to consider the suggestion.

As to deciding upon an acceptable sale price for the Island Site, it is agreed that recommendations in the matter shall be furnished by the Commissioner of Public Works and the Treasurer and Controller, and be submitted to members in due course.

The meeting terminates at 5.30 p.m.

Cornell S. Franklin

Chairman.

J. H. Hill

Secretary.

At the meeting of the Council held on Wednesday, March 22, 1939, at 4.30 p.m.

there are:-

Present:

Mr. C.S. Franklin (Chairman)
 Brig.-Gen. E.B. Macnaghten, C.M.G., D.S.O.
 Messrs. A.C. Cornish
 W. Gockson
 Yulin Hsi
 W.J. Keswick
 E.Y.B. Kiang
 R.G. MacDonald
 F.N. Matthews
 G.E. Mitchell
 O. Okamoto
 T. Sugisaka
 L.T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

The Minutes of the meeting held on March 8, are confirmed and signed by the Chairman.

The Minutes of the meeting of the Watch Committee held on March 17 are submitted and confirmed, with the following modification:

Proposed Beggar Camp. Upon the proposal of General Macnaghten, Chairman of the Watch Committee, the Committee's recommendation in the matter of the proposed Beggar Camp is amended by the addition of the words: "at present, but that the matter will not be lost sight of".

K 8/1.

1570

6/10.

Annual Meeting of Ratepayers 1939 - Resolutions. On the proposal of the Chairman, it is unanimously

RESOLVED that the following customary Resolutions to be brought forward at the forthcoming Annual Meeting of Ratepayers be approved:-

Appointment of Chairman and Secretary and
 Adoption of Rules of Procedure.
 Election by the Ratepayers of a Land Commissioner.
 Election of four Governors of the General Hospital.
 Adoption of Report and Accounts for 1938.
 Adoption of Budget for 1939.

C-11/2.

General Hospital - Board of Governors. It is noted that last year the Council arranged for the nomination of the following, who were duly elected at the 1938 Annual Meeting of Ratepayers:-

Brig.-Gen. E.B. Macnaghten, C.M.G., D.S.O. (Member of Council)
Mr. W.H. Plant - do. -
Dr. T.B. Dunn
Dr. A.C. Bryson

The subsequent vacancy created by the resignation of Mr. W.H. Plant was filled by the appointment by the Board of Governors of Mr. A.C. Cornish (Member of Council).

Dr. A.C. Bryson has intimated that he is unable to offer himself for re-election this year. He has suggested as his successor Dr. W.S. Parsons.

It is suggested, for members' consideration, that subject to his election as a Councillor, Mr. G.A. Haley be invited to stand for election by the Ratepayers to the Hospital Board in accession to General Macnaghten, and that subject to the same proviso, Mr. A.C. Cornish be invited to stand again.

It is also suggested that Dr. T.B. Dunn be re-nominated for election and that Dr. W.S. Parsons be also invited to stand.

Members unanimously agree and it is accordingly

RESOLVED that, subject to their election as Councillors, Mr. A.C. Cornish and Mr. G.A. Haley be invited to stand for election by the ratepayers to the General Hospital Board of Governors for the forthcoming year; that Dr. T.B. Dunn be re-nominated for election, and that Dr. W.S. Parsons be nominated to stand in place of Dr. A.C. Bryson.

B 9/6.

Budget for 1939. The Chairman refers to the completed Budget for 1939, together with the Treasurer & Controller's preamble, individual copies of which have already been circulated to members. He states that approval of the Budget of Ordinary Income and Expenditure has already been accorded by virtue of the Council's adoption of the minutes of the Finance Committee Meeting of March 3.

The Chairman refers to the Treasurer & Controller's observation that to finance the Extraordinary Budget it will be necessary to seek the authority of the ratepayers to raise the sum of \$12,000,000, this being a similar amount to that authorised in 1938.

There is no discussion and accordingly it is

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RESOLVED that the Treasurer & Controller's proposal for
the financing of the Extraordinary Budget for 1939 be adopted.

The Meeting terminates at 5 p.m.

Cornell S. Franklin

Chairman.

J. J. [Signature]

Secretary.

At the meeting of the Council held on Wednesday, April 5, 1939, at 4.30 p.m.

there are:-

Present:

Mr. C.S. Franklin (Chairman)
 Brig.-Gen. E.B. Macnaghten, C.M.G., D.S.O.
 Messrs. A.C. Cornish
 W. Gockson
 Yulin Hsi
 W.J. Keswick
 E.Y.B. Kiang
 R.G. MacDonald
 F.N. Matthews
 G.E. Mitchell
 O. Okamoto
 T. Sugisaka
 L.T. Yuan
 Yu Ya Ching

The Commissioner of Public Health
 The Superintendent of Education
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

The Minutes of the meeting held on March 22 are confirmed and signed by the
 Chairman.

H 3/1456. The Minutes of the meetings of the Staff Committee of March 24 and April 3
 are submitted and confirmed.

High Cost of Living Allowance and Pay of Chinese Co-Headmaster. Mr.
 Yulin Hsi makes reference in general to the difference in pay of the
 lower and higher grade employees as affected by the temporary high
 cost of living allowances, and in particular to the difference in the
 scales of pay of foreign and Chinese headmasters, as exemplified in the
 pay recommended for the co-headmaster of the Nieh Chih Kuei School. In
 his view the higher cost of living bears more heavily on the lower paid
 employees. He refers to the former practice of assessing the pay of
 certain of the Chinese staff at only one-third less than that of the
 foreign staff. He is prepared, however, in regard to the allowances to
 abide by the recommendations framed by the Staff Committee, if the
 Council regards itself as bound by the findings of the recent special
 committee of enquiry.

Mr. Mitchell, Chairman of the Staff Committee, replies that in
 framing its recommendations the Staff Committee did regard itself as
 so bound, in view of the very short time that has elapsed since those
 findings.

The Treasurer & Controller states that at present there exists no fully reliable data regarding the comparative effect on the foreign and Chinese staff of the higher cost of living as would in his opinion justify an alteration in the bonus. Regarding the recommended scale of pay for Chinese Headmasters, he states that it appeared reasonable to him that this should have been framed in relation to the existing pay of Chinese Senior Assistant Masters and to other existing considerations. In connection with Mr. Hsi's reference to the assessment of Chinese pay at one-third less than that of the foreign rate, the Treasurer and Controller explains that such a basis is not applicable to posts normally devised for Chinese employees.

Mr. Okamoto states that he shares Mr. Hsi's feeling that pay allowances should favour the lower rather than the higher paid employee.

Mr. Kiang states that his views are influenced by the undesirability of departing from findings so very recently laid down by a special committee. He refers to the increase which has taken place in Public Utility charges, etc. and states that he has sympathy with the lower paid staff. He agrees to the Staff Committee's recommendations on the understanding that the cost of living allowances would be revised at the end of June.

The Chairman states that he is unable to agree with Mr. Hsi that the higher cost of living necessarily bears more hardly on the lower as compared with the higher paid employee, since the requirements of the former are generally obtained locally, whilst the latter commonly resorts to imported goods involving exchange hardships. With regard to the scale of pay for Chinese headmasters, the Chairman states that it would appear to be reasonable and liberal when considered in relation to pay throughout the Education Department generally.

H 19/1.

Classification of Assistant Masters and Assistant Mistresses. The Chairman states that whilst he does not ask for re-opening of the matter, he desires to place on record that he is unable to concur in the recommendations of the Staff Committee wherein they have departed from the decisions of the Staff Economy Committee report in the matter of the classification as "B" of Assistant Masters and Assistant Mistresses. Since he does not regard the unrest in the Education Department as justified, he questions the wisdom of yielding to mere importunity.

Mr. Mitchell, Chairman of the Staff Committee, replies that such continual protests on the part of the Education Staff were not the sole grounds for the recommended reclassification, which he states has regard to the charge that the Economy Committee acted illogically in their classification of Assistant Masters and Mistresses; to the desire of the Staff Committee to allay in some measure the widespread dissatisfaction in the Education Department, and to meet the difficulties of recruiting teachers under the existing terms. Mr. MacDonald concurs in this view.

The Secretary states that the only professional employees not classified as "A" were on the Educational staff. The Commissioner of Public Health adds that the Nursing staff suffered the same disability. The Secretary accepts the correction of the Commissioner of Public Health.

Following upon the foregoing observations, the recommendations contained in the Staff Committee minutes of March 24 and April 3 are adopted.

The Minutes of the joint meeting of the Health and Finance Committees of March 31 are submitted and confirmed.

C 13/9.

Hospitalization of Jewish Refugees. In reply to Mr. MacDonald, the Chairman states that, following upon adoption of the recommendation that a reduced rate of \$4 per day be conceded in respect of Jewish refugees admitted to the Council's isolation hospital, the Jewish Refugee Committee would be asked to guarantee payment at that rate. He feels, nevertheless, that should they be unable to meet such charge, the Council would necessarily in the public interest have to give accommodation to infectious cases arising among the Jewish refugees.

B 2/19.

Grant-in-Aid to Royal Asiatic Society. With regard to the recommendation that a grant should be made to the Royal Asiatic Society subject to a warning to improve its unsatisfactory financial position, Mr. Keswick states that the Society would appear to have proved incapable of conforming to the Council's previous similar warning. Accordingly, having regard to the need for every economy at the present time, he doubts whether a grant is justified. Mr. Mitchell and General Macnaghten concur in this expression of view.

The Chairman states that he has personal knowledge of the educational value of the institution, as evidenced by the extensive visits thereto on the part of school children, particularly Chinese. He feels that the Society has made a genuine effort to meet the Council's earlier warning, as evidenced by its reduced deficit before the hostilities, which intervened to spoil such effort. He considers therefore that a further warning should precede any alteration of the existing grant. Mr. MacDonald and Mr. Hsi concur in this view.

The Treasurer & Controller states that the Society's Treasurer has satisfied him that substantial efforts had been made to heed the Council's warning, which efforts were affected by the drop in members' subscriptions during an abnormal period. He points out that of the grant of \$7,000, roughly \$5,000 were absorbed in rate payments.

Following this discussion, the recommended grant, to be qualified by the proposed warning, is approved.

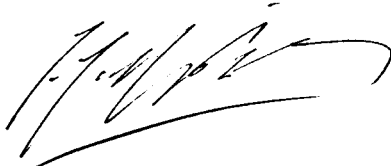
160.
April 5, 1939.

M 7/71.

General Conditions Governing Tenders. The Secretary invites members' attention to the tabled Municipal Gazette, which makes provision for a revision of the general conditions governing tenders, necessitated by a recent threatened Court of Consuls' case.

The Meeting terminates at 5.30 p.m.

Chairman.



Secretary.

At the special meeting of the Council held on Wednesday, April 12, 1939,

at 4.30 p.m. there are:-

Present:

Mr. C.S. Franklin (Chairman)
 Brig.-Gen. E.B. Macnaghten, C.M.G., D.S.O.
 Messrs. A.C. Cornish
 W. Gockson
 Yulin Hsi
 W.J. Keswick
 E.Y.B. Kiang
 R.G. MacDonald
 F.N. Matthews
 G.E. Mitchell
 O. Okamoto
 T. Sugisaka
 L.T. Yuan
 Yu Ya Ching

The Commissioner of Public Works

The Treasurer & Controller

The Secretary General, and

The Secretary.

F 5/1.

Attendance of Councillors-Elect. The Chairman welcomes to his seat Mr.

T.S. Powell, Councillor-elect for the Municipal Year 1939/40, who attends the meeting upon special invitation. The Chairman adds that the attendance of Mr. G.A. Haley, also Councillor-elect, has been precluded owing to his absence from Shanghai.

H 1/2.

The Minutes of the meeting held on April 5 are confirmed, subject to the following addition to the text of the minute regarding the temporary High Cost of Living Allowance. Mr. Kiang referred to the increases which had taken place in Public Utility charges, etc. and stated that he had sympathy with the lower paid staff. He agreed to the Staff Committee's recommendations on the understanding that the cost of living allowances would be revised at the end of June.

L 22/2.

Artificial Silk Factory Opposite No.657 Amherst Avenue. In a report submitted the Commissioner of Public Works recommends the removal of the barricade on Amherst Avenue instituted by the Council to enforce its prohibition of an artificial silk factory opposite No.657 Amherst Avenue, in view of the receipt of a written guarantee, which is also submitted to members, from the factory owners that the factory will not be operated so as to constitute a neighbourhood nuisance.

In a memorandum submitted the Secretary states that the history of the matter goes back to July 1933, when the Western (Extra-Settlement) Association reported this project and expressed the view

April 12, 1939.

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that the factory would prove offensive on account of smell. In the same month the Acting Commissioner of Public Works reported that he had informed the owners of the factory that its erection on the proposed site could not be sanctioned on account of its proximity to existing residences. The Western (Extra-Settlement) Association was accordingly informed to that effect.

In August the Police were instructed to prevent access, in view of extensive work on the foundations of the factory which had been put in hand.

The Company appealed against the Council's action and the matter was considered by the Council in meeting in September, when the prohibition of this factory project and the adoption of Police action in preventing road access were upheld. It was pointed out during the discussion in meeting that the Council's Departments had at one time not objected to a factory project on this site.

Subsequently permission was given for the erection of residences on the site in question, it being understood, however, that at the same time the prohibition against the erection of the factory was to be maintained.

In January of this year the Western (Extra-Settlement) Association drew attention to the fact that this factory was actually in course of erection, notwithstanding the Council's prohibition in September of 1933. The matter of the erection of this factory despite the Council's prohibition was considered in meeting in January of this year when it was decided to re-enforce the barring of access and to revoke the permission to erect residences. During the discussion it was pointed out that a threat on the part of this Company to sue the Council for heavy damages had not materialised. It was also reported by the Commissioner of Public Works that the factory building had been practically completed except for the installation of machinery.

The memorandum also makes reference to the case of the factory at No. 1341 Kuyuen Road, which the Council forced to furnish guarantees of improved operation by means of the barring of access to the premises.

Further to his report, the Commissioner of Public Works states that the machinery to be installed in the Amherst Road factory is to be of modern type and therefore should not cause a nuisance if properly run. He considers that the nature and extent of the written guarantee given, to operate the factory without nuisance, reasonably justifies his recommendation that operation of the factory be permitted by removal of the Council's barricade. The Commissioner of Public Works adds that in any case it is not improbable that barricading will prove ineffective in preventing the operation of the factory, and that having offered what they regard as reasonable

guarantees the owners have informed him that they would institute a suit for damages should the Council not accept same and permit operation of the factory against such guarantees.

The Chairman refers to his formerly expressed view that the Council was on weak ground legally in attempting to enforce the prohibition of this factory. In maintaining that same view, he states that he is disposed to permit operation of the factory against the guarantees furnished, which he considers will strengthen the Council's legal position should the Council decide upon prohibition of the factory because of default in observance of the guarantees.

General Maonaghten states that, whilst in principle he remains opposed to the establishment of factories in the Western Extra-Settlement residential area, he reluctantly admits that the Council's grounds for prohibition of this factory are not strong, and that accordingly he feels that it may have no alternative to permitting its operation under the guarantees given.

Mr. MacDonald enquires whether the guarantees given against the removal of the barricades from the factory in Yu Yuen Road are being strictly observed. The Commissioner of Public Works replies that there has not been a full observance of the guarantees given in this case, but that the circumstances are not properly comparable with those of the Amherst Road factory. He states that the Yu Yuen Road factory presented especially bad features, since it was a converted school building in a congested area and no sound technical advice was sought by the management in the inception of the project.

The Secretary draws attention to the fact that even in the Settlement itself the Council has no express powers to govern the siting of factories and is limited in its control thereof to requiring that in operation they shall not constitute a public nuisance.

Mr. Mitchell suggests the grant of permission to operate subject to re-instatement of the barricade should there be non-observance of the guarantees, which he considers might be extended to provide against nuisance caused by night work. The Commissioner of Public Works states that this contingency would appear to be provided against by the terms of the guarantee which promise that no annoying noises will be caused.

Mr. Matthews suggests that it may be advisable to postpone a decision unless the Council can be definitely assured by technical experts that it is possible to accept the guarantee that a nuisance will not be caused, particularly by the noxious gases attending the factory's processes. In reply, the Commissioner of Public Works refers to his earlier statement that the proper operation of the factory should preclude such nuisances, in view of its modern equipment.

The Chairman states that if the guarantees given are not observed the Council will be better justified in barricading the premises. Mr. Yuan concurs that, with the submission of the guarantees, the Council's position in respect of its right to control the factory has been improved.

Messrs. Comish and Kiang favour the grant of permission for the operation of the factory, subject to written notice from the Council requiring strict adherence to the guarantees on pain of prohibitive action by re-instating the barricade.

It is thereupon unanimously

RESOLVED that upon the condition of the strict observance of the guarantees given against causing a neighbourhood nuisance, operation of the factory opposite No. 557 Amherst Avenue be permitted by means of the removal of the barricade instituted by the Council.

K 9/2. Loan of S.V.C. Arms and Equipment by American Government. The Secretary refers

to a request made by the U.S. Consul-General that he may be relieved of all responsibility for the loan by the U.S. Government through him to American Units of the Volunteer Corps of arms and equipment, by the Council agreeing to bear the full cost of any losses of such equipment. The Watch Committee had approved a counter-proposal that, as in the case of the similar loan by the British Government, the Council should bear only 75% of the cost of articles lost. The American Consul-General having stated that owing to a difference between U.S. and British governmental regulations he is precluded from accepting such proposal, it is recommended by the Commandant of Volunteers and the Treasurer & Controller that the original request be assented to.

The Chairman states that the apparently different attitudes on the part of the two Governments concerned, in respect of the degree of the Council's responsibility for lost articles on loan is merely a difference in methods of accounting and is explained by the fact that immediately upon issue from the British Government such articles are permitted a depreciation of 25 percent in value, which amount the Council thus does not have to bear in the event of loss.

It is thereupon

RESOLVED that assent be given to the request of the U.S. Consul-General to be relieved of responsibility for the full cost of losses of arms and equipment on loan by the U.S.

Government through him to American Units of the Volunteer Corps.

F 6/10. Ratepayers' Meeting - Resolutions. The Chairman refers to a Resolution which

has been submitted, moved by Mr. R. L. Stewart and seconded by Mr. R. D. Chisolm, for presentation at the annual meeting of ratepayers, tendering thanks to the members of the special committee on staff pay exchange adjustments. The Secretary states that this Resolution is to be presented notwithstanding the mover has been informed that the Council had already

transmitted such thanks through letters signed by the Chairman.

F 5/9.

Annual Meeting of Ratepayers - Speeches. The Chairman reads the Speeches which he proposes to make at the forthcoming annual meeting of ratepayers in support of the Council's resolutions moving the adoption of the Report and Accounts for 1938 and the Budget for 1939. These are agreed without comment by members.

Following his invitation that they should temporarily withdraw from the Council Chamber, the Chairman's proposed speeches making reference to the retirement from the Service of the Secretary General and the Treasurer and Controller are read and approved without modification by members.

Appreciations. In referring to the fact that this is the last meeting of the Council for the current municipal year, the Chairman states that he desires to express his appreciation to the Vice-Chairman and his other colleagues on the Council for the support and co-operation which they have afforded him throughout the year. He gratefully acknowledges the thoughtful consideration his colleagues have shown him.

The Chairman states that he desires also to add his appreciation of the work of the permanent staff during the year, especially that of Mr. Gubb, who deputised for the Secretary during the period of his absence on home leave.

The meeting terminates at 5.25 p.m.

Cornell S. Franklin

Chairman.

[Signature]

Secretary.

At the meeting of the Council held on Thursday, April 20, 1939, at 12 noon
there are:-

Present:

Messrs. A.C. Cornish
 C.S. Franklin
 G.A. Haley
 Yulin Hsi
 W.J. Keswick
 E.Y.B. Kiang
 R.G. MacDonald
 G.E. Mitchell
 O. Okamoto
 T.S. Powell
 T. Sugisaka
 L.T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. W. Gockson

The Secretary states that, in accordance with Article XXI of the Land Regulations, it is required at the first meeting of a new Council in office that Members shall elect a Chairman and Vice-Chairman, who shall hold office for one year.

F 5/14.

Election of Chairman. Upon the proposal of Mr. Yu Ya Ching, seconded by Mr. R.G. MacDonald, Mr. C.S. Franklin is unanimously re-elected Chairman.

Mr. Franklin expresses his appreciation of the honour paid him.

Election of Vice-Chairman. Upon the proposal of Mr. O. Okamoto, seconded by

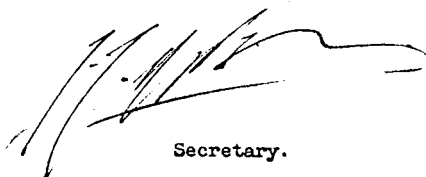
Mr. A.C. Cornish, Mr. W.J. Keswick is unanimously elected Vice-Chairman.

Mr. Keswick thanks Members for the honour paid him.

The meeting terminates at 12.05 p.m.

Cornell S. Franklin

Chairman.



Secretary.

At the meeting of the Council held on Wednesday, May 3, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C.S. Franklin (Chairman)

W.J. Keswick

A.C. Cornish

G.A. Haley

Yulin Hsi

E.Y.B. Kiang

R.G. MacDonald

O. Okamoto

T.S. Powell

T. Sugisaka

L.T. Yuan

Yu Ya Ching

The Commissioner of Police

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Messrs. W. Gockson

G.E. Mitchell

The Minutes of the Special Meeting held on April 12 are confirmed and signed by the Chairman.

The Minutes of the meeting of April 20 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Staff Committee of April 28 are submitted and confirmed.

C 7/7

Sale of By-Products from Municipal Disposal Plant. A report by the Commissioner of Public Health is submitted enquiring whether the Council would authorize the public advertisement of the sale of by-products from the Municipal Disposal Plant.

It is noted that in April 1935 the then Secretary informed the Commissioner of Public Health that the Secretary General and the Chairman had agreed that as a matter of principle it is not desirable for the Council to advertise for sale any of the products of departmental activities in competition with ratepayers in the Settlement. There does not appear to have arisen in the past the question of the Council's right to sell the products of the Disposal Plant, but merely the question as to the method of sale, i.e. whether by public advertising or by private arrangement.

The Secretary has expressed the view that Municipal trading might be considered to be justified provided the community as a whole is benefited, and subject to the absence of proof that private trading interests are being harmed.

Since it is understood that business firms do not to any extent deal in products similar to those of the Disposal Plant, the Secretary further suggests that it would be difficult to establish that unwarrantable competition with local traders is involved in the sale by the Council of these by-products. He feels, therefore, that the Council can safely both sell these products and publicly advertise their sale.

In a report submitted, the Treasurer & Controller states that he is of the opinion that the ratepayers are entitled to expect that Municipal undertakings will be conducted in an economical manner and to the best advantage of the community as a whole. Consequently, he considers that the Council has the right to sell at its discretion the products of the disposal plant either by public advertising or by private arrangement. He adds that care should be taken, however, to ensure that the sales in question are not subsidized out of the rates in those cases where there is likely to be competition between sales of Municipal products and similar products from other sources.

In observing that the Public Health Department has already been selling these products, the Chairman states that he does not believe that this will result in any trade conflict with private interests, and that accordingly he considers that to advertise these sales is unobjectionable. He suggests that such advertising should at first be limited to the Municipal Gazette, to be extended later to the press if the desired results are not achieved. In reply to Mr. Haley, who states that whilst his firm does not object to the Council's sales or the advertising thereof, competition with other local sellers of fertilisers may result, the Chairman observes that he considers that the Council is entitled to compete in the public interest.

Mr. Keswick suggests that the Council might obtain better results if sales are made through the agency of business firms. The Commissioner of Public Health states that experience has shown that sales through such a medium could only be done at lower prices. Mr. Kiang suggests that the Council should sell directly.

The Chairman's proposal is thereupon approved, it being

RESOLVED that the Public Health Department be authorised to sell directly the by-products of the Municipal Disposal Plant and to advertise such sale in the Municipal Gazette and later, if necessary, in the public press.

M 1/31.

War Memorial on The Bund. In a letter submitted the United Services'

Association complains of conditions at the War Memorial on The Bund and suggests the erection of railings and a gate.

The matter is commented upon in a report by the Commissioner of Public Works, who estimates that the railings and gate would cost approximately \$1,500.

A report by the Commissioner of Police indicates the policing measures which have been adopted at the site.

In his report submitted, the Treasurer & Controller states that he considers that as the measures already taken to prevent further abuse at the War Memorial site should meet the case for the time being, and since there is no Budget appropriation to meet the cost of the railings and gate, the question of their erection should be postponed for consideration in connection with next year's Budget.

In submitting the matter for members' consideration, the Secretary states that since responsibility for the preservation of the Memorial devolves jointly upon the French and Settlement Councils, it would appear to be reasonable to invite the French Council to contribute half the cost should railings and gate be deemed necessary. He suggests for members' consideration among the possible courses:-

1. Trial of the improved policing; and should such improved policing fail after a period of say three months to produce satisfactory results, the railings and gate be immediately erected.
2. That should the improved policing fail, the question of erecting railings and gate be considered in connection with next year's Budget.

The Chairman states that following upon the receipt of the representations of the United Services' Association, the Police had taken action to improve conditions at the War Memorial, and that the good effect of this action was indicated in a letter today received expressing the Association's thanks. He therefore favours a continued trial of the Police measures for three months and that should they prove to have failed after that period consideration should then be given to the erection of railings and gate, approach being made to the French Council to bear half the cost.

Mr. MacDonald states that, having regard to the small cost involved, and since he considers that it would be more effective in improving conditions, erection of the railings and gate might be proceeded with forthwith.

The Commissioner of Public Works states that from an architectural viewpoint the proposed railings and gate would be inartistic, and would moreover prove an inconvenience at the Memorial ceremonies.

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Members concur with the Chairman that the present satisfactory Police services at the Memorial should be given a further trial and it is accordingly

RESOLVED that the Police measures for improving conditions at the Bund War Memorial be tried for three months, and that in the event of their failure consideration be given to the erection of railings and a gate, approach to be made to the French Council to defray half the cost.

P 6/8.

Ratepayers' Meeting - Rules of Procedure. A memorandum by the Secretary is submitted suggesting that certain quite drastic changes are necessary in the Rules of Procedure applicable at Ratepayers' Meetings, whereby to remedy the effect of the existing Rules whereunder any subject can be raised and almost any proposition put to the Meeting without any notice whatsoever. He suggests that it is undesirable that motions should be put in respect of which the Council, owing to lack of notice, is unable to give an adequate reply. He states that under the present Rules, any ratepayer can, without notice, propose an amendment to the resolution asking the ratepayers to adopt the Report and Accounts or to the resolution providing for the adoption of the Budget. He submits that almost everything is to be gained and almost nothing to be lost in insisting that due notice must be given of any amendment either to the resolution for the adoption of the Report or to the resolution for the passing of the Budget. Attention is also drawn to the necessity of much greater precision in the framing of the terms of amendments to the Budget. It is, furthermore, suggested that it should be compulsory for ratepayers to give 24 hours' notice of questions which they intend to ask at a Ratepayers' Meeting.

The Secretary states that should any change be considered desirable, it would be necessary next year to request the ratepayers to pass a resolution amending the Rules of Procedure. He requests members' authority to investigate the matter and to this end to consult with the Council's legal advisers and other authorities, e.g. Sir Allan Mossop, after which he would submit concrete suggestions to members.

The Chairman states that he is in agreement with the Secretary as to the need for improving the Rules of Procedure and that he therefore favours the consultations the Secretary has proposed.

In response to enquiries by Messrs. Okamoto and Kiang, explanation is offered by the Chairman, the Secretary General and the Secretary as to the appropriateness of taking the legal advice of Messrs. Hansons and not that of the Municipal Advocate in this instance.

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Mr. Keswick adds that the fee is of minor importance in relation to the value of the legal advice required. It is thereupon

RESOLVED that the Secretary enter into consultations with Messrs. Hansons and Sir Allan Mossop with a view to the submission of recommendations for improving the Rules of Procedure at Ratepayers' Meetings.

K 35/7.
Part 4.

Western Area - Ratepayers' Meeting Amendment. The Secretary refers to the amendment to the resolution for the adoption of the Annual Report passed by the Ratepayers at their recent meeting, in the following terms: "but that this meeting regrets the unsatisfactory references to the conditions in the Western District area and earnestly requests the incoming Council to do everything possible to remedy existing conditions". He suggests that a public statement might be issued setting out the action which the Council has already taken in the Western Area, and that this statement might be framed upon the basis of the explanatory letter recently addressed on the subject by the Council to the Western (Extra-Settlement) Area Association.

The Chairman states that whilst he was not clear as to the reasons for the amendment to the resolution, since the Council had during the past year and in years previous done all that was possible having regard to its limited powers in the Extra-Settlement area in question, nevertheless a good purpose might be served in issuing a public statement on the basis proposed.

Mr. Keswick states that he interprets the adopted amendment as expressive of the dissatisfaction of residents therein with conditions in the area and of their wish to draw the Council's attention thereto.

Mr. MacDonald states that he favours a public statement. He considers, however, that more stress should be laid on the fact, which he feels the public does not sufficiently realize, that the Council's control in the area is almost wholly limited to persuasion and that it has little compulsory powers.

The Commissioner of Public Works suggests that emphasis in public of this fact would tend to weaken the limited measure of authority which his Department has in practice found it can wield in respect of this area.

The Chairman proposes that this point might be emphasized directly to the Western Extra-Settlement Area Association but not in a public statement. Members agree and accordingly it is

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RESOLVED that a public statement be issued stating the action taken by the Council to maintain the residential amenities of the Western Extra-Settlement Area, and that in transmitting a copy of same to the Western Extra-Settlement Area Association it be emphasized that the Council lacks sufficient compulsory powers in that Area.

C 20/2.

Funeral Parlour in Avenue Haig. In January of this year the Public Works Department refused permission for a coffin repository in Avenue Haig, because of its proximity to residences. In March of this year the project was again brought to attention by reason of representations received from certain factories in Avenue Haig, which protested against a mortuary or coffin repository on the site in question, on the grounds of the effect on their workers and of alleged dangers to health. The petitioners and the owners of the site were duly informed that a coffin repository at this site was prohibited. Application has now been received for the use of this site not as a coffin repository but for the purposes of a funeral parlour.

In giving very full-guarantees against causing a nuisance, the applicant in effect claims the right to operate a funeral parlour as a bona fide business, and suggests that the Council has no right to prevent such operation provided it is done properly. Moreover, the applicant points out that the site, although abutting on a Council road, is beyond the Settlement boundaries. Furthermore, the applicant states that a considerable financial commitment, i.e. over \$10,000, has already been entered into in respect of the site in question. In this connexion, however, it is noted that the refusal of the Public Works Department in January of this year covered both a "proposed funeral directors and coffin repository" at this site.

In reports submitted the Commissioner of Public Health expresses his anxiety regarding the ability of his limited staff to cope with the considerable increase in the numbers of coffin repositories and funeral parlours, and also draws attention to the presence of good class foreign residences near the site in question.

The Commissioner of Public Works states that he has no objection to the use of the site for a funeral parlour, provided that the terms of the applicant's letter are strictly adhered to.

The Commissioner of Police, however, in a report submitted states that residents in the vicinity will undoubtedly complain of the presence of a funeral parlour. He suggests that the applicant should be requested to find a suitable site further west and in a less built-up area.

In a memorandum submitted the Secretary states that whilst members will appreciate the embarrassment caused to the Public Health Department by the growth of coffin repositories and funeral parlours, they will doubtless feel that the inadequacy of the Council's staff is an insufficient reason in itself for prohibiting a properly conducted business activity. It is noted that in 1935 the Council promulgated regulations governing the operation of funeral parlours. The Secretary adds that members may feel that in respect of funeral parlours and coffin repositories situated within the Settlement boundaries proper, the Council, despite the limitation of its express powers, should consider itself entitled to stipulate where such establishments shall be located. So far as concerns funeral parlours and the storage of coffins in guild premises the Council has not generally regulated, or has not yet had occasion to regulate, their location. It has, however, been successful by persuasion or coercion in restricting the location of the wooden-shed coffin repositories, which are an outgrowth of the hostilities, to the outskirts of the Western Extra-Settlement area.

On the other hand, the Secretary suggests that members may consider that in the absence of express zoning powers or powers to licence funeral parlours, which the Land Regulations or Bye-laws do not specifically confer, the Council should not risk a challenge of its right to attempt to stipulate where funeral parlours within the Settlement boundaries or abutting the Council's roads beyond the boundaries shall be located, but should content itself with ensuring that these establishments shall not prove a nuisance, on pain of denial of the Council's road and other facilities. In this connection, the Secretary makes reference to the abortive efforts to prevent the operation of a funeral parlour at No. 670 Avenue Haig.

From a map exhibited, the Commissioner of Public Works explains the location and surroundings of the site in question. He shows that on the extra-Settlement side of Avenue Haig the site is surrounded by industrial properties and that residences are a considerable distance away. The good class foreign residences near the site, known as "Haig Villas", are noted to be across the road and in the French area. It is observed that coffin repositories and a funeral parlour already exist nearby. The Commissioner of Public Works states that the original prohibition of his Department of the use of the site for a coffin repository was one of principle, having regard to the Council's desire to persuade owners to locate such establishments in the neighbourhood of Keswick Road. So far as a public nuisance is likely to arise, he states that coffin repositories are more likely to cause this than funeral parlours, since in the case of the former the nuisance arises from the processions en route to the repository, the ceremonies in connexion with funeral parlours customarily being held indoors.

In view of the factors he has explained, the Commissioner of Public Works states that he does not consider that anybody can reasonably object to the funeral parlour in question.

Mr. Haley states that it is not clear what is the objection on the part of certain factories nearby, which have addressed a protest against the proposed funeral parlour. Mr. Yuan states that he does not feel that their workers can be affected, and since the establishment is to be of modern type and guarantees against nuisance have been given he does not consider that there can be objection thereto. Mr. Kiang is of the view that, from the indications on the map, there is less reason to oppose the establishment in question than other existing funeral parlours. The Commissioner of Public Works adds that the parties concerned in this project have in their dealings with his Department shown themselves willing to meet the Council's wishes throughout the negotiations and have been very patient during the delays in reaching a decision. With regard to the enforcement of any decision to prohibit the project, he states that even if the immediate frontage is barred access is available from other directions which it would scarcely be feasible to prevent.

In reply to the Chairman, the Commissioner of Public Health states that there is no objection on public health grounds. With regard to the taxing of the time of his staff, he states that whilst a single addition to the numbers of funeral parlours and repositories can be cared for, it is his desire to emphasize that there must shortly be a finality in the numbers of such establishments his Department can care for with its limited staff.

In reply to Mr. MacDonald, the Treasurer & Controller states that the sole source of public revenue from the establishment would be in the form of rates. The Chairman adds that the Council has no power to licence same and to claim licence fees.

Mr. Yulin Hsi states that since there is a legitimate and growing demand for such establishments, those of modern type should be encouraged. The Chairman adds that it would be reasonable to anticipate a reduction of coffin repositories and funeral parlours when the emergency is over and the free movement of coffins to the country reduces the demand. It is thereupon

RESOLVED that the application of the Tailow Funeral Parlour to establish a funeral parlour on B.C. Lot 12921, Avenue Haig, be granted, subject to the guarantees furnished by the applicant and to strict adherence to the conditions proposed in the Secretary's memorandum submitted.

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f 5/18.

Recess. Upon the proposal of the Chairman, the Annual Recess for the current year is fixed for Thursday, July 27, to Tuesday, September 5, both days inclusive.

The Meeting terminates at 5.40 p.m.

Cornell S. Franklin

Chairman.

J. J. [unclear]

Secretary.

At the meeting of the Council held on Wednesday, May 17, 1939, at 4.50 p.m.

there are:-

Present:

Messrs. C.S. Franklin (Chairman)

W.J. Koswick

J.W. Carney

W. Gockson

G.A. Haley

Yulin Hsi

E.Y.B. Kiang

R.G. MacDonald

G.E. Mitchell

O. Okamoto

T.S. Powell

L.T. Yuan

Yu Ya Ching

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Mr. T. Sugisaka

The Minutes of the meeting of May 3 are confirmed and signed.

F 5/12.

Membership. The Chairman extends a welcome to Mr. J.W. Carney upon his taking his seat. He states that those of his colleagues who have previously served with Mr. Carney will have the assurance that his sound judgement and knowledge of the Council's problems will prove of great help.

G 4/22.

Deep Well in Jessfield Park. Arising out of the Minutes of May 3 in connection with the Western Area, the Secretary states that, to augment the water supply in the Western Extra-Settlement Area, the Waterworks Company has under contemplation a scheme to sink a well boring in the south-west corner of Jessfield Park, connected with a 9" main to Brennan Road, for which the Council's permission is requested.

The Commissioner of Public Works has reported that the small space of about 20 ft. square required for this well can easily be found in the position in the Park desired by the Company. In agreeing to its leasing to the Company for a period of three years at a rental of \$10 per annum, he suggests the opportunity might be taken to invite the Company to agree to refuse to supply water to

new factories in the Western Extra-Settlement Area which the Council regards as so objectionable to the neighbourhood as to warrant such action. From discussions with the Company's Chief Engineer he believes that the Company would assent to such invitation.

In reply to Mr. Mitchell, the Commissioner of Public Works states that the pumping station involved would occupy only negligible space in the Park and that its presence could if necessary be screened by a hedge if it should appear to be aesthetically objectionable.

Members agree with the recommendation of the Commissioner of Public Works.

The Minutes of the meeting of the Finance Committee of May 11 are submitted and confirmed.

C 1/12

The Minutes of the meeting of the Health Committee of May 12 are submitted and confirmed.

Hospital Accommodation for Japanese Community. With regard to the recommendation to lease the Chinese Isolation Hospital for the purposes of a Japanese Hospital, the Commissioner of Public Works states in reply to Mr. Mitchell that the sum of \$15,000 to be granted by the Council to the Japanese Residents' Corporation for the renovation of the premises is in his view liberal for all essential work.

In further reply to Mr. Mitchell, who suggests that the sinking of this money into the premises might incline the Japanese tenants to require its use after its return is asked by the Council, the Chairman states that as the premises are being leased at a purely nominal rental it should be made clear that they must be vacated upon such notice as the Council finds itself able to give. As much notice as possible will of course be given. Mr. Okamoto agrees that the Chairman's view is fair.

The Minutes of the meeting of the Orchestra and Band Committee of May 13 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of May 15 are submitted and confirmed.

L 11/4

Season Tickets for Municipal Parks. Considerable discussion takes place regarding the recommendation of the Works Committee that effective from June 1 the charge for Park season tickets be as under:

for admission to all Parks	\$3 per season
for admission to all Parks except Jessfield Park	\$1 per season

It is noted that the present seasonal charge for admission to Jessfield Park only is \$1; to all Parks excepting Jessfield Park \$1, and to all Parks including Jessfield Park \$3.

In reply to Mr. Corney, Mr. Okamoto, Chairman of the Works Committee, states that no change in the single ticket fee of 20 cts. is recommended.

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Mr. Kiang states that whilst in theory the charging of a fee for parks admission is objectionable, local circumstances have necessitated a charge in the public interest in view of the necessity to keep out undesirables. He suggests that the Council might be advised to accept the proposal of the Commissioner of Public Works, advanced last year, to increase the seasonal fee for Jessfield Park to \$5 and to allocate to refugee relief a portion of the income derived from the increase. Mr. Kiang adds that in his view a charge of \$5 would cause no hardship. When the present congested population conditions, due to the refugee influx, revert to normal the former charges might be reverted to. He suggests that by this means the public will correctly appreciate that the reason for increasing the fee at Jessfield is not to obtain more revenue, but is influenced by the population congestion caused by the refugees, which again has accentuated the problem of undesirables entering this Park.

In reply to Mr. Kiang, the Chairman states that, even if for the worthy refugee cause, a fee of \$5 would in his opinion prove unpopular since it would debar many of the present users from Jessfield Park. He considers that the increase for Jessfield Park recommended by the Works Committee is sufficient.

The Commissioner of Public Works states that his proposal to the Works Committee was aimed not to increase revenue as such, but was designed to keep the visitors to Jessfield Park within manageable limits and thus to prevent the serious damage to the park which was being caused. He states that he would welcome any measure which would divert some of the parks patrons to other Parks. While the maximum number of visitors to Jessfield Park in one day is more than 30,000, the corresponding number at Kiaochow Park is only about 3,000. He emphasizes the need for diverting visitors to this park which cost the Council about \$1,000,000 to acquire and layout; and he states that leaving the season ticket fee for all parks, except Jessfield Park, at \$1 should encourage this. In adding that the higher fee for Jessfield Park will not of itself solve the problem the Commissioner of Public Works states that it will be combined with intensified staff control aided by foreigners with the powers of Special Police, as well as an educative campaign to convince visitors of the importance of respecting the Park Regulations in their own interest, and if possible enlisting their assistance in seeing that they are respected.

Mr. Okamoto states that he doubts that the Works Committee would have supported a definite proposal by the Commissioner of Public Works to increase the fee at Jessfield Park to \$4 or \$5.

Mr. Yulin Hsi states that in his view the fee for Jessfield Park should not be such as to debar any present users. He considers that any congestion at Jessfield Park will automatically solve itself, since some of

the users will prefer the less congested conditions available at other parks. He draws attention to hardship which must be caused to those who live near Jessfield Park. He suggests that the desired restoration of order at Jessfield Park should be achieved by means other than the raising of admission charges.

The Commissioner of Public Works, in reply to Mr. Hsi, states that the problem of reducing the numbers at Jessfield Park is urgent and that he fears that by the time self-reduction of the crowds was accomplished, irreparable damage would already have been done to the park's amenities, especially the trees.

Mr. MacDonald suggests that the small number of visitors to Kinchoh Park may be due to inadequate transport facilities, and it is agreed that the Commissioner of Public Works will approach the Bus and Tramway Companies to the end, if possible, of increasing such facilities. Mr. Carney suggests that Kinchoh Park be more publicized.

With regard to the seasonal fee at Jessfield Park, Mr. MacDonald expresses the view that \$5 would be too high and suggests \$4, provided some of the added receipts went to refugee relief. The Chairman replies that in his view a fee of \$4 would prove unpopular.

The Treasurer & Controller considers that an increase in the present fee to \$3 is warranted upon the grounds of the increased staff and other supervision necessitated by the present abnormal patronage of Jessfield Park. The Chairman suggests that the explanation to the public of the reason for an increased fee for Jessfield Park might well be offered on this ground. He considers the recommended fee of \$3 reasonable on this ground and within the ability of people to afford.

Mr. Powell states that the fact that there are issued 25,000 season tickets for Jessfield Park alone, as contrasted with only 9,000 such tickets in respect of all the other parks, disproves the contention that use of a particular park is dependent solely upon the factor of the amount of the admission charge.

Mr. Koswick states that he is in agreement with the recommendation of the Works Committee which seems to him the best solution of the problem.

Upon the matter being put to a vote, the recommendation of the Works Committee is adopted by a majority of 8 - 5.

The Minutes of the meeting of the Watch Committee of May 15 are submitted and confirmed.

J 1/2.

Safety First Week. The Treasurer & Controller states that he holds no strong views as to a guarantee on the part of the Council to subscribe to the funds raised by the Safety First Committee a sum equal to that which it collects, but not more than \$5,000.

I 2/6

Private Motor Omnibus Services - Shanghai Power Co. The Chairman enquires whether the omnibuses to be operated for the employees of the Shanghai Power Company would be permitted to pick up the Company's employees at points between the termini. Mr. Keswick, Chairman of the Watch Committee, states that the main consideration of the Committee in framing the conditions attaching to its recommendation was the desire to protect the Omnibus Company's franchise, and that to afford such protection the stopping of the omnibuses used to transport the Power Co.'s employees could not be permitted at intermediate points.

The Secretary adds that every such application must be carefully watched in order to ensure that private omnibuses are not used for public purposes, for which the Omnibus Company enjoys the exclusive privilege. Whilst the technical breach of the rule, which would require the Power Co. to use its own vehicles and not those of Messrs. Marden & Co., has been disregarded, it has been considered necessary for the protection of the franchise rights to insist upon application of the private omnibus licence condition, which reserves to the Council the right to refuse, as it has done in this case, permission for the vehicles in question to stop at points between the termini.

K 38 /1.

Accommodation for Jewish Refugees. The Secretary asks permission to refer as a matter of urgency to the approval which members recently gave by circular to the lease of the Municipal Primary School premises at 100 Kinchow Road for the housing of Jewish refugees, at a rental of \$1,200 per mensem, this figure representing 60 percent of the normal rental value. He states that a reduced rental has been applied for, as also the lease of the Nieh Chih Kuei School premises.

The Commissioner of Public Works states that the Refugee Committee would agree to a rental of \$300 per mensem for the Kinchow Road Primary School premises, and \$400 per mensem for the Nieh Chih Kuei School.

The Chairman states that he favours a purely nominal charge, paralleling that in the case of the lease of hospital premises for the Japanese community, namely \$100 per annum, in view of the charitable character of the uses to which the two premises are to be put. He adds that any rent charged must be at the expense of funds vitally needed for feeding the Jewish refugees.

Mr. Keswick states that the Council has already not altogether failed to adopt a charitable aspect towards/needs of the Jewish refugees, as evidenced by its assistance of their medical and hospital needs, and its acceptance of the added burden on the Police responsibilities of preserving peace and order which the presence of the Jewish refugees has imposed.

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Mr. Haley suggests that some form of rent may be justified in order to meet the cost of deterioration of property which must inevitably ensue from the refugee occupation.

Mr. Mitchell suggests that a charitable attitude in this case has its precedent in the aid afforded by the Council to Chinese refugees by the leasing of camp land on their behalf and by the loan of properties to the Japanese community at a nominal rent. He feels the Council would be warranted in loaning the Jewish refugees unwanted property at purely nominal rents. Mr. Okamoto states that though this may encourage further demands on the Council by the Jewish refugees, he favours the Chairman's proposal of a nominal rental of \$100 per annum.

With regard to possible difficulties in obtaining the return of the properties when required by the Council, the Treasurer & Controller states that for the purposes of the Jewish refugees these properties would probably be used mainly as temporary clearing houses. The Commissioner of Public Works states that the return of the Nieh Chih Kuei School would be the first to be required to meet the needs of the Superintendent of Education. The Chairman suggests that a definite assurance should be obtained when leasing the premises that they will be returned when required by the Council. It is accordingly

RESOLVED that the premises of the Kinchow Road Primary School and the Nieh Chih Kuei School be leased for housing Jewish refugees, at a nominal rental of \$100 per annum each, it being made a condition of the lease that the premises shall be returned to the Council at any time when required.

The Meeting terminates at 6.10 p.m.

Cornell S. Franklin

Chairman.

[Signature]

Secretary.

Indes

At the meeting of the Council held on Wednesday, May 31, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer & Controller

The Secretary General, and

The Secretary.

Absent:

Messrs. G.E. Mitchell

T. Sugisaka.

The Minutes of the meeting held on May 17 are confirmed and signed by the Chairman.

G 4/22.

Water Supply in Western Extra-Settlement Area. The Secretary states that a letter has just been received from the Waterworks Company in which assent is given to the Council's request for the Company's agreement to the cutting-off of the water supply to objectionable new factories, provided that the Council agrees to bear the responsibility of the consequences of action so taken by the Company.

The Minutes of the meetings of the Public Utilities Committee of May 19 and 26 are submitted and confirmed, subject to the following discussion and decision in respect of:

G 9/1

Proposed Increase in Tramway Fares. Referring to the recommendation of the Public Utilities Committee that the application of the Tramway Company to increase its average fares to 3.11 cents per mile for first class and 2.15 cents per mile for second class, Mr. MacDonald, Chairman of the Committee, states that the opinion of the Council's legal advisers is that the Company is entitled as of right under the franchise, supplemented by the Council's letter to the Company of January 7, 1930, to increase its fares up to the maximum figures of 10 cents per mile for first class and 5 cents per mile for second class.

Mr. Carney invites members' attention to the fact that the Committee's decision was reached by only a narrow majority and was, he feels, influenced by the fact that legally speaking the Company's right to increase its fares as applied for could not be denied. Referring to the dividend of 13 percent achieved by the Company in 1936, he states that he proposes that it be intimated to the Company that the Council views with disfavour the payment of so high a dividend and prefers that the public should be benefited instead by low fares. He adds that in the light of the restriction to 8 per cent plus 2 per cent under the franchise in the case of the Telephone Company, negotiations should be entered into with the Tramway Company for the modification of its right to unrestricted dividends.

Mr. Powell states that he does not consider that the facts furnished by the Treasurer and Controller in connection with the Company's profit and loss account and appropriation account for 1938 are such as to commend themselves to the general public as justification for an increase in fares. Such public criticism of increased fares would not, he believes, be obviated by the fact that in order to pay the recent dividend of 8 per cent the Company depleted by some £28,000 its reserve and undistributed profits. According to his rough calculations it is possible for the Company to pay a dividend as high as 28 per cent by reason of its right, which he does not dispute, to charge the maximum fares permitted under the Council's franchise letter of January 7, 1930. He therefore favours negotiations with the Company to reduce these maxima. In such negotiations the Council's bargaining weapon would be the withholding of approval of the Company's request, thereby placing upon the Company the onus in the public eye of its action in increasing its fares.

Replying to the Chairman's observation that the dividend of 13 per cent. paid by the Company in 1936, and later dividends, may have been made possible by the use of accumulated earnings not previously distributed, the Treasurer and Controller states that the relation between dividends and the fare tariffs cannot readily be established. To maintain the dividend the Company's reserves have been drawn upon.

Mr. Powell states that under present conditions and existing fares it would seem feasible for the Company to pay 8 per cent. In his view the Council's action in approving the Company's request will meet with public criticism. Since he believes that the Company for its own part would wish to avoid such criticism, he considers that an invitation to negotiate with the Council to safeguard the future against excessive profits would not be unwelcome to the Company. The

fact that, notwithstanding their unilateral rights, the Company has deemed it fit to invite the Council's approval of a fare increase is, he feels, an indication that they value such approval as conveying public assent to the equity of the increased fares. Correspondingly, he considers that the Council should withhold such approval when it is not convinced of such equity. In such negotiations with the Company, Mr. Powell suggests that the aim should primarily be to control fare tariff changes by investigating the possibility of reducing the maximum fares, and not directly to regulate the percentage of permissible dividend.

The Chairman states that he can see little attraction to the Company in consenting to negotiations designed to replace their present unrestricted rights by restricted ones. He is thus in doubt as to the basis on which the Treasurer and Controller might be requested to undertake such negotiations. The Treasurer & Controller states that, should the Council so wish it, he would be willing to enter into negotiations involving the examination of the Company's finances. Under the Council's present rights in respect of the Company, such examination is restricted to access to the books for the purpose only of certifying the revenue for the payment of royalty.

Mr. Yulin Hsi states that he would desire that such full examination should satisfy him on the following points. Noting in the Company's appropriation account an item transfer from reserve account £20,000, he desires to know the total of such reserve account. He asks how much is available to set aside for renewals, noting that the appropriation account provides for £35,000 against this item. He questions whether some of the charge for repairs and maintenance in the profit and loss account should not be transferred to capital account. In agreeing that the Council has no legal right to call upon the Company to restrict its dividends, Mr. Hsi considers that the Company has a moral obligation as a public utility to restrict its profits. He therefore favours negotiations with the Company to the end of obtaining their agreement not to raise their fares to the maxima provided for.

Mr. Kiang concurs that the Council may not legally have the right to require lower maxima of the Company, but he considers that in the public interest the Council has more than a moral obligation to ascertain that the Company's finances justify an increase in the existing fares.

The Chairman observes that capital was subscribed to the Company under the inducement of the privilege enjoyed by the Company under its franchise with the Council of unrestricted profits and dividends. The Secretary General adds that the warrant for conceding to the Company a franchise on so wide a basis was to be found in the then prevailing belief that the tramway business would not pay.

Mr. Haley states that the suggestion of negotiations with the Company would appear to be promoted by the fear that the Company will seek to make inordinate profits. He suggests that a period of high profits may be warranted, since it may be of short duration, and would permit of the building up of needed reserves and not necessarily of revenue to be employed in paying dividends. Stating that his attitude to the Company's request to increase its fares would be influenced by knowledge as to the Company's reasonableness or unreasonableness in the past, he enquires for information on this point. In reply the Treasurer and Controller states that he can assure members that the Company, consistent with its past record, is actuated by very reasonable motives in presenting its present request, asking only to be reimbursed its unquestioned heavy increase in operating costs, and requesting an average increase of only about 16.6 per cent and well within the permissible maxima.

Mr. Keswick, a director of the Company, in declaring an interest, states that it is mistaken to attempt an appraisal of the Company's case for increased fares in terms of dividend percentages on the original capital. It is always possible for the Company to water its capital by capitalising its reserves, thereby reducing the percentage rate of dividend. Actually the Company's expansion has been mainly on revenue, the capital remaining little changed. A considerable part of the surplus has been devoted to reserves. The Company has in his view been very conservatively operated. Whilst the Company is at the moment doing well, idle capital is tied up north of Socoohow Creek. Moreover the time has just about arrived when large capital replacements in rolling stock and rails will be needed. Large reserves must be provided for increasing depreciation. He is assured that the Company, as evidenced by their application notwithstanding their rights, is anxious for the goodwill of the Council and the public, and therefore would be unlikely to resist any wish for a thorough investigation of their case for an increase in fares. He believes that the local tramway fares are the third cheapest in the world.

Mr. MacDonald states that whilst it is unfortunate that the Company should wish to increase its fares, there would appear to be no legal grounds upon which to refuse its request.

Mr. Kiang again urges friendly negotiation with the Company in order that they may show how their dividends are justified. Mr. Hsi concurs. He agrees that the Company is operated on a conservative basis, but he considers that the profits they are making should be investigated in order that any necessary limitation should be set.

The Chairman suggests that there is no occasion to request the Company to earn dividends below 8 per cent, since this figure is permitted to other utility companies. He recommends that the Company's request for increased fares be approved, but that it should be requested to adduce facts and figures indicative of its intention not to pay dividends in excess of this figure.

Mr. Haley suggests that care should be exercised so as not to encourage the Company to a position where they would be prone to regard their maximum permissible fares as the minimum to be charged in practice.

The Treasurer & Controller enquires whether it is members' wish that he should communicate with the Company, on the Council's behalf, to the end of procuring facts and figures in justification of the proposed increase in fares and demonstrating that the Council's fears that the Company may be seeking inordinate dividends are unfounded. Members' authority is accorded to the Treasurer & Controller on this basis.

G 5/3

Shanghai Power Company - Surcharge. In concurring in the recommendation of the Public Utilities Committee on the subject of the Power Company's surcharge and that the agreed formula for surcharges is reasonable, Mr. Powell desires his observation recorded that the Bank's opening exchange selling rate does not necessarily accord with the rate on the open market.

The Minutes of the meeting of the Watch Committee of May 23 are submitted and confirmed.

J 2/3

Nanking and Chekiang Roads Intersection. In noting the non-adoption of the suggestion to alter the position of tram and bus stops at the Nanking-Chekiang Roads intersection, Mr. Haley refers to the deplorable traffic conditions at this intersection and enquires whether the Police engage themselves in trying to remedy conditions. Mr. Keswick states that the proposed alteration of the stops would not have been an improvement, and the Chairman adds that it may be taken for granted that the Police have for long been occupied in trying to improve conditions at this street corner.

K 25/1

Ricsha Rental Committee's Report. The Chairman thanks the Committee members for their work and for their able report.

The Minutes of the meeting of the Staff Committee of May 25 are submitted and confirmed, with the following exception:-

H 3/73.

Gratuity to Mr. A. M. Kotenev. With reference to the recommendation of the Staff Committee to accord Mr. Kotenev a gratuity of one month's pay, instead of three months as proposed by the Secretary General, the Chairman states that he feels that adoption of the Secretary General's suggestion is warranted on the grounds of the speed with which the work was accomplished and the fact that the employment of outside professional legal assistance, which lacking Mr. Kotenev the work would have necessitated, would have

proved much more costly. In reply to Mr. Okamoto, the Secretary General states that the work involved not merely the compilation of figures but knowledge of the form and method which the particular claims involved should take in order to ensure their consideration by the governments concerned.

Several members speak in support of the Chairman's proposal, which is adopted by a large majority.

A 5/3. The Minutes of the meeting of the Education Board of May 26 are submitted and confirmed subject to the insertion of the word "additional" in the text of the recommendation pertaining to the award of twenty-five scholarships.

L 12/6. Customs Examination Shed on the Bund. Representations have been received from the Shanghai General Chamber of Commerce reviving and requesting the Council's renewed consideration of the project to build a new Customs passenger and baggage examination shed on the Bund. In a report submitted, the Commissioner of Public Works states that though a scheme was decided upon by the Council in 1937, as the result of strong pressure from all the Chambers of Commerce, in his opinion the desirability of the scheme is even more doubtful today than it was deemed to be then, and in addition there are other objections to proceeding with the scheme at present. He states that the piling required before the work can be started will take nearly six months to obtain. The work of construction will take about a year and will put a substantial amount of the Bund frontage out of action for that period. Meanwhile facilities for departing passengers would be much worse than they are at present.

The Commissioner of Public Works adds that the scheme would cost at present prices about 50% more than previously estimated, and that as no benefit can begin to accrue until eighteen months after the work is started, he feels that it would be unwise to consider starting it until the future of baggage examination is reasonably assured and the Bund frontage has been restored to its normal use.

In a report submitted the Treasurer & Controller states that the hostilities prevented any start in 1937 on the scheme which was approved in that year. In the following year, when considering the preliminary Budget appropriation of \$100,000 for the scheme, it was decided that construction should be deferred until the financial position was easier. The Budget for the current year contains no provision for this work. In concurring in the views expressed by the Commissioner of Public Works, the Treasurer & Controller recommends that the project be left in abeyance until the position locally becomes less obscure and the return to more normal conditions is assured.

In a memorandum submitted, the Secretary sets forth the past history of this project and invites attention to the fact that after exhaustive investigation of the subject from 1931 onwards, the Council finally agreed in 1937 upon a modified scheme for passenger landing accommodation, as submitted by the Commissioner of Public Works in June of that year, at an estimated cost of \$200,000, which scheme provided for improved landing facilities for passengers and their friends only and implied that it was not the duty of the Council to provide facilities for baggage examination, although the scheme would give increased comfort to those waiting for their baggage to be examined. When the financing of the agreed scheme was last considered in February 1938, budget provision for the work was excised, "till the financial position is easier." With regard to the financial aspect of the matter, the Secretary reminds members of other most pressing needs for capital expenditure, as for example for a permanent hospital for infectious diseases.

The Chairman states that whilst at other times he was one of the strong advocates of this project, since he regards the present building as a disgrace to Shanghai, he considers that the present is not the time to proceed with the project for several reasons including that of the existence of more urgent needs for capital expenditure. He therefore recommends that reply be made to the Shanghai General Chamber of Commerce that the project must be postponed until conditions are more normal. Members unanimously agree.

L 22/2. Dairy Project between Nos.147 and 149 Tunsin Road. Letters of protest are submitted from residents in the immediate vicinity against a dairy project to be situated between and at the rear of Nos.147 and 149 Tunsin Road.

Among the arguments advanced by the protesting parties are (a) that a Chinese operated dairy will be as objectionable from a health viewpoint as a paper factory, which project on the same site was abandoned at the instance of the Public Works Department; (b) that dairies on Tunsin Road should be forced to return to the Hungjao Area where they were operating prior to the hostilities; (c) dirt and smells are connected with a dairy farm; (d) removal of the existing barbed wire along the narrow frontage to the projected dairy site is undesirable in the interests of public order.

The dairy in question already has temporary premises established at No.86 Tunsin Road and holding the Council's licence. It is understood that the intention is to establish themselves in permanent buildings on this large site in Tunsin Road and to obtain a Council licence in respect thereof.

In a report submitted, the Commissioner of Public Health states that the dairy project contemplates a modern building with modern sanitation and proper drainage, and that the dairy owners have furnished a written undertaking to comply with all Municipal requirements. The Commissioner of Public Health further states that the narrow strip of land between the residences concerned is to be used as a drive-way to the main dairy premises, which are to be constructed well to the rear of the residences and at a distance of over 350 feet from Tunsin Road. He asserts that the herd of cows in question is one of the healthiest. He adds that the barbed wire fronting the site will be replaced, in the dairy's own interests, by an equally effective barrier. In conclusion, the Commissioner of Public Health states that the operation of this dairy farm is not likely to be a nuisance to the neighbourhood.

The Commissioner of Public Works, in a report submitted, confirms that the owners of this projected dairy farm have agreed to comply with all municipal requirements. Since there are other dairy farms in this area, including a number in Tunsin Road which have been there for many years, the Commissioner of Public Works states that it is difficult to see how the Council would be justified in attempting to prevent the project. He adds that the project would, at least, preclude other less desirable forms of development.

In a further letter received just before the meeting from Messrs. Atkinson & Dallas, it is submitted that the Council should refuse permission for the establishment of this dairy upon the grounds that there is no need for another dairy in this neighbourhood and that the use of Tunsin Road for other than residential purposes should be confined to emergency uses, such as lumber storage yards, or should take other steps which would be tantamount to the Council applying zoning powers with the aim of preserving the residential amenities of Tunsin Road.

In a memorandum submitted, the Secretary states that it is perhaps not irrelevant to point out that the Public Works Department has during the past year been successful in dissuading or otherwise preventing the following projects opposite or not far from the premises of these protesting parties, viz: a silk weaving factory, sheds to accommodate refugees and a group of Chinese houses. With respect to a wine factory opposite No.147 Tunsin Road, but situated some distance from the road, the owners agreed to comply with Departmental requirements and thus to avoid causing serious nuisance.

In opening the discussion, Mr. Carney suggests that a final decision in the matter be postponed to the next meeting of Council in order that the protesting parties may become aware of the view of the Commissioner of Public Health that the dairy is unlikely to prove a nuisance to their residences. ~~He feels that although a decision in favour~~

~~of the dairy appears to be unavoidable,~~ ^{He states that} his suggested method of dealing with the protesting parties is more likely to create a better impression of the Council's solicitude for their interests, rather than a decision rendered whilst they are still labouring under misapprehensions as to the effect of a dairy near their properties. Members generally are agreed that an effort should first be made to reconcile the parties to the probably eventual decision of the Council in this matter.

The Commissioner of Public Works demonstrates from a map the location of the proposed dairy in relation to neighbouring properties. He shows that there are already five dairies along Tunsin Road, some adjoining residences. As to the effect of dairies on residences, he instances the case of the largest dairy farm in the town in Avenue Moffre with a herd of 800 cows which he is informed has never been the cause of serious complaints though surrounded by high class modern residences.

The Commissioner of Public Works adds that in prolonged discussions with Commander Doyle he had gained the impression that he had been converted to the view that the dairy would not prove objectionable and was at least better than other possible types of development. Following discussions with the dairy owner who explained the possibility of his returning ultimately to his old quarters in Chungshan Road, Commander Doyle again opposed the project largely from fears of objectionable use of the property if vacated by the dairy.

With regard to the arguments adduced in the memorandum submitted just before the meeting by Messrs. Atkinson and Dallas, in support of the protesting parties, the Commissioner of Public Works states that there is a real fear on the part of these householders as to the subsequent development of the dairy property should the dairy owner later go back to his property in Chungshan Road. He suggests, however, that this is a consideration which cannot legitimately influence the Council's decision now. With regard to the suggestion of the protesting parties that development due to the abnormal conditions in Tunsin Road should be limited to such uses as the storage of lumber the Commissioner of Public Works states that the same parties have recently entered strong protests against the use of the adjoining site for storing lumber. In conclusion, the Commissioner of Public Works states that he is of the view that no good grounds exist to justify the Council in attempting to prevent the dairy project in question.

The Commissioner of Public Health states that the dairy owners concerned had suffered the ruin of expensive properties in Chungshan Road. The temporary buildings they now had in Tunsin Road were considered unsatisfactory to his Department from a public health viewpoint and the owner was

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under instructions from his Department to find a site permitting the erection of more sanitary buildings.

Upon the proposal of the Chairman, it is decided to postpone a decision in the matter until the next meeting of Council and that in the meantime the Commissioner of Public Works and the Commissioner of Public Health should confer with the protesting parties in an effort to induce them to an acceptance of the Council's view that the dairy is not likely to prove^s serious nuisance and that therefore the Council would not be justified in attempting to prevent its establishment.

H 3/154. Treasurer and Controller's Retirement. The Chairman observes that this will be the last Council meeting at which Major Ford, Treasurer and Controller, will be present prior to his retirement from the Service. He states that he desires to take the opportunity to wish him health and happiness upon his retirement and again to record appreciation of his services and of his counsel. Members endorse the Chairman's remarks with acclamation. The meeting terminates at 6.30 p.m.

Cornell J. Franklin

Chairman.

[Handwritten Signature]

Secretary.

At the meeting of the Council held on Wednesday, June 14, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer

The Secretary General, and

The Secretary.

Absent:

Mr. T. Sugisaka.

The Minutes of the meeting of May 31 are confirmed and signed by the Chairman, subject to deletion of the sentence in the text relating to Dairy Project in Tunsin Road ascribing to Mr. Carney the statement that he regarded as unavoidable a decision in favour of the dairy project.

L 22/2

The Minutes of the meeting of the Library Committee held on June 12 are submitted and confirmed.

G 9/1

Tramway Fares. A report by the Treasurer is submitted in accordance with the wishes of members, expressed at the previous meeting of Council, that facts and figures should be procured from the Tramway Company in justification of the proposed increase in fares and demonstrating that the Council's fears that the Company may be seeking inordinate dividends are unfounded.

It is noted that the Company is unable to acquiesce in the suggestion that some modification of its franchise should be made whereby it would be under obligation to obtain the Council's approval of any proposed increase in its fares beyond the limit contemplated by the Company's present application and the permissible maxima specified in the franchise as amended by the Council's letter of January 7, 1930.

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In justification of its proposed increase in fares, the Company states that the inherent principle of its fares policy has been and still is to maintain a low economic level well within the scope of the low wage earning industrial population for which the Company caters, and that the popularity of the service offered by the Company is evidence of public approval of the fares charged.

The Company further states that fares were last increased in June 1933, since when there has been a considerable increase in operating costs which has been rendered still more serious within the last few days by the further drop in the sterling value of the local dollar to $6\frac{1}{2}$ pence as compared with $8-7/32$ pence when the Company's application was made to the Council on 26th April, 1939.

The Company asserts that the foregoing indicates that there is no disposition on its part to exploit the matter of fares to the detriment of its passengers, and adds that if any drastic increase in fares were made by the Company to the limits specified in the franchise, the probable effect would be to restrict passenger movement and in addition to induce passengers to seek some alternative form of transportation, and so far as the profits of the Company are concerned the tendency would be for them to diminish rather than increase.

The Company points out that the scale of fares now proposed by the Company, converted to sterling at $6\frac{1}{2}$ pence per dollar, is equivalent to:-

.20 of a penny per mile - 1st Class.

.14 of a penny per mile - 3rd Class (in effect 2nd Class).

These figures compare with:-

.65 of a penny per mile in Birmingham.

.50 of a penny per mile in Liverpool.

.72 of a penny per mile in Manchester.

In conclusion, the Company states that the fear of dividend payments at an unduly high rate would not, as a matter of practice, arise, and asserts that it has been due to the prudent if not conservative financial policy hitherto pursued by the Company that it has been possible to defer the present increase for so long.

Further in support of the proposed increases, the Company has submitted a statement giving particulars with regard to Share Capital, Net Profits after providing for Renewals, Dividend distributions and Allocations to Reserve for the years 1933 to 1938 inclusive.

Whilst there is no provision in the Company's franchise whereby the Council may inspect the Company's books of Account except for the purpose of checking Royalty payments, the Company states that it is willing, on this occasion, to extend this inspection and examination to

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include all books and records, but that this concession is not to be regarded as a precedent. In this connection the Treasurer suggests that in the event of a complete examination not being considered necessary at the present time, the Company would perhaps permit a complete examination of its records should an application be made in the future for an increase in fares.

The Chairman states that since the Company is unwilling to surrender its unilateral right under the franchise to increase its fares within the maximum limits therein prescribed, the Council would appear to be faced with the alternative either of approving the increase applied for or of withholding its approval and allowing the Company to exercise its right and make such increase regardless of the Council's attitude.

Mr. Kiang states that he considers that the Company has justified the proposed increase by the further particulars which it has submitted. To the end that the Company should be encouraged to continue its existing practice of seeking the Council's approval of its proposed fare increases, notwithstanding its rights, he feels that the Council should not dispense with the giving of its approval to the present increase.

Mr. Hsi states that, due to the further drop in the sterling value of the dollar, conditions have changed since the application was last before the Council. Whilst now approving the requested increases, he favours the Council's hopes being expressed to the Company in two particulars. First, that the Company will permit and the Council will carry out, in connection with the present fare increase, an examination of the Company's complete accounts. Secondly, that since the Company's capital is in a foreign currency and since he considers that whilst returns of 8 per cent and more are customary in respect of capital in local currency, such high returns are not usual in respect of capital in foreign currency, the Council's hope should be expressed that the Company will regulate its dividends.

The Chairman replies that the Council has no power to alter the franchise in these two respects, and Mr. Haley observes that dividend returns do not depend on the currency in which capital is issued, but on the method of its employment. Mr. Keswick refers to the distinction which must be drawn between the amount of dividend on issued share capital and on capital invested.

Mr. Powell states that the further particulars furnished by the Company provide very material evidence upon which the increase applied for may now be justified, which increase he considers is moderate. Whilst he does not wish to press the matter, he expresses regret that the Company is unwilling to modify its unilateral franchise right to increase fares up to the maxima therein prescribed.

Mr. Kiang suggests an amendment to Mr. Hsi's proposal, so that an examination of the Company's books would be postponed to take place in connection with any future application for a fare increase. He favours, however, conveying to the Company the Council's hope that it will regulate its dividends.

The Chairman replies that an examination at the present time would be of little purpose, in view of the full information that has already been furnished by the Company and which is sufficient to justify the present increase. With regard to the second point referred to by Mr. Hsi and Mr. Kiang, he suggests that a more opportune time to take up any question that might involve a reorganization of the Company's capital structure would be when conditions are less abnormal than they are at present.

Mr. Hsi states that since a fuller picture of the Company's finances will be available, should it agree with the Treasurer's suggestion to permit a complete examination of its accounts in connection with any future application for an increase in fares, he does not wish to press his point in respect of regulating dividends.

Mr. Powell suggests that such examination in connection with a future increase, rather than the present increase, would be of more purpose, in view of the fact that the present request is only for about 30 per cent of the fare increase the Company is entitled to.

Members generally agree that the Company should be invited to permit a complete examination of its records should an application be made in future for an increase in fares.

In reply to Mr. Okamoto, Mr. Keswick states that the Company's franchise is not for any fixed duration, but that in 1940 and thereafter the Council has the right at seven year periods to purchase the Company.

The matter being put to a vote it is unanimously

RESOLVED that the application of the Tramway Company to increase its fares be approved.

L 22/2
Part 6

Proposed Dairy in Tunsin Road. Reference is made to the discussion of this matter at the previous meeting of Council and the postponement of a decision pending a conference on the part of the Commissioner of Public Health and the Commissioner of Public Works with the protesting parties in an effort to induce them to an acceptance of their view that the dairy is not likely to prove a serious nuisance and that, therefore, the Council would not be justified in attempting to prevent its establishment.

A report by the Commissioner of Public Works as to the result of this conference is submitted, stating that the conference had failed in its purpose and that the complainants had not indicated that they were in any way satisfied by the explanations furnished by him and the

Commissioner of Public Health.

In a memorandum submitted, the Secretary states that the case in favour of preventing this Dairy from being established on the site in question would seem to be based on a natural desire to meet the wishes of a large number of Special Ratepayers, and also on a desire to preserve the area in question as far as possible as a residential area. Although legally irrelevant under present conditions, the fact that in theory there exist zoning laws of the old City Government which make this a non-factory area is perhaps a factor that can be taken into account, though dairies are perhaps not factories and since the date of introduction of these laws the establishment of several factories of the less objectionable class has been permitted by the City Government.

The Secretary states that the case against the petition would seem to be as follows. As members will recollect, the Commissioner of Public Works previously reported that a dairy farm would seem to be a most suitable development in this area and that in his opinion it would seem to be in the interests of the local residents to welcome such a scheme as far preferable to some objectionable development from the interior which the Council could not prevent. Members will also recollect that in the opinion of the Commissioner of Public Health the operation of the dairy was not likely to prove a nuisance and might even prove to be an asset.

Even within the Settlement itself the Council does not possess any zoning powers and can only insist on the structural stability of buildings, fire safety, and that there should be no nuisance from the point of view of public health. The Building Rules do not apply outside the Settlement.

Last November Messrs. Hansons advised that the Council cannot in effect assume control over buildings in this area by indirect means, e.g. prohibiting the carriage of building materials over Outside Roads. They drew attention to the possible liability of the Council for heavy damages in this connection. Nevertheless, the Council has on at least two recent occasions taken direct action by means of barring access in order to prevent the development of a factory in a residential part of the Western area. In both of these cases, however, the Heads of Department concerned were prepared to state that the developments in question would be serious public nuisances. It was therefore felt that the Council might have a reasonable prospect of success in an action brought against it in the Court of Consuls, basing its case on an inherent right to prevent the use of its roads for purposes which constitute public nuisances. It would obviously be much less easy to put a case in this way when the Heads of Department concerned express the opinion

that no real nuisance will be created.

The Secretary adds that he understand that the land owner in question possesses a large amount of property in this area and that he and the dairy owner are likely to be fully aware of the weaknesses of the Council's position.

In opening the discussion, Mr. Kiang states that the Council should take the responsibility, in the public interest, of deciding whether or not a dairy project on this site is desirable. If, as he thinks, a dairy is desirable, approval should be given to the project.

Mr. Mitchell states that it had been pointed out to him that the piece of land fronting the road and described as a passageway to the rear part of the site would in fact be occupied by an office building and a cow yard and that the yard would be immediately overlooked by two of the complainants' houses. Nevertheless, he is of the opinion that the Council has no power to prohibit the dairy and that it would not be justified in attempting to do so. In his view it would appear that the occupants of a comparatively smaller site consider that it is the Council's duty to preserve the amenities of a larger site not in their possession. He suggests that the remedy lies with them, by their lease of this area. The Commissioner of Public Works states that the buildings will occupy only a small part of the strip of land between Nos. 147 and 149 Tunsin Road, but that this strip will also contain a cow yard.

Mr. Carney states that he is opposed to the dairy project. He adds that as a result of the location of the cow yard, certain of the houses will be directly affected, at least through smells. In respect of the Culty Dairy, he asserts that an odour is noticeable even to passers by on the road. In his view the owners of the dairy could find a site which would not inconvenience householders.

The Chairman invites the views of the Secretary General as to whether the Council might not render itself liable for heavy damages should it proceed to block access to the dairy should it be established against the Council's wishes. The Secretary General replies that on purely technical grounds the Council has no right to block access and that accordingly it might be liable in damages. He states, however, that under the present abnormal conditions the Council has in fact taken such measures in somewhat similar cases in the knowledge that whilst it had not full legal powers it was acting in the public interest. He adds that he feels it necessary to warn members against so acting in a manner beyond the Council's strict legal powers unless they have the strongest assurance that their act is justified by the public interest and is otherwise reasonable. If, through acting in a manner unsupported

by sufficient good reason, the Council should abuse its powers and should fail in its object, the Secretary General states that its general position will have been weakened.

Mr. MacDonald states that one of the main nuisances arising from a dairy is flies. The Commissioner of Public Health states that whilst this is so, the extent of the fly nuisance has relation to the class of dairy and that the dairy in question will be of first class. He adds that certain of the houses of the complainants in Tunsin Road were built in proximity to another dairy and were erected after the dairy was established. Mr. Mitchell replies that this does not apply to certain other of the houses of complainants, which were built before the dairy.

The Chairman states that as there are already five dairies in Tunsin Road, he does not see how the Council can refuse the addition of the dairy in question. The Commissioner of Public Works comments that there will still be only five dairies in Tunsin Road as all that is being done is to move a dairy from temporary and insanitary quarters to permanent sanitary quarters. Both sites are adjoining residences.

Mr. Gockson states that consideration should be given to the general question as to whether dairies are not unsuited to what had become regarded as a residential area.

Mr. Kiang states that he considers that the Council would only be justified in preventing the project in question if it is detrimental to health.

Mr. MacDonald enquires whether it is not possible for the dairy owner to find a less objectionable site. In reply the Commissioner of Public Works states that the Commissioner of Public Health had considered the removal of dairies to Keswick Road unsuitable, in view of the tendency to encourage industries to locate along this road.

Mr. Hsi states that if the Council feels that it has no right to prevent a legitimate business such as a dairy, it should inform the complainants that it is precluded from preventing the particular project in question.

Mr. Haley enquires whether the Council's Departments might not examine the plans of the dairy layout so as to ensure the least objectionable design in relation to the neighbouring residences. The Commissioner of Public Works states that this has already been done, and the owner has accepted all his Department's suggestions.

Subject to the dissentient vote of Mr. Carney, it is thereupon

RESOLVED that the protests against the dairy project between Nos. 147 and 149 Tunsin Road be over-ruled and that the project be approved, subject to every possible step being taken by the dairy owner to prevent nuisance to neighbouring residences.

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L 22/2
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sect. 5.

Protests from Residents in Western Extra-Settlement Area. Arising out of the previous discussion, Mr. Mitchell enquires whether it might not be desirable to set up a sub-committee of the Council, including representation of residents of the area, to consider complaints of residents of the Western Extra-Settlement Area, prior to such complaints coming before the Council.

The Chairman states that he feels that residents of the area concerned already have sufficient representation in the existing members of Council who reside in that area. He adds that he would prefer to have time to reflect on the proposal before it is submitted for the Council's consideration.

Mr. Keswick states that he is initially opposed to the proposal, and that he too would prefer to be given an opportunity to reflect on the matter prior to its submission for consideration.

J 1/2

Safety Week Campaign. The Chairman refers to the commencement of the Safety Week campaign in the Settlement on Sunday and states that anything that individual members can do to further the campaign will be appreciated by the Committee in charge.

The meeting terminates at 5.30 p.m.

Cornell S. Franklin

Chairman.

J. M. ...

Secretary.

At the meeting of the Council held on Wednesday, June 28, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

T. Sugisaka

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer

The Secretary General, and

The Secretary.

The Minutes of the meeting held on June 14, 1939 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Education Board of June 16 are submitted and confirmed.

A 1/10.

Text Books - Pirated Editions. Mr. MacDonald states that during the discussion at the meeting of the Education Board he had expressed disagreement with the views of his colleagues as to the limitation upon the Council's right to control the text books in its schools. In his view there was a confusion of thought on the matter and a failure to distinguish between the right to suppress the sale in the Settlement of pirated books, which the Council might not possess, and the right which he maintains that the Council has over the use of text books in its own institutions.

The Chairman observes that whilst the pirating of these text books is against the law abroad, such is not the case locally. Moreover, the Council is confronted with the added difficulty of the greatly increased cost to pupils of non-pirated editions.

Mr. MacDonald replies that the Council has not in all connections in the past emphasized the supremacy of Chinese laws in the Settlement, but has insisted upon their reconciliation with the Settlement's own requirements. Whilst

admitting the difficulty of the much greater cost of non-pirated text books, he considers that the Council would be placing itself in an invidious position by countenancing the use in its own schools of the pirated editions.

Mr. Kiang states that in his opinion it is not the duty of the Council to ensure the protection of copyright, which he feels is a judicial question of law, compliance with which is within the province of the publishers and is not the concern of the Council.

The Secretary General states that he had previously discussed with the Municipal Advocate the Council's position in relation to Chinese law on the subject. He had found that the copyright law such as existed was ineffective to afford the protection generally sought by foreign publishers.

The Secretary adds that under Chinese law copyright does not appear to be available for educational text books unless they are specially written for Chinese use.

In view of these explanations, Mr. MacDonald states that he feels he must reluctantly assent to the views expressed by Mr. Kiang, and accordingly members endorse the recommendation of the Education Board.

The Minutes of the meeting of the Health Committee of June 22 are submitted and confirmed.

C 17/13.

Malaria Prevention in the Hungjao Area. Referring to the Health Committee's approval of anti-malaria work in the Hungjao Area, subject to the question of cost being agreed between the Treasurer and the Commissioner of Public Health, Mr. Mitchell enquires as to the connotation of the proviso.

Mr. Haley, Chairman of the Health Committee, replies that it was the intention of members of the Committee to authorize the mechanization of the work by the purchase of a van at a cost approximating \$4,000. The Commissioner of Public Health adds that the attendant staff increase, if any, will be slight.

The Minutes of the meeting of the Staff Committee of June 26 are submitted and confirmed, subject to the following observations and modifications:-

H 1/2.

Repatriation Pay - Exchange Adjustment, and Temporary High Cost of Living Allowances. The Secretary states that the recommendations of the Staff Committee as minuted under these headings should be modified to correspond with the Committee's intention in respect of recommendation (3) relating to exchange compensation on a lump sum of £50 in respect of sterling commitments, by the deletion of the reference to "I" class employees; and in respect of recommendations (2) and (4), by the provision that the Temporary High Cost of Living Allowance is subject to review in September of this year.

The Chairman states that in regard to the recommendation relating to exchange compensation on a lump sum of £50 in respect of the sterling commitments of "B" class employees, it should be understood that no definite commitment to make this concession is involved. Mr. Mitchell, Chairman of the Staff Committee, gives this assurance, stating that the intention is that the Committee shall examine the possibility of making this concession in the light of the Council's own financial difficulties consequent upon the fall in exchange.

Mr. Keswick, in suggesting that it would be unwise to give any publicity respecting the possibility of this particular concession, states that he desires to emphasize that his attitude as a member of the Staff Committee towards the proposals and recommendations framed by the Committee respecting staff pay exchange adjustments and cost of living allowances, was that they should be considered in relation to the Council's financial capacity to accord such benefits. He states that whilst such benefits are probably essential, he feels that the Council should be fully cognizant of the very heavy cost to the public which is involved. He refers to the tabled report of the Treasurer showing that the annual cost of the recommendations of the Staff Committee in regard to pay exchange adjustment and cost of living allowance total nearly \$1,200,000, approximating a one percent. General Municipal Rate and correlative Land Tax. The suggested £50 exchange compensation, if conceded, would add about \$800,000. The difference between budgetted expenditure at 8½d. and 8 d. he estimates at \$200,000. If to these figures is added the estimated budget deficit approximating \$2,500,000, a total of roughly \$5,000,000 is involved, or more than a 4 percent. General Municipal Rate increase upon the present levy. He reiterates that these figures are emphasized in order that the Council may realize the serious financial position which he considers it faces, and so that members may be fully aware of the financial consequences of the adoption of the Staff Committee's recommendations.

Mr. Okamoto states that in respect of the cost of living allowance proposed for foreign employees he had favoured 20 percent. instead of 25 percent. as recommended by the Staff Committee. He feels that the lower figure might well be adopted as an earnest of the Council's appreciation of the heavy public costs involved as outlined by Mr. Keswick. In all other respects he approves of the recommendations of the Staff Committee. Mr. Keswick states that whilst he appreciates the motive which impels Mr. Okamoto's suggestion, he feels that/the relatively small sum involved in relation to the total costs he has mentioned, probably warrants the higher percentage allowance recommended.

The Treasurer states that since it will probably be found impracticable to introduce any increase in rates before July 1 of next year, the necessity to which Mr. Keswick has referred of a 4 percent. increase in General Municipal Rate to cover the whole of next year might in effect mean a 6 percent. increase in order to make good the deficit incurred up to that date.

Mr. Mitchell states that he is fully in accord with Mr. Keswick's desire that members should be fully aware of the very considerable financial implications of the adoption of the Staff Committee's recommendations.

There being no further discussion, the recommendations in question are adopted.

B 4/4. Voluntary Entertainment Levy - Allocations in favour of Jewish Refugee

Immigrant Relief. This matter had been circulated to members.

The Chairman states that his view, which is shared by other members, is that the voluntary entertainment levy having been introduced for the benefit of local refugees should be reserved to that exclusive purpose and should not be made available to Jewish immigrant refugees, whose relief was not contemplated when the levy was initiated. Certain other members however, he states, shared the views of Mr. Carney that since the needs of both groups of refugees were equally great, the entertainment levy funds might appropriately be extended in favour also of the Jewish refugees. The Chairman adds that he holds his view notwithstanding he greatly sympathizes with the plight of the Jewish refugees and favours their assistance by private philanthropy.

Mr. Keswick concurs in the Chairman's view, stating that the Jewish refugee problem is of world-wide dimensions, its solution resting upon Jewish communities everywhere. In adding that the Council is already bearing a part of the burden in providing hospital facilities and in accepting policing responsibilities added to by the large accretion to the population resulting from the Jewish refugee influx, he states that the Council would not be justified in shouldering the responsibility for Jewish refugee poor relief and that it should do nothing to encourage transfer of the burden from the shoulders of the wealthy Jewish communities to which it properly belongs.

In reply to Mr. Haley, the Chairman states that the levy is voluntary in the sense of its acceptance by entertainment proprietors, but is compulsory in the sense that the public that is being entertained must accept its imposition as part of the price of admission. Mr. Haley states that in his opinion the Council would not seem to be justified in devoting the proceeds to a purpose different from that specified when entertainers accorded their voluntary co-operation in the imposition of the levy.

Mr. Mitchell states that the Council would not seem to be justified in diverting any of these funds to relief of Jewish refugees from abroad. As a related matter, he enquires whether there is not a tendency to apply the funds to other purposes not originally contemplated and whether certain departmental claims on the fund are warranted. The Secretary reads the terms under which the levy project was submitted to and accepted by the contributing entertainment proprietors. The Treasurer adds that credits to departments from the fund are only in respect of services directly attributable to the refugees as distinguished from the public generally, and that he is satisfied as to the proper employment of the fund.

Mr. Kiang states that he concurs in the view that it would be contrary to the purpose of the fund to make allocations in favour of Jewish refugee immigrants, and upon being put to a vote it is by a large majority

RESOLVED that the funds derived from the Voluntary Entertainment Levy be not allocated in favour of Jewish refugee immigrant relief.

28/2
C 19/13.

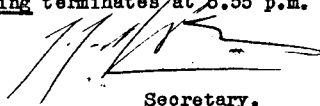
Jewish Refugee Children Summer Camps. As a matter of urgency the Secretary

submits a request for the free use during the months of July and August of the Council's at present unused Tuberculosis Sanatorium in Hungjao, for the purposes of a summer camp for Jewish immigrant refugee children. The main camp is to be in private property, the Council's building to care only for the balance of children. There are no departmental objections. The Chairman recommends that the request be assented to, and members agree.

H 3/932.

Retirement of the Secretary General. The Chairman states that this is the last meeting of Council which the Secretary General, Mr. Stirling Fessenden, will attend prior to his retirement from the Council's Service. Whilst the feelings of members in the matter having already been expressed by the Vice-Chairman at an official dinner given by the Council in Mr. Fessenden's honour, he states that he desires once again to place on record the Council's appreciation of the very splendid services over so long a period of years rendered by the Secretary General. The residents of Shanghai had honoured the services which Mr. Fessenden had rendered during the crisis of 1927, and Shanghai was again grateful that since that time Mr. Fessenden had been available to it and had played so large a part in shaping its policy. The Chairman adds that the Council's loss is happily his gain, since Mr. Fessenden is to be associated with him in the practice of the law. Members by acclamation unanimously attest their endorsement of the Chairman's appreciative references to the services of the retiring Secretary General.

The meeting terminates at 5.55 p.m.



Secretary.

Cornell S. Franklin
Chairman.

At the meeting of the Council held on Wednesday, July 12, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gookson

G. A. Haley

Yulin Hsi

K. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Health

The Commissioner of Public Works

The Treasurer, and

The Secretary and Commissioner General

Absent:

Mr. T. Sugisaka.

The Minutes of the meeting held on June 28 are confirmed and signed by the Chairman.

H 5/6.

The Minutes of the meeting of the Staff Committee of July 3 are submitted and confirmed, subject to the following modifications.

Police Force Terms of Service - Foreign Branch, Section I: Death in the Execution of Duty. Upon the recommendation of Mr. Mitchell, Chairman of the Staff Committee, members agree to amendment of Clause (a), by the substitution of £150 for £112, which the Secretary and Commissioner General states meets the wishes of the Commissioner of Police.

Police Force Terms of Service - Foreign Branch, Section I: Disablement in the Execution of Duty. Mr. Mitchell, Chairman of the Staff Committee, states that the intention of the Committee was to cover the cases of men suffering non-accidental¹ injury while in the execution of duty i.e. injury intentionally inflicted or incurred in the performance of a duty involving special risks and it is agreed that the new rules recommended by the Committee shall apply only to such cases in respect of the personnel of the Police Force and Fire Brigade.

The Minutes of the meeting of the Watch Committee of July 4 are submitted and confirmed.

K 25/8.

Public Ricshas - Advertising on Foot Mats. Regarding the recommendation of the Watch Committee approving of advertising on the foot mats of public ricshas, subject to the Council being satisfied that some benefit will be derived therefrom by the pullers, the Secretary and Commissioner General reports that the applicant has agreed to pay direct to the Pullers' Mutual Aid Association half the sum which he pays to the owners from the monthly commission which he draws from advertisers. Members approve this proposal.

The Minutes of the meeting of the Finance Committee of July 5 are submitted and confirmed.

B10/7 .

Rate Remission on Premises in occupation of Jewish Refugees. With regard to the recommendation that as regards Jewish refugee hostel premises a concession in rates be permitted by levying the rate on the actual rentals paid, the Chairman points out that in respect of certain of the premises which are not leased from the Council the actual rentals paid are substantial. Mr. Keswick states that he favours the enjoyment of a rate concession only in respect of those nominally-rented premises loaned by the Council. Members endorse the Committee's recommendation.

The Minutes of the meeting of the Public Utilities Committee of July 6 are submitted and confirmed.

G 2/16

Shanghai Telephone Company - Reincorporation. The Chairman refers to a memorandum by the Secretary and Commissioner General submitted since the recommendations of the Public Utilities Committee were framed, wherein it is stated that the Treasurer's negotiations with the Company in connection with United States Government Taxes, with a view to obtaining the Company's agreement to limitation of the taxes allowed in future as permissible expenses under the Franchise to the rate in force under the China Trade Act at the date of incorporation of the Company thereunder, had been unsuccessful. As a consequence of report of the matter to the Public Utilities Committee, the Committee had agreed that their recommendation should be varied so as merely to reserve the right to go to arbitration on this point at any future time. The memorandum furthermore submits to members a more precise and legal wording, similar in substance to the terms of the agreement approved at the Public Utilities Committee meeting, of the understanding reached in subsequent discussions between the Company, the French Municipal Administration, the Treasurer, and the Secretary and Commissioner General.

After an explanation is afforded to Mr. Powell by the Treasurer and the Secretary & Commissioner General with respect to the words "an amount equivalent to 4 per cent of revenue, whichever is the smaller", appearing in Clause 3(b) regarding Management Fee, members approve the accord reached in the terms defined in the memorandum of the Secretary

and Commissioner General.

The Minutes of the meeting of the Works Committee of July 10 are submitted and confirmed, subject to the following modification:

L 5/151.

Public School for Chinese in Haskell Road. With regard to the recommendation of the Works Committee that the Council should sell this property to the Japanese Residents' Corporation, the purchase money to be paid in ten equal yearly instalments, Mr. Mitchell states that he favours the Council being secured against loss in the event of an appreciation in the value of the land during the period of payment.

Messrs. Keswick and Carney also favour cover against loss, and suggest that the instalment payments be guaranteed at a minimum exchange rate. Mr. Carney suggests such a mode of cover which, whilst providing against loss, having regard to the existing exchange rate, would not prevent a profit in the event of the dollar appreciating in terms of foreign currency.

The Commissioner of Public Works states that the method of sale recommended by the Works Committee is based on the method accepted by the Council and the Japanese on two previous occasions. The price is based on the estimated value of the land prior to the hostilities. With regard to a suggestion of ^{Mr.} Mitchell's that the price should vary according to the variation in the assessed value of the land during the instalment period, the Commissioner of Public Works states that the land has no assessed value since it is outside the Settlement.

Mr. Okamoto states that the original wish of the Japanese Residents' Corporation was to rent not purchase this land, and at a cheap figure.

The Chairman states that he is not apprehensive as to a loss in relation to exchange, since he believes that the trend over the ten year purchase period will be for the dollar to appreciate.

The Treasurer suggests that in view of the possibility that the proposed sale offer will not be acceptable, it may be advisable to consider leasing the land with an option of renewal or later purchase. He does not favour the inclusion of an exchange clause in the agreement in the event of sale.

After further discussion, and in accordance with a suggestion by Mr. Kiang, it is decided to refer the recommendation back to the Works Committee for reconsideration.

Mr. Yulin Hsi refers to the view expressed by Chinese members at the Works Committee that the funds derived from the sale of this land should be earmarked for Chinese educational purposes.

The Chairman replies that he may rest assured that the Council will discharge its proper educational responsibilities towards the Chinese community. The Treasurer adds that a school was in fact provided in place of the destroyed building in question, and that the Council in the past has established the principle that proceeds from assets disposed of should be employed to improve the general financial position and not be earmarked to meet any particular expenditure.

Mr. Hsi thereupon states that he is satisfied.

C 19/13.

Housing of Jewish Refugees. Reference is made to an enquiry as to the possibility of the Council permitting the use of the Alcock Road Barracks, Eastern District, for the purpose of providing further housing accommodation for Jewish refugees.

In a memorandum submitted the Secretary and Commissioner General states that this building formerly provided barrack accommodation for the Russian Detachment, S.V.C. Earlier in this year the possibility of using this building for the accommodation of beggars was considered. At the time, the Commandant of Volunteers stated that unless the Council had definitely decided that the Russian Detachment should not return to these premises, he was opposed to their being relinquished for other uses. The Commandant added that at present the Detachment is billeted in two buildings belonging to the Bank of China, the tenure of which was uncertain and that, although the Alcock Road Barracks would accommodate only half the Russian Detachment, it appeared at the time to be the only vacant building suitable for use as barracks. The Commandant further referred to the need for temporary storage space for articles stored at the Alcock Road Barracks, in the event of the building being used for other purposes.

In comment upon the matter at the time, the Commissioner of Public Works stated that he assumed that the Alcock Road Barracks would not be likely to be used again for the accommodation of the Russian Detachment, in view of the location of the building in the Eastern District. The beggar project was dropped.

The Commandant of Volunteers has now stated that he has nothing further to add to his previously expressed views above referred to.

The Commissioner of Public Works has reported that as the Alcock Road Barracks is the last vacant Council building (excluding Council hospital premises) north of the Creek, he does not recommend using it for the purpose of housing European refugees, at least until such time as the Council's obligations as regards hospital accommodation for the refugees have been met. The Alcock Road Barracks building would house about 600 refugees - the normal influx of only two or three weeks. As a hospital it could accommodate about 300 beds.

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In reply to Mr. Haley, the Secretary and Commissioner General states that he assumes that a nominal rent only for the premises is contemplated by the Jewish Refugee authorities.

The Chairman states that if the Council does not intend to use the premises he would favour its loan, provided its return to the Council when needed could be assured. Mr. Hsi states that he feels that the termination of the occupation of refugees will be attended by practical difficulties.

The Commissioner of Public Works states that he does not feel that the Council will for a long time to come consider the use of the premises by the Volunteer Corps. He refers to his suggestion that the loan of the premises should be considered in relation to the obligations assumed by the Council for the hospitalization of the Jewish refugees.

The Commissioner of Public Health supports this view, stating that the building should be considered, together with other buildings loaned by the Council, as a means of solving the Jewish refugee hospitalization problem. In this connection, the Secretary and Commissioner General refers to the dilatoriness of the Jewish refugee authorities in using available premises for the purpose of an infectious hospital.

It is accordingly

RESOLVED that the premises of the former Alcock Road Barracks be loaned at a nominal rental to the Jewish refugee authorities, upon the condition that they make provision in this or other properties in their possession for a hospital for infectious diseases, such provision to be made before any further Council property is occupied.

C 1/12

Foreign Isolation Hospital in Range Road. Enquiry is made by the Japanese Consul-General as to whether the Council is willing to lease its Foreign Isolation Hospital premises in Range Road to a Japanese medical semi-governmental relief organization, which is desirous of opening a hospital North of the Soochow Creek in order to meet the immediate needs (both Chinese and Japanese, and any foreigners so desiring) of those who are residing in that area. The organization is prepared to pay rent and to vacate the premises upon the completion of a lease of at least one year. Furthermore, it is prepared to allow the Public Health Department to continue in occupation of a part of the premises at present in use by the Department for other than hospital purposes.

Reporting on the matter the Commissioner of Public Works states that, as it is the intention of the Public Health Department to open this Hospital for general public needs as soon as convenient, he recommends that its leasing for non-municipal purposes be not undertaken.

He points out that the matter of the re-opening of this hospital for municipal purposes has on more than one occasion been before the Health Committee and such re-opening has been decided against, owing mainly to difficulties of staffing. Nevertheless, the Commissioner of Public Works states that it seems advisable that a definite decision should be arrived at as soon as possible regarding the future of this building, since he feels that the Council cannot reasonably go on refusing to open this hospital because it cannot staff it, in the face of repeated requests to use it from those who can furnish the necessary staffing. He adds that the reopening of the Foreign Isolation Hospital would not only permit the saving of the greater part of the expenditure of \$18,000 sanctioned for the enlargement of Brennan Road Isolation Hospital, and presumably the termination of the lease of that property, but would he assumes permit the opening of the Gaol Hospital and the release of the Shanhaikwan Road School buildings now used as a hospital for the Gaol.

The Commissioner of Public Health, in a report submitted, recommends that the application of the Japanese Consul-General be negatived. He refers to his previously expressed views on the subject of the re-opening of this hospital, and particularly the views expressed in his report of May 24.

The Treasurer, in a report submitted, states that he is in agreement with the views expressed by the Commissioner of Public Works.

In a memorandum submitted the Secretary and Commissioner General states that in May of this year the matter of leasing of this building in Range Road for the purpose of a general hospital for the local Japanese community, to be operated by the Japanese Residents' Corporation, came before the Health Committee and the Council. The matter was temporarily resolved by the leasing by the Council to the Corporation of the building of the unused Chinese Isolation Hospital in Haining Road, instead of the Range Road premises now under consideration. The former premises were leased at a nominal rental of \$100 per annum, with a grant of \$15,000 to permit of the Japanese Residents' Corporation putting the premises in a condition fit for use.

In deciding to lease the Chinese Isolation Hospital premises in Haining Road, instead of the Foreign Isolation Hospital premises in Range Road, members were influenced by a report by the Commissioner of Public Works stating that the value of the land and buildings of the Foreign Isolation Hospital in Range Road at the end of last year was \$1,992,000, whereas the land and buildings of the Chinese Isolation Hospital premises in Haining Road were valued at \$377,000.

The Chairman states that the Japanese Consul-General had called upon him in this connection. He understands that a lease for at least a year is required, ^{and thereafter} terminable at three months' notice, and that payment of a substantial rent of at least \$15,000 a year is contemplated by the Japanese Consulate. Moreover it was understood that the part in use by the Council would be excluded from the lease. The Chairman adds that he agrees with the view of the Commissioner of Public Works that the Council cannot reasonably go on refusing to open this hospital because it cannot staff it, in the face of repeated requests to use it from those who can furnish the necessary staffing. He favours a decision being made forthwith either for the Council to take the premises into use or to allow another party to use it as a hospital.

The Commissioner of Public Health states that staffing is only one of the Council's difficulties, but that re-opening of the hospital for municipal purposes is also precluded because of the curfew and other restrictions north of the creek. There is involved the possible stopping of ambulances and the disinclination of the public to use a hospital in that area. He emphasizes his wish to open the hospital for municipal purposes so soon as the difficulties he mentions are removed.

Mr. Okamoto states that the Japanese authorities are anxious to have this hospital, owing to their concern regarding epidemics among the growing population north of the creek. In his view, so long as the Japanese military restrictions and the pass system exist, the hospital will not be suitable for cases from south of the creek. He adds that an even higher rental up to \$30,000 to \$40,000 a year may possibly be paid to the Council.

Mr. Haley, Chairman of the Health Committee, states that from a public health viewpoint the building has valuable possibilities, either as a general or infectious hospital, and that he considers it unwise for the building to be released to purposes other than municipal. He suggests that this aspect of the matter should first be examined, perhaps by the Health Committee,

Mr. MacDonald states that he considers that the Council is entitled to an explanation from the Japanese authorities as to why the use of this valuable property should in effect be denied to municipal uses. In the absence of such an explanation, he does not favour leasing the premises. Mr. Carney supports this view.

Mr. Mitchell favours Mr. Haley's suggestion for an examination of the possibility of the building being used by the Council, failing which he supports its use by the Japanese. He suggests, to expedite an urgent matter, that this examination be undertaken by the Chairman of the Health

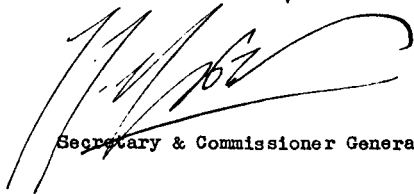
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Committee in consultation with Heads of Departments concerned. After such consultation he favours a special meeting of Council to determine the matter. The Chairman states that if members so wish he is prepared to adopt this course, and members agree accordingly.

The meeting terminates at 6.45 p.m.

Cornell S. Franklin

Chairman.



Secretary & Commissioner General.

At the meeting of the Council held on Wednesday, July 26, 1939, at 4.30 p.m.

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Treasurer, and

The Secretary and Commissioner General.

Absent:

Mr. T. Sugisaka

The Minutes of the meeting held on July 12 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Library Committee of July 20 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of July 20 are submitted and confirmed, subject to the following modification.

Summary Imposition of Fines for Traffic Offences. The Chairman refers to a memorandum by the Secretary and Commissioner General suggesting that prior to the adoption of the Watch Committee's recommendation that minor offenders be given the option of paying a fine to the Council instead of a court summons, the national authorities of the Extra-territorial Courts be given an opportunity to express their views on the proposal, and that consideration be given to its effect upon the revenue of the First Special District Court.

The Secretary and Commissioner General states that he has ascertained that in respect of motoring offences the First Special District Court derives a monthly revenue of about \$1,400, an amount probably of serious moment to the Court in the meeting of its expenditure.

J 2/8.

Mr. Keswick states that he favours such fines if collected by the Council being handed over to the Courts. In his opinion the Extra-territorial Court authorities should be asked if they approve of the scheme of fining by the Police. Mr. MacDonald also favours the handing over of fines to the Courts.

The Chairman states that he is inclined to the view that if an offender voluntarily submits to a Council fine, the Council would not necessarily be acting in derogation of the rights of the Courts; nor does he consider that the Special District Court Rendition Agreement would be violated. In such event he feels that the Council would be entitled to keep the fines to offset Police expenses. The offender would, of course, always retain the right to submit himself to a court, in which case the court would naturally retain any fine imposed.

The Secretary and Commissioner General states that though prior to the District Court Rendition Agreement the Council retained such fines as were levied by the Mixed Court, and was empowered under the Land Regulations to do so, the importance of such fines to the Court was recognized and a definite agreement made by the Council with the Diplomatic Body in 1930 that the Court should keep such fines. In 1934 the Council took the view that it had no legal right to levy such fines and that to do so would be contrary to the understanding affecting the First Special District Court.

With regard to the point of the handing over of such fines, if collected by the Council, Mr. Okamoto states that the Courts would be presented with a difficulty in accepting fines which had not been derived in exercise of the Courts' own judgments. The Chairman agrees, stating that so far as concerns the United States Court it could not possibly accept fines offered to be handed over.

Mr. Kiang states that he doubts the Council's right to allow a traffic regulation offender the option of evading the jurisdiction of the court, or the Council's right to retain fines. He states that under the Byelaws an offence against the traffic regulations renders the offender specifically amenable to the lawcourts. The terms of Byelaw 36, in his view, provide evidence that the Courts alone are competent in the matter of imposing traffic fines and not the Police. He suggests inviting the opinion of the Municipal Advocate.

In reply to the Chairman's observation that the income involved is not an immaterial consideration to the Council in present times, Mr. Hsi states that he supports Mr. Kiang's views, and adds that if the Council was entitled to impose fines in respect of one category of offences on the plea of meeting Police expenses, it could presumably on a similar plea levy its own fines for other categories of offences, which

he considers it has no right to do.

The Chairman states that there is precedent in the United States and in the neighbouring French Concession for the Police levy of traffic fines.

Mr. Haley states that the scheme of Police fines would have the merit of popular approval, in view of the saving of time and trouble to the public. In reply to his enquiry, the Commissioner of Police states that the practice of the French Police is to communicate in writing with the offender offering him the option of a fine payable to the Police or court action.

Mr. Mitchell states that he understands that the British Court has always strongly objected to the French Police practice in such matter, as being a usurpation of its rights over British subjects. Mr. Carney states that acceptance of the Police fine is only optional and that the offender may always claim the Court's jurisdiction. The Secretary and Commissioner General replies that, nevertheless, the option permitted by the Police permits of evasion of the jurisdiction of the Court, which it may be considered is alone competent in the matter. The Chairman states that the Police in practice have, however, a measure of jurisdiction initially in all traffic offences, in that decision lies with them to determine the necessity or otherwise of submitting an offender to the Court.

After further discussion, upon the Chairman's proposal it is
RESOLVED that the views of the Consular Body and of the
Municipal Advocate, be invited on the proposal to institute Police
fines for minor breaches of the Traffic Regulations as an option to
a court action.

The Minutes of the meeting of the Health Committee of July 21 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of July 24 are submitted and confirmed, subject to the following modification:

Public School for Chinese, Haskell Road. With regard to the three enumerated conditions upon which it is recommended by the Works Committee that this property be sold to the Japanese Residents Corporation, Mr. Keswick states that it is to be understood that the sum of \$292,860 mentioned is the full amount offered to be paid to the Council, whose standing rules preclude the payment of commission.

Mr. Mitchell observes that the point of reference back to the Works Committee from the last Council meeting does not appear to be covered by the Committee's recommendation, since there is no mention of any exchange guarantee to guard against the depreciation of the local currency.

L 5/124.

Mr. Okamoto states that the Treasurer did not favour such exchange guarantee, Mr. Mitchell replies that the Council should aim, then, to obtain the full payment as quickly as possible. Mr. Okamoto states that his understanding was that the first instalment payment should be as large as possible, and that the balance should be liquidated within a period of five years.

The Chairman states that an initial payment of \$100,000 had been contemplated when this matter was under discussion by the Works Committee, this sum having been suggested by the Commissioner of Public Works.

Mr. Powell states that the Works Committee had alternative sale propositions in mind, one of which was an outright sale with one full payment, which it favoured. That was the intent of the condition numbered 1 of the recommended terms of sale. The intention of the condition numbered 2 was to provide for the alternative of payment of the purchase price by instalments.

Upon the proposal of the Chairman, condition 1 is altered, by deletion of the word "lump", to read: "1. The purchase price to be a sum of \$292,860", and condition 2 to read: "Should the whole purchase price be not paid at once, a first instalment payment of not less than \$100,000 shall be made, and interest at the rate of 7 per cent per annum shall be charged on the outstanding balance."

H 19/3.

Report of Sub-Committee on European Nursing Personnel. The Chairman states that this Report has been approved by the Health and Staff Committees, and copies have been in members' hands. Accordingly, he recommends its adoption by the Council.

Mr. Mitchell observes that the provision that the Grade 2N(d) when occupied by a local appointee shall carry only "B" status, while such grade shall carry "A" status in respect of appointees from abroad, is likely to be productive of dissatisfaction. He instances a somewhat parallel cause of dissatisfaction among the staff of the Education Department. He suggests that it may be desirable to classify all new appointees to Grade 2N(d) as "A".

Mr. Keswick favours the distinction in favour of employees engaged from abroad, since the provision in the Report was designed to attract such employees. He adds that local employees will knowingly contract for the inferior status.

The Secretary and Commissioner General states that the purpose behind the Report's provision was economy, in that it was hoped that as many 2N(d) employees as possible would be engaged locally, and thus it was considered that it would be an unnecessary extravagance to provide "A" status for such local employees.

The Chairman states that he is inclined to be influenced by Mr. Mitchell's view that trouble will result from the distinction in status between local and home appointees.

Mr. Carney states that the distinction was designed to meet the position should it be impossible to get nurses locally.

Mr. Kiang proposes that the Council retain the option to accord "A" or "B" status to grade 2N(d) employees engaged from abroad, and members agree.

With this modification, the Report is adopted, and the Chairman extends the Council's thanks to the Sub-Committee for their valuable Report.

M 5/13. Report of Sub-Committee on Municipal Gazette. This Report, copies of which have been in members' hands, is adopted, upon the recommendation of the Chairman, who extends to the Sub-Committee members the Council's appreciative thanks for their work.

I 35/1. Burlington Open-Air Cinema. The Secretary and Commissioner General refers to a report tabled before members wherein the Commissioner of Police recommends the cancellation of this licence. He requests members instructions in the matter since, the licence having been issued less than^a fortnight ago, its cancellation now may be considered drastic and may result in hardship upon the licensee as a result of his possible financial commitments in respect of the enterprise.

The Commissioner of Police confirms the view stated in his report that definite nuisance to all the licensee's neighbours cannot be obviated. He states that the Police in approving issue of the licence, had thought that such nuisance would not ensue, but that it was not possible in all cases accurately to gauge in advance the degree of nuisance.

The Chairman states that cancellation of the licence may render the Council liable for damages, in the event of proved commitments on the licensee's part. He considers that in authorizing a cinema the Council in effect authorized the commission of that degree of noise which is the recognized accompaniment of a cinema performance.

The Secretary and Commissioner General states, in reply to Mr. Okamoto, that the nuisance in its present form does not in his opinion involve any breach of the cinema licence conditions.

Mr. MacDonald enquires whether the licensee might agree to close earlier, say at 10.30 p.m. The Commissioner of Police states that a proposal to close at 9.30 p.m. had been unacceptable to the licensee.

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Members generally are of the view that the nuisance, such as it is, should be permitted to continue and that the licence should not be cancelled, unless it can be cancelled without involving the licensee in losses from commitments to which he is already obligated, and it is resolved accordingly. The Commissioner of Police is authorized to enquire into the question of commitments.

The meeting terminates at 6.10 p.m.

Cornell S. Franklin

Chairman.

[Handwritten signature]

Secretary & Commissioner General.

At the Special Meeting of Council held on Tuesday, August 15, 1939, at

4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

T. S. Powell

Yu Ya Ching

The Treasurer, and

The Secretary & Commissioner General.

Absent:

Messrs. G. E. Mitchell

O. Okamoto

T. Sugisaka

L. T. Yuan

F 30/12 Rice Situation. There are submitted the Minutes of the Supplies Sub-Committee of August 11 and 14, containing a recommendation that 50,000 bags of Saigon Rice No.2 be ordered forthwith by the Council to relieve the rice situation in the Settlement. In a report submitted the Treasurer points out the difficulties on the question of finance.

The Chairman states that there could be no objection if by ordering this rice the problem would be solved, but the fact is that it affords only 10 days' supply and when this is exhausted further orders would be required involving a loss of from 4 lakhs to a million dollars to the Council every 10 days. He advises members to face the situation and let the responsibility for shortage fall where it belongs.

Mr. Yu Ya Ching states that he agrees that the question of the purchase be left in suspense for the meanwhile.

The Secretary & Commissioner General draws attention to reports regarding an improvement in the situation - the daily arrivals have increased and the prices have dropped by approximately \$1.

Replying to Mr. Kiang, the Chairman states that diplomatic negotiations for the removal of restrictions on rice movement are proceeding. The Secretary & Commissioner General states that he has today seen the Japanese Consul-General and that he is hopeful as to the outcome of the negotiation.

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Upon the Chairman's suggestion members concur that no action be taken at present on the recommendation of the Supplies Sub-Committee regarding importation of Saigon Rice.

The meeting terminates at 4.55 p.m.

Cornell S. Franklin

Chairman.

J. J. [unclear]
Secretary & Commissioner General.

At the meeting of the Council held on Wednesday, September 20, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G.E. Mitchell

O. Okamoto

L. T. Yuan

Yu Ya Ching

The Treasurer, and

The Secretary & Commissioner General.

Absent:

Mr. T. S. Powell

The Minutes of the meeting held on July 26 are confirmed and signed by the Chairman.

The Minutes of the Special meeting held on August 15 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Staff Committee of September 11 are submitted and confirmed.

H 1/28

Temporary Allowances to Staff. Regarding the discussion on this matter, Mr. Kiang notes that it is recorded in the Minutes that two members refrained from voting on the question of granting an increased temporary allowance to the foreign staff. He states that he would like it recorded that he also abstained from voting on the motion to issue a higher temporary allowance to Chinese employees.

The Minutes of the meeting of the Education Board of September 15 are submitted and confirmed.

A 20/2

School Fees. Mr. Carney enquires as to the reason why an immediate recommendation was not made providing for the imposition of higher fees at the foreign schools. Mr. Yuan, Chairman of the Education Board, explains that this point received attention at the meeting of the Board and a majority of Members favoured adoption of the proposal to increase fees at the foreign schools with effect from November 1. Having regard to the desirability of making a simultaneous announcement covering the exaction of increased fees at the Chinese as well as the foreign schools, it was decided to give further consideration to the matter at a meeting of the Board to be convened at an

early date.

The Minutes of the meeting of the Public Utilities Committee of September 18

are submitted and confirmed.

G 7/2

Shanghai Gas Co. Ltd. - Surcharge. Mr. Okamoto enquires whether any provision exists in the franchise which would permit of automatic tariff increases. In reply, the Secretary & Commissioner General says that the franchise states that the charges made by the Company for the supply of gas shall be fair and reasonable and that there is no provision for an increase without the Council's agreement. He adds that in the case of the Shanghai Power Company a sliding scale of charges, based on variations in exchange was agreed between the Company and the Council effective from September 1, 1936, and this scale will remain in force until altered at the wish of either the Company or the Council.

M 5/13. Printing and Distribution of Municipal Gazette. A petition from six foreign-

language newspapers is submitted, lodging a protest in regard to the Council's acceptance and approval of the Report of the special Sub-Committee of the Finance Committee appointed to consider the question of the printing and distribution of the Municipal Gazette. In support of their protest these newspapers allege

- (1) That the distribution of the English-language edition of the Gazette through the medium of the circulation of the "North China Daily News" constitutes the conferment of a valuable competitive advantage, both as regards advertising and circulation, upon that newspaper;
- (2) that the Shanghai Municipal Council cannot, as a public administrative authority, plead its own economy or convenience in defence of a practice which lacks the principle of equity;
- (3) that insufficient consideration has been given to the correspondence and representations which have been made upon this matter since the year 1909;
- (4) that impartial enquiry into this matter would more fittingly have been entrusted to ratepayers who are not members of the Council which has been a party to the procedure complained against;
- (5) that the practice is so grossly unfair as to warrant the fullest reconsideration in order that the principles of equitable public administration be restored.

In conclusion the petitioners request that the Council take action to secure the distribution of the Municipal Gazette by methods other than through the circulation of the "North China Daily News."

The Secretary and Commissioner General, in a memorandum submitted, reminds Members that the Report of the Sub-Committee which was set up to consider this question was unanimously adopted by the Council on July 26, 1939. He observes that the petition now before the meeting does not bring up any point which was not fully considered by the Sub-Committee. In regard to allegation 3 of the petition, he points out that all the correspondence and representations since the year 1909 were brought to the Sub-Committee's attention. The Secretary and Commissioner General states that it appears to him that the only possible reply that the Council can give to the petitioners

is that the whole matter has been fully considered by a Committee whose report was unanimously adopted by the Council and that the Council is not prepared to reopen the matter. He submits that Members may or may not feel that it might be desirable to add that the matter can be raised, if so desired, at the Annual Meeting of Ratepayers, in which case it would be left to a free vote of the Ratepayers and not treated as involving any question of confidence or lack of confidence in the Council.

The Chairman observes that he is inclined to agree with the views expressed by the Secretary and Commissioner General. He proposes that the petitioners be replied to in the sense suggested by the Secretary and Commissioner General in his memorandum and that it also be intimated to them that the matter can, if so desired, be ventilated at the Annual Meeting of Ratepayers. Mr. Kiang supports the Chairman's proposal.

In reply to Mr. Okamoto, the Secretary and Commissioner General states that any ratepayer, not a subscriber to the North China Daily News, filing a written request with the Secretariat would receive the Gazette regularly by post. There were about 200 names on the list.

Mr. Mitchell states that he is content with the Chairman's proposal, but adds that it must be remembered that a group of newspapers such as this was in a particularly advantageous position for pushing a campaign of criticism of the Council's decision. He asks whether Mr. Keswick, as Chairman of the Sub-Committee, would welcome reference to a fresh Committee. Mr. Keswick replies that he does not think that any useful purpose would be served by such reference. Whenever this matter has been investigated the same result has been reached.

The Secretary and Commissioner General remarks that the Council in his opinion must never admit that there is a distinction between the interests of the Council and the interests of the Ratepayers. Members of the Council are ratepayers elected by other ratepayers to represent them.

The Chairman agrees that all members of Council are ratepayers and represent the interests of the electorate and that the enquiry into this matter was quite impartial.

It is accordingly

RESOLVED that a reply be addressed to the petitioners to the effect that the whole question of the printing and distribution of the Municipal Gazette had been fully considered by a Committee whose report was unanimously adopted by the Council and that the Council is not prepared to reopen the matter. In addition, the petitioners are to be informed that the matter can be raised, if so desired, at the Annual Meeting of Ratepayers, in which case it would be left to a free vote of the Ratepayers and not treated as involving any question of confidence or lack of confidence in the Council.

L5/66

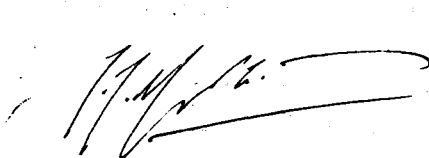
Proposed Sale of Island Site - Tifeng and Great Western Roads. In a report submitted the Commissioner of Public Works explains that, following upon the Council's decision in March last to sell this site, he informed representatives of the Italian Consulate-General that he was not prepared to recommend the sale of the site at less than its cost to the Council with interest compounded at 6%, i.e. a total sum of \$292,000. He adds that the representatives, after consulting their principals, informed him that the price quoted was about 40% more than they were prepared to pay. He states that no further developments occurred until about three weeks ago when a representative of the Italian Consulate-General called and informed him that his principals were now prepared to pay the price he had named. The Commissioner points out that, for a substantial area with good road frontage and agreeably-developed surroundings, this property constitutes almost a unique site. As this site is the last considerable area of undeveloped land owned by the Council South of the Soochow Creek, the Commissioner reminds Members that he expressed the opinion in his report of March 7, 1939, that it would be unwise to part with it. He adds that subsequently the Council has leased both its Isolation Hospitals and sold the Public School for Boys in North Szechuen Road, while the sale or leasing of other Municipal properties is being negotiated. Having regard to this aspect of the matter, the Commissioner of Public Works expresses the view that it is more advisable than ever to retain the Island site.

Mr. Mitchell states that he has been approached on behalf of the prospective Italian purchasers and that he hoped shortly to be in a position to inform the Council how much they were prepared to pay for this site. In the circumstances, he suggests that further discussion be postponed.

Mr. Kiang enquires as to the possibility of obtaining better terms. Mr. Mitchell assures Members that he hopes to ascertain the best possible price. Members approve Mr. Mitchell's proposal.

F5/12 Membership. The Chairman reports the resignation of Mr. T. Sugisaka of his seat on the Council owing to his forthcoming departure for Japan. On behalf of Members, the Chairman expresses regret at the loss of Mr. Sugisaka's valued advice and assistance. He adds that, after consultation with Mr. Okamoto, he will submit a recommendation as to Mr. Sugisaka's successor in due course.

The meeting terminates at 5.10 p.m.



Secretary & Commissioner General.



Chairman.

At the meeting of the Council held on Wednesday, October 4, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Commissioner of Police

The Commissioner of Public Works

The Treasurer, and

The Secretary & Commissioner General.

The Minutes of the meeting held on September 20 are confirmed and signed by the Chairman.

F 5/12.

Council Membership. The Chairman states that he has been informed by Mr. Okamoto that he will shortly be in a position to recommend a successor to Mr. Sugisaka.

L 5/66.

Island Site. The Chairman states that further discussion of this matter is postponed, in view of the receipt of a letter from the Italian Consul-General stating that he is expecting a letter on the subject from his Government.

The Minutes of the meeting of the Works Committee of September 28 are submitted and confirmed.

The Minutes of the meeting of the Education Board of September 29 are submitted and confirmed.

A 20/2.

Surcharges on School Fees. With regard to the recommendation of the Education Board that fees at the schools for foreign children be increased by 25 percent as from November 1, 1939, and at the schools for Chinese children by 15 percent with effect from the Spring Term 1940, Mr. Yulin Hsi states that at the Board's first discussion - he was absent from the second - he had expressed opposition to any increase of the fees at the Chinese schools. He asserts that whilst the fees at non-Municipal foreign schools are higher than those at the Municipal foreign schools,

the fees at Chinese Municipal and non-Municipal schools are about the same. Accordingly, he holds the view that the Council should take no action which might furnish a lead to private Chinese schools to increase their fees, in view of the quarter of a million Chinese children who would be affected and the effect on the general cost of living. In his view, free education should be the ultimate aim of the Municipality.

The Chairman replies that private foreign schools may be considered to give better facilities than the Council's foreign schools, whereas the reverse is the case in respect of Chinese schools, and therefore justification might be lacking for Chinese private schools charging as high fees as Municipal Chinese schools. He doubts that the Municipal provision of free education is a reasonable aim, since unlike Municipalities abroad, who are in receipt of State aid for education, the Council's funds are called upon to bear the entire burden.

Mr. Yuan, Chairman of the Education Board, states that whilst the Board gave consideration to Mr. Hsi's views, it had concluded that some relief of the burden on the ratepayers of added education costs should be afforded. Moreover, the effect of the surcharge on Chinese Primary Schools is not great and the schools of the Primary type considerably exceed in numbers those providing higher education, upon whom the burden would be greater.

F 30/2.

Public and Thomas Hanbury School for Girls. Correspondence is submitted showing that in January 1938 the Council offered to lease to the Japanese Naval Landing Party the premises of the Public and Thomas Hanbury School for Girls in Hannen Road, the temporary occupation of which had previously been permitted to them. The proposed lease was for a year, in the first place, at a rental of \$3,900 per mensem.

In a memorandum submitted under date September 22, 1939, the Japanese Consulate-General requests the lease of these premises for its offices, after evacuation thereof by the Japanese Naval Landing Party, which it will itself arrange.

The Commissioner of Public Works reports recommending a new lease to the Japanese Consulate-General for a period of 1 year at a rental of \$3,750, with an option of renewal.

In comment, the Treasurer states that the Japanese Naval Landing Party has made no payment of rent in respect of its occupancy and is in arrears to the amount of \$81,900. Moreover, it is liable for the cost of any repairs, reinstatements and redecorations found to be necessary on its vacation of the premises. Whilst agreeing to the lease to the Japanese Consulate-General on the terms proposed by the Commissioner of Public Works, he feels that settlement of these outstanding liabilities on the part of the Japanese Naval Landing Party should precede such lease.

The Chairman states that since the Council had met the needs of the Japanese Government by the loan of this building, it is entitled to expect payment of the stipulated rent. Notwithstanding the Council's offer of a lease had not been accepted in writing, the fact of continued occupation of the premises constituted a tacit acceptance of the terms offered. He suggests that in responding to the Japanese Consulate-General the arrears should be pointed out and their settlement requested now.

In reply to Mr. Okamoto's enquiry as to whether payment of the rent had been pressed for, Mr. Ibusuki, Deputy Secretary, states that such request had been made. He adds that there had been no refusal to pay on the part of the Japanese Naval Landing Party, but merely a wish to defer payment until the time of termination of their occupancy, Mr. Okamoto expresses the view that payment on their part may now be anticipated.

In reply to Mr. Haley, the Chairman states that it was his intention to suggest that the offer of lease to the Japanese Consulate-General be conditional upon consent to make payment of the rent in arrears.

In reply to an enquiry by the Treasurer, the Chairman states that he would prefer not to make a condition of the lease the matter of settlement of an outstanding of \$48,000 in respect of Japanese occupancy of the Public School in Kiangwan Road recently sold to the Japanese Government.

Replying to Mr. Powell, the Commissioner of Public Works explains that the proposed rental of two thirds of the assessed value is in accordance with recent practice in leasing schools for civil and non-commercial uses, and that the basis used nearly two years ago for calculating terms for the present tenancy has not the same significance today.

It is accordingly

RESOLVED that, conditional upon prior consent to settle liabilities in respect of its occupancy by the Japanese Naval Landing Party, the premises of the Public and Thomas Hanbury School for Girls in Hannen Road be leased to the Japanese Consulate-General upon the terms proposed by the Commissioner of Public Works.

K 7/3. Proposed International Refugee Relief Lottery. There is submitted a letter from the Consul General for Portugal, claiming the right to the Council's permission for the operation in the Settlement by a Portuguese subject of a lottery to raise charity and refugee relief funds. The claim to this right is based upon the permission accorded by the Council for a similar lottery in the Settlement conducted under French auspices. It was stipulated by the Council when according permission for this lottery that no other lottery should be permitted. Subsequently other lottery applications

have been refused. It has been suggested to the Portuguese Consul General that if his community is in need of charitable funds he should make application to the Associated Foreign Charities which derive benefit from the lottery permitted by the Council. Failing a grant of the Council's permission, the Portuguese Consul-General states that the matter will be represented to the Consular Body. An attempt to sell the tickets of the proposed lottery had been stopped by the Police. By circular the Council had disapproved the proposed lottery and the Portuguese Consul-General had been so informed.

In a covering memorandum submitted, the Secretary & Commissioner General states that under Article 269 of the Chinese Criminal Code it is an offence to issue or sell lottery tickets without the permission of the Government. No lottery in Shanghai can be successful unless Chinese agents take part in the sale of tickets. The question, therefore, that the Council had to decide when considering the lottery which had been approved was strictly this, whether Chinese sellers of tickets for the proposed lottery should or should not be prosecuted under Article 269 of the Criminal Code. The Commissioner of Police at the time had pointed out that the National State Lottery no longer existed locally and that in recent years no other lottery had been permitted in the International Settlement. He recommended that if the Council acceded to the French request, no other lottery should be permitted. In a note to the Acting Secretary, the Secretary-General had stated that he did not regard the question of monopoly as one of any great difficulty and that: "one properly conducted lottery covering the whole area would probably raise considerable funds for refugee relief generally, and the fact that it would be actually conducted from the French Concession would perhaps be of some assistance in resisting other lotteries from opening central offices in the Settlement. Some complications might arise but they could probably be dealt with as they arise."

The Secretary and Commissioner General further states that apart altogether from the Chinese law, under Byelaw 34 no person may sell lottery tickets without a licence first obtained from the Council. Immediate instructions were, therefore, given to prevent the sale of tickets of the proposed lottery, under Portuguese auspices, and a notice was inserted in the newspapers by the Council stating that the proposed lottery was unauthorized.

The Secretary and Commissioner General adds that in his view the matter is entirely one for the Council and not for the Consular Body, and that if the Council departs from its ruling permitting only one lottery, it may have to permit any number.

The Chairman states that in his opinion a polite but firm reply should be made to the Portuguese Consul-General that the Council cannot change its decision to refuse permission for this lottery.

Mr. Carney suggests that the reply might point out the impossible situation in the event of all of the many Consular authorities claiming a similar right to authorize operation of a lottery for the relief of their respective nationals.

Mr. Powell suggests that the point made by the Portuguese Consul-General is a reasonable one that his nationals cannot be expected to be dependent upon the benefit of lottery arrangements made by friendly Consulates. In reply, Mr. Mitchell states that it is a misapprehension that the permission accorded for the single lottery was accorded to the French Consulate. It was accorded to individuals and the determinant factor was the benefit to the general community, and not any one national section thereof, deriving from that particular lottery. He adds that the appointment of the Council's representatives to its distribution committee was designed to ensure this general benefit. In this connection the Chairman refers to the suggestion made to the Portuguese Consul-General that Portuguese charities in need of help should make application to the Associated Foreign Charities, an organization which is a beneficiary of the lottery authorized by the Council.

Mr. Haley suggests that the Council, having failed to prescribe any limitation in time for which the approved lottery is valid has thereby in effect recognized an unlimited monopoly, which recognition he considers is not soundly principled.

Mr. Hsi states that he is not convinced of the reasonableness of the Council laying it down that only one charity lottery shall be allowed. He considers that if other lotteries are disqualified it should only be on the grounds of their inherent demerits, and not merely for the sake of preserving a monopoly as such. He states that when the lottery proposition of Messrs. Ellis and Hays was disapproved, disapproval was correctly on the grounds that it served no purpose which the approved lottery did not already fill and because the approved lottery was sufficient to achieve the aims claimed for the second. On its merits he disapproves the lottery for which permission is now asked.

The Chairman states that it was precisely because the one authorized lottery was considered sufficient for general relief needs that the Council had then decided that no other lottery should be permitted. When the second lottery had been broached, the Council had considered that the single lottery which had been permitted was likely to be more productive of funds for relief than two competing lotteries.

230.
October 4, 1939.

Mr. Yuan states that when he was approached in the matter of the lottery for which permission is now asked, he had made reference to the Council's decision that the one approved lottery sufficed.

Mr. Keswick supports the Chairman in his recommendation that the application be disapproved, and it is

RESOLVED that the Council's decision be affirmed, refusing permission for the operation of a lottery known as the "International Relief Lottery".

The meeting terminates at 5.15 p.m.

Cornell S. Franklin

Chairman.

J. J. [Signature]

Secretary & Commissioner General.

At the meeting of the Council held on Wednesday, October 18, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C.S. Franklin (Chairman)

W.J. Keswick

J.W. Carney

W. Gookson

G.A. Haley

Y. Hanawa

Yulin Hsi

E.Y.B. Kiang

R.G. MacDonald

G.E. Mitchell

O. Okamoto

T.S. Powell

L.T. Yuan

Yu Ya Ching

The Treasurer, and

The Secretary & Commissioner General.

F 5/12.

Membership. The Chairman extends a welcome to Mr. Hanawa upon his taking his seat, in succession to Mr. Sugisaka. He states that Mr. Hanawa is a prominent member of the Japanese community, and that the Council will have the benefit of his ripe business experience and the advantage of his knowledge of municipal affairs gained through his membership of the Watch Committee.

The Minutes of the meeting held on October 4 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Finance Committee of October 11 are submitted and confirmed.

The Minutes of the meeting of the Health Committee of October 12 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of October 13 are submitted and confirmed.

I 3/9.

Tavern Licence Policy. Mr. Keswick, Chairman of the Watch Committee, states that approval of the tavern at No. 1080 Bubbling Well Road involved application of the Council's existing policy regarding the issue of tavern licences, namely that a numerical sufficiency of such establishments in a particular area should not be the deciding factor, but that, unless there were individual circumstances disqualifying a given case, the law of supply and demand should be permitted to operate in determining applications. In view of a dissentient to the application of this policy so far as concerns Bubbling Well Road, he requests that, for the guidance of the Watch Committee in considering future

tavern licence applications for premises on Bubbling Well Road, members will decide whether the Council's policy should be affirmed or modified.

The Chairman states that a further affirmation of this policy would appear to be redundant, since it has been reaffirmed repeatedly on several recent occasions.

Mr. Powell states that it has been asserted as a reason for dissent from the existing policy that it is responsible for deterioration of conditions in Bubbling Well Road. He enquires if information exists to show whether any deterioration is reflected in rateable values in Bubbling Well Road. The Secretary & Commissioner General states that he must have notice of that question.

Mr. Carney enquires whether the decision by the Watch Committee to apply the Council's policy in the case in question was unanimous, and is informed that it was, with the exception only of Mr. MacDonald.

Mr. MacDonald states that he remains a dissentient, since he does not believe that Bubbling Well Road will be able to preserve its residential character if any further growth in taverns located thereon is permitted. He adds that the belief which was entertained that free competition would of itself limit numbers, by the elimination of some establishments, has been proved to be unjustified.

The Chairman replies that he does not consider that Bubbling Well Road can at the present day be characterised as residential, in view of the natural encroachment thereon of shops. He adds that a justification of the policy of supply and demand is the increased demand that results naturally from the considerable growth in the population.

Whilst the Council's policy is affirmed, Mr. MacDonald wishes his dissent recorded, with which Mr. Carney associates himself. Mr. Powell states that his attitude is dependent on the answer to the question which he has asked.

I 3/13.

Departmental procedure regarding Dancing Saloon Licences. In connexion with the dancing saloon licence application for No. 1193 E-J Bubbling Well Road, Mr. Haley suggests that the expectation of the applicant that the issue of building permit implied the issue of a licence may perhaps be considered not unreasonable. It is agreed that the Secretary & Commissioner General be asked to report on the departmental procedure involved, before the next Council meeting.

I 2/11.

Special Motor Car Licence Plates.- A letter from the Consul General for Italy is submitted protesting against the practice of issuing special motor car licence plates upon payment to all career diplomats, whilst at the same time the practice excludes such similar issue to all

Consular officials. No exception is taken to the practice of the free issue of two such plates to each Embassy or Legation and two to each Consulate.

A memorandum by the Secretary & Commissioner General explains that the recent practice was introduced as a result of pressure brought to bear by certain of the Embassies which claimed that diplomats all over the world were able to attain such special motor car licence plates. Whilst the Council never desired to alter the former rule that two special licence plates should be issued free to each Embassy or Legation and two free to each Consulate, and that none should be issued on payment, neither the French Consul General nor the Council felt itself able to resist such pressure without causing offence.

The Secretary & Commissioner General suggests that it is impossible to withdraw the privileges accorded to diplomats, which were granted only as recently as January last, and that accordingly there would appear to be only two possible courses of action open to the Council.

First, the Council might reply politely to the Italian Consul General explaining the position and stating that the Council is unable to reopen this matter. The advantage of this course is that if and when the Embassies and Legations are removed from Shanghai, the Council would be able to revert in practice to the old position of two Special Licence Plates to each Consulate.

The alternative would be to agree to issue any number of Special Licence Plates, on payment, to those career members of Consular staffs who do not receive free plates. The disadvantage of this course is that the town will be flooded with Special Licence Plates and that once such a privilege is granted it will be found very difficult to withdraw it when the Embassies move. The concurrence of the French Authorities would have to be obtained for any change of this nature. The Secretary & Commissioner General adds that his own view is that the matter should not be reopened.

The Chairman states that he is inclined to be sympathetic to the viewpoint of the Italian Consul-General, and therefore he would favour the unlimited issue of special plates on payment to career consular officials who do not receive such plates free under the existing practice. At the same time the Council should make it clear that it intends to return to the old practice of limiting such plates to two per Consulate, should the Legations or Embassies be removed from Shanghai.

Mr. MacDonald enquires whether in other cities junior members of diplomatic staffs receive similar special plates. The Chairman

replies that he believes not, and that following such example the issue to junior consular officials would be excluded. He adds that the Council has, however, made such issue to junior diplomats and has thus laid itself open to criticism by the Consulates.

Mr. Powell enquires whether it is not the general experience that cars with such special plates are apt to prove a nuisance, since it is somewhat natural for their chauffeurs to assume they are specially privileged. The Chairman replies that he cannot say this is so within his personal observation and adds that the special plates carry no traffic privileges. Mr. Carney suggests that it is the Police view that such cars are prone to be a nuisance, especially in theatre traffic.

Mr. Powell enquires as to the possibility of going back to the old position and depriving junior diplomats of their present privilege.

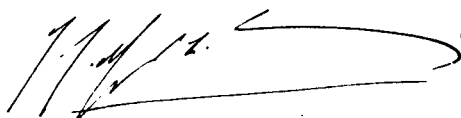
Mr. Keswick states that he is of the view that considerable caution should be exercised in entertaining the Italian Consul General's request. He believes that it would be a great mistake to alter the present policy. He considers that the position was worsened when the old practice was departed from and junior diplomats were admitted as recipients of the special plate. He believes that to extend the privilege to junior consular officials would be to create a storm of opposition on the part of the diplomats, who might then try to revive their former preferred position by requesting free plates instead of paying for them as at present. He understands unofficially that the British Consulate is satisfied with the present practice.

Mr. Kiang states that since the principle of issue to junior diplomats has been admitted, it should apply to junior consular officials and that accordingly he supports the Chairman's view.

Mr. Mitchell states that he is in favour of refraining from any action which would invite reopening of the whole question of the existing practice.

By a large majority vote it is resolved that reply be made to the Italian Consul-General that the Council is unable to re-open the matter of the existing practice in respect to the issue of special motor car licence plates.

The meeting terminates at 5.15 p.m.

 Connce S. Franklin
Chairman.

Secretary & Commissioner General.

At the meeting of the Council held on Wednesday, November 1, 1939, at 4.30 p.m.,

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Y. Hanawa

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Works

The Treasurer, and

The Secretary & Commissioner General.

The Minutes of the meeting held on October 18 are confirmed and signed by the Chairman.

I 3/13.

Dancing Saloon Licensing Procedure. The Secretary & Commissioner General states that the matter remains under discussion between Departments and that a report will be made to members in due course.

H 5/15.

The Minutes of the meeting of the Staff Committee held on October 26 are submitted and confirmed, with the following exception.

Police Force - Pay of Chinese Constables and Sergeants. Mr. Keswick states that whilst he was one of those who was sympathetic towards an increase in the basic pay of Chinese Constables and Sergeants, he feels that an increase is precluded on the grounds that the Council cannot afford it. A report by the Treasurer submitted subsequent to the framing of the Staff Committee's recommendation, showing that a sum of over \$300,000 per year is involved by the increases, confirms him in his conviction. He believes that for the Council to proceed to incur this extra expense in the light of its knowledge that its finances are in a very bad condition would warrant very severe public criticism. He states that the Commissioner of Police had said that there was no discontent among the Chinese Police, but that should the Council find it possible to accord an increase in pay so much the better. The argument for improved terms for the Russian Detachment, viz. that there was a danger of a reduction in their strength, does not apply to the Chinese Police. If it is essential to make some alteration in pay, he believes

it should be of the smallest possible amount. Finally, Mr. Keswick wishes it recorded that he is sympathetic to the Staff Committee's proposals but is of the view that the Council cannot afford to incur the attendant expense.

Mr. Kiang states that he takes a different view from that of Mr. Keswick. Though there is no open discontent among the Chinese Constables and Sergeants, both the Commissioner of Police and himself had received many letters asserting the inability of these ranks to live and support a family on their present pay. He states that for this reason the Commissioner of Police was in support of the proposal to increase the basic pay of these ranks. He considers that an insufficient wage will inevitably affect the conduct and discipline of these ranks. The objection based on the expense involved would not in his view appear to be warranted, in view of the Council's willingness to incur much heavier expenditure by increasing the cost of living allowances to the staff generally.

Mr. MacDonald states that he is inclined to agree with much of what Mr. Kiang has said. He considers that the Council must satisfy itself that these ranks are being paid a living wage; as to which however there appears to be a difference of opinion amongst members. He does not, however, consider that basic pay should be increased.

Mr. Gockson states that he favours the improved scales of pay resulting from the proposals of the Commissioner of Police and Mr. Kiang. He adds that the service rendered by these ranks would inevitably be affected should they be involved in financial difficulties owing to insufficient pay.

The Chairman states that there appears to be little ground for argument as to the reasonableness of the proposal to improve conditions for these ranks. He does not believe that the Council should be dissuaded from this course on the grounds of expense, since the three lakhs involved makes but a comparatively small addition to the large sums of money which the Council is already faced with finding. He is, however, averse to an increase in basic pay.

Mr. Mitchell states that all members of Council must be acutely alive to the difficult financial position. At the same time he states that the Chinese Police are a very important element of the Council's service.

Mr. Carney states that he would have been more sympathetic to the proposals had they been differently timed. He cannot escape the conviction that the temporary high cost of living, including the cost of rice being at its peak, was responsible for the letters received by Mr. Kiang and the Commissioner of Police. This high living cost the Council had, however, already compensated in the form of an increased temporary allowance and further the price of rice had recently dropped considerably.

Mr. Powell states that he is influenced by the Treasurer's report stating that the increase in basic pay will involve a substantial increase in the amount of Provident Fund and Superannuation monies. Since the cost of living fluctuates, it may be found that the present remuneration suffices at a later date. He is therefore reluctant to saddle the Council with the permanent liability which would result from altering the basic pay.

Mr. Yulin Hsi says that he has a close acquaintance with the living conditions of Chinese Constables. On their present small wages, and having regard to the present high costs of rent and rice, they find it difficult to maintain a family. In his view there is an evident necessity for affording relief, lest Police discipline be jeopardized. He does not consider that the Council should be dissuaded on the grounds of cost from increasing the basic pay, since this dissuasion did not operate when the Council gave allowances to its more highly paid staff. He states that such allowances were justified by the Council on the grounds of compulsion of circumstances, and he considers that a similar compulsion exists in respect of the pay of the lower ranks of the Chinese Police.

In reply to the Chairman, the Treasurer states that during the last two years the Council has not increased the basic pay of any of its employees.

The Chairman states that members' discussion has rather served to influence him to the view that it would be undesirable to give permanency to any present improvement of the pay of the Police ranks concerned, in view of the effect of a precedent on other employees. If an improvement is considered necessary he suggests it might be desirable to grant a further temporary cost of living allowance.

The Secretary & Commissioner General states that he had formed the impression from a reading of the minutes of the Staff Committee's discussion that members' views were influenced by the fact that the Council's finances were not in a good condition, but that at the same time felt that some improvement in the pay of the lower ranks of the Chinese Police was warranted in view of the special demands upon their services made by the existing emergency conditions. He suggests that to avoid a precedent which might be claimed by other employees it might be desirable not to improve their conditions by a further cost of living allowance, but by an alteration in the basic pay granted specifically on the grounds of the special conditions pertaining to the service rendered by the Chinese Police.

Mr. Kiang expresses himself as in agreement with the Secretary & Commissioner General's views. He states that it would be appropriate that the improvement should be accorded not only on the grounds of the high cost of living and to remove any discrepancies in pay as compared with the French Police, but also in recognition of the special work the Chinese Police are

called upon to perform.

Mr. Carney states that no proper comparison can be made with the French Police, who have few Constables. He states that the absence of resignations on the part of the lower ranks of the Chinese Police indicates that there is at present no dissatisfaction, which he considers has been removed by the cost of living allowance that has been granted.

Mr. Kiang replies that though it may be true that there is no open expression of discontent, in his view there in fact exists ground for discontent, which he considers the Council should anticipate and prevent by improving conditions.

The Chairman states that it has been suggested to him that if an improvement is to be made it should not be by an increase of basic pay but should be a temporary "emergency allowance" in recognition of the character of the present difficult work the Chinese Police are called upon to perform.

The Treasurer comments that ranks of the Force other than the Chinese Constables and Sergeants under consideration might consider themselves equally justified in claiming similar emergency recognition. He states that to give the Chinese Constables and Sergeants apparently similar treatment to the French Police in the matter of pay would involve a cost of two lakhs. He points out that his proposals for increase in the basic pay were framed in anticipation that the Council would not increase the temporary living allowance then obtaining.

Mr. Okamoto states that whilst he also is concerned about the Council's financial position, he had felt as a member of the Staff Committee that the Council should do something for the Chinese Constables and Sergeants.

Mr. Mitchell, Chairman of the Staff Committee, states that the discussions have revealed a considerable divergence of opinion. He considers that it would be regrettable if a decision were reached one way or the other by only a narrow majority. He suggests that the sense of the meeting should first be determined as to whether members generally favour an improvement of the conditions of service for Chinese Constables and Sergeants, and that if they do so the matter might be referred back to the Staff Committee to recommend how best to carry such improvement into effect.

Upon the Chairman putting the matter to a vote, it is decided in favour of some relief being afforded to Chinese Constables and Sergeants, the manner of such relief to be considered by the Staff Committee in the first place.

- L 31/3. The Minutes of the meeting of the Works Committee of October 27 are submitted and confirmed.
- Floods. Mr. Okamoto states that during the course of the Works Committee discussion mention was made of certain areas in Hongkew that were flooded. The Commissioner of Public Works had expressed the opinion that the flooding in North Szechuen Road, between Haining and Range Roads, was due to special factors. Mr. Okamoto expresses the hope that the Commissioner of Public works will give this matter his attention.
- K 35/14. Refugee Camp Amalgamation. Mr. Mitchell suggests that the desirability of amalgamating and reducing the numbers of Refugee Camps renders necessary the re-assembly of the Refugee Camp Transfer Committee, whose activities had been temporarily suspended with the Council's approval. Members agree to the resumption of this Committee's activities.
- L 5/124. Sale of former site of Public School for Chinese, Haskell Road. At the Works Committee meeting of September 28 a recommendation to the Council was framed in the following terms:-
- "That the Council offer to sell the former site of the Public School for Chinese, Haskell Road, P.B.C. Lot 867, having a surveyed area of Mow 9.762 for a sum of \$200,000 on terms and conditions acceptable to the Treasurer which shall be subject to the Council's approval."
- There is submitted a letter from the Japanese Residents' Corporation, offering a cash payment of \$150,000 or, as an alternative, a payment of \$200,000 by a first instalment of \$50,000, the remaining \$150,000 to be paid by annual sums of \$15,000 over a period of ten years commencing from 1940, free of interest.
- In a comment submitted, the Commissioner of Public Works states that the matter having been exhaustively discussed, he does not advise departing from the conditions of sale recommended by the Works Committee.
- A report by the Treasurer is submitted, stating that he has discussed with Mr. Amano and with Mr. Okamoto, Chairman of the Works Committee, the proposals contained in the letter of the Japanese Residents' Corporation, as a result of which it is understood that the Japanese Residents' Corporation now propose either a sale price of \$170,000 to be paid in a single cash payment, or a sale price of \$200,000 to be paid by a cash payment of \$100,000, the balance of \$100,000 being liquidated by five annual instalments of \$20,000. It is stipulated that this should be free of interest. The Treasurer adds that if it is decided to accept either of these proposals he would prefer the single cash payment of \$170,000.
- The Chairman states that he favours adoption of the Treasurer's proposal to accept a single cash payment of \$170,000, which he understands is in the Treasurer's view the more profitable of the two courses having regard

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to the interest on the money which the Council could earn.

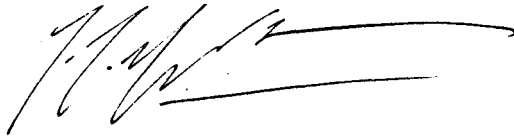
In reply to Mr. Keswick, the Treasurer states that any interest that the Japanese Residents' Corporation might be willing to pay on any sums they owed in respect of a gradual liquidation of the purchase price would be of only a nominal amount. In his computation of the benefit to be derived from accepting a single cash payment of \$170,000 he had computed interest at 7%.

The Chairman states that since the site is required for Japanese school purposes and as there is no prospect of the site being used by the Council, he favours acceptance of the single cash payment of \$170,000. Members agree to adopt this course.

The meeting terminates at 5.45 p.m.

Cornell J. Franklin

Chairman.



Secretary & Commissioner General.

At the meeting of the Council held on Wednesday, November 15, 1939, at
4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Treasurer, and

The Secretary & Commissioner General.

Absent:

Mr. Y. Hanawa.

The Minutes of the meeting held on November 1 are confirmed and signed
by the Chairman.

The Minutes of the meeting of the Staff Committee held on November 9 are
submitted and confirmed.

H 5/15.

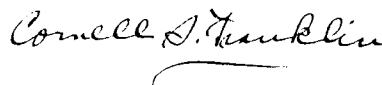
Police Force - Pay of Chinese Constables and Sergeants. In reply to
Mr. Keswick, the Treasurer states that the cost of the Staff
Committee's proposals will approximate two lakhs. These proposals
are adopted.

The Minutes of the meeting of the Public Utilities Committee held on
November 10 are submitted and confirmed.

The meeting terminates at 4.55 p.m.



Secretary & Commissioner General.



Chairman.

At the meeting of the Council held on Wednesday, November 29, 1959, at

4.30 p.m., there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Y. Hanawa

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

Yu Ya Ching

The Commissioner of Police

The Commissioner of Public Works

The Deputy Treasurer - Revenue

The Treasurer, and

The Secretary & Commissioner General.

Absent:

Mr. L. T. Yuan.

The Minutes of the meeting of November 15 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Finance Committee held on November 16 are submitted and confirmed.

The Minutes of the meeting of the Health Committee held on November 23 are submitted and confirmed.

Standard of Milk Supply to Municipal Institutions. Mr. Haley, Chairman of the Health Committee, states that following upon the Health Committee's suggestion that a differentiation in the standard of milk supplies for drinking and cooking purposes might be made, and thereby an economy be effected, the Commissioner of Public Health has submitted a report stating that approximately 80% of the milk used is for drinking purposes and only 20% for cooking purposes. Based on the average of the present fluctuating milk prices, the saving in cost in purchasing 20% of non-T.T. milk would approximate only \$600 in a year. Mr. Haley suggests, therefore, that subject to any views the Treasurer may wish to express there would appear to be no further case on financial grounds for not adopting the recommendation of the Commissioner of Public Health to use only T.T. Grade milk.

M 7/57.

November 29, 1939. ^{243.}

The Chairman states that since the Health Committee favoured the use of T.T. milk if finances permitted, and since only a negligible saving would result from the use of non-T.T. milk of Grade "A" quality, there would appear to be no reason not to adopt the recommendation of the Commissioner of Public Health in this matter and to accept the tender of the Li Yuen Dairy for a Grade "A" T.T. standard. With members' concurrence it is decided accordingly.

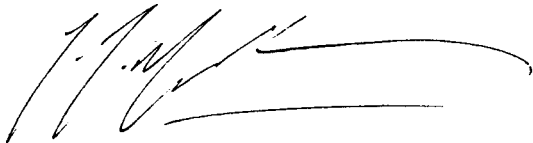
The Minutes of the meeting of the Library Committee held on November 24 are submitted and confirmed.

L 12/3

Bund Landing Facilities. The Chairman states that as a result of careful study of the voluminous documents submitted in this connection, he has reached the conclusion that the situation regarding the operation of the Bund Landing Accommodation scheme is at present such as to justify deferring consideration of this matter for a period of three months. Mr. Kiang states that he regards the Chairman's suggestion as very sound and members unanimously concur therein.

The meeting terminates at 4.50 p.m.

Conceal J. Franklin



Chairman.

Secretary & Commissioner General.

At the meeting of the Council held on Wednesday, December 13, 1939, at 4.30 p.m.

there are:-

Present:

Messrs. C. S. Franklin (Chairman)

W. J. Keswick

J. W. Carney

W. Gockson

G. A. Haley

Y. Hanawa

Yulin Hsi

E. Y. B. Kiang

R. G. MacDonald

G. E. Mitchell

O. Okamoto

T. S. Powell

L. T. Yuan

Yu Ya Ching

The Commissioner of Public Health

The Treasurer, and

The Secretary & Commissioner General.

The Minutes of the meeting held on November 29 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Public Utilities Committee held on December 5 are submitted and confirmed.

The Minutes of the meeting of the Health Committee held on December 8 are submitted.

I 14/1.

Licensing of Pharmacies. Mr. Haley, Chairman of the Health Committee, summarises the discussions which preceded the resolution of the Health Committee that consultations be entered into with the French Municipal Administration regarding the control of drugs and poisons in the Settlement and the French Concession. He refers to the opposition of the Chinese Pharmacies and Drug Manufacturers and to the view of the Commissioner of Public Health that since it would seem that the time is not ripe for this measure he would recommend it be dropped for the moment. He states that the Secretary & Commissioner General has, however, expressed the opinion that every new licence meets with opposition; that such opposition can usually be successfully overcome, and that he believes it could and would be in this case. The Secretary & Commissioner General has added that the Council must one day introduce some measure to regulate the sale of poisons; and that while he does not believe that the difficulties are insuperable, it may however be felt by members that the present time is not opportune for introduction of the measure.

The Chairman of the Council states that he has given the matter careful consideration. He states that he is not particularly impressed by the representations of the Chinese Pharmacies and Drug Manufacturers. Nevertheless, he feels that the present financial stringency prevents the introduction, at the moment, of regulations of that comprehensive nature which would satisfy the Health Department that fully adequate control was in fact being introduced. He is not in favour of other than full control, and therefore he does not favour mere Police regulations, which the Health Department considers of little service. He prefers that the matter should rest until the position permits of it being handled adequately.

Mr. Kiang supports the views of the Chairman. He states that it is a very practical view and that mere Police regulation is insufficient.

Mr. Carney states that he remains in favour of the recommendation of the Health Committee and adds that he has been informed that the French regulations are not solely of a Police nature.

The Commissioner of Public Health states that under the regulations in force in the French area, the Commissioner of Public Health of that area is required to sign the Pharmacy books each month, and that in his view the large number of such books makes the adequate discharge of this function impracticable under the present French drug control organization.

Mr. Yuan states that he is in full agreement with the views of the Chairman of Council.

Mr. Haley states that he is of the view that under the present abnormal conditions no scheme of control could be adequate unless it was of a most comprehensive nature involving very considerable expense.

Mr. Carney replies that he had originally had doubts as to the possibility of a practicable scheme under the limited expenditure contemplated by the proposals first submitted by the Public Health Department. The Health Committee had, however, been assured that the expenditure could be recouped in licence fees.

The Chairman states that the initial scheme contemplated by the Public Health Department was of a very limited character, and that he remains of the view that unless it is wholly adequate to enforce full control the matter should be dropped for the present. He adds that it appears from the Health Committee's discussions that two of the three medical members were in agreement as to the great difficulties involved in adequately coping with the problem.

Mr. Keswick states that since considerable doubts have been expressed in the matter he supports the Chairman's attitude.

Mr. Hsi states that harm rather than good would result if the control is not to be wholly effective.

Mr. Haley states that the particular scheme of control submitted by the Public Health Department was recognized to be only the first step and that in itself it was not a wholly adequate scheme, since control was to be established by gradual steps. In his view, the present conditions make remote the prospects of a successful conclusion of control measures, and therefore he does not feel that it is worth starting on control at the present time.

The Chairman then puts the recommendation of the Health Committee to a vote and it is rejected by a large majority.

M 5/13.

Municipal Gazette. In a memorandum submitted the Secretary & Commissioner General states that owing to the increased cost of paper and printing, the cost of the foreign and Chinese editions of the Municipal Gazette for 1940 is estimated at \$43,000 as compared with \$28,500 for the current year. In view of this increasingly heavy expenditure on the Gazette, he has at the suggestion of the Treasurer examined the possibility of effecting economy by a change of system, and has obtained the views of all interested Departments. He states that the two suggestions which he makes, namely,

1. That the Gazette should be a monthly instead of a weekly publication, and
2. That departmental monthly reports should not be published in the Gazette

will involve the giving of no less full information than is now given to the public. It is obvious that news is more easily given in a daily newspaper than in a publication which appears weekly or monthly. As a result, much of the matter that appears in the Gazette merely duplicates material that has already been published in the press. The chief value of the Gazette is that it provides an almost indispensable "reference" publication and an official record which is of value less to the ordinary reader than to the Council's Departments, consulates, courts, lawyers offices, etc.

He states that the publication of departmental reports is a very material factor in contributing to the bulk and, consequently, to the cost of the Gazette. It is generally agreed by Heads of Departments that as these reports are published in the press, there is little value in repeating their publication in the Gazette. The important part of Gazette material is the publication of notifications and tenders. Departments generally agree that arrangements can be made for the publication of tender invitations monthly rather than weekly. Notifications when of general public interest are already published in the press as well as in the Gazette. Some notifications which are now published two or three times could, without hurt, be only published once. He considers, therefore,

that for these two purposes, viz. tenders and notifications, the Gazette could well be published monthly rather than weekly. Reports of Committee and Council activities are all at present published in the press as well as in the Gazette, except in the case of very lengthy special reports when special Gazettes are issued.

The Secretary & Commissioner General recommends that the Gazette be made a monthly instead of a weekly publication and that departmental reports cease to be published in the Gazette except in special circumstances, adding that it is estimated that the adoption of these proposals will result in a saving of approximately 40% of the cost of the Gazette.

Mr. Keswick states that if the Secretariat is satisfied by the proposals submitted, he has no objection to make.

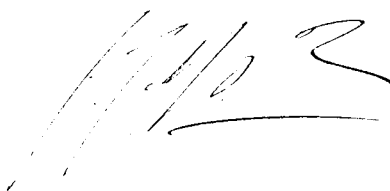
Mr. Haley enquires whether public objection may not be expected. The Chairman replies that it would be too optimistic to expect no objections whatever.

The Secretary & Commissioner General states that it might be desirable to inform the public that the new Gazette arrangements are of an experimental character. The Chairman comments that if necessary the present arrangements can always be reverted to.

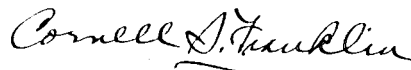
Mr. Powell suggests that it should not be definitely ruled that departmental monthly reports are not to be published in the Gazette, since it is possible that the time may come when the press may not be interested in giving them publicity. The Chairman replies that so long as the press does give them publicity, repetition in the Gazette is unnecessary, and that this point might safely be left to the discretion of the Secretariat.

The Secretary & Commissioner General's proposals are thereupon adopted.

The meeting terminates at 5 p.m.



Secretary & Commissioner General.



Chairman.