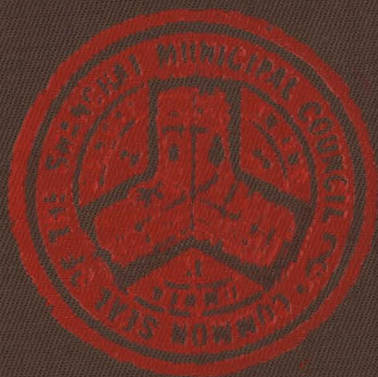


工部局董事会 会议录

第二十四册

上海市档案馆 编

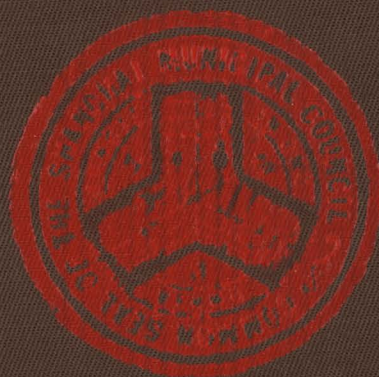


上海古籍出版社

THE MINUTES OF SHANGHAI
MUNICIPAL COUNCIL

Volume XXIV

SHANGHAI MUNICIPAL ARCHIVES



Shanghai Classics Publishing House

工部局董事会会议录

第二十四册

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 XXIV

SHANGHAI MUNICIPAL ARCHIVES

Director of the Editorial and Examination Committee Zhang Qian

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Shanghai Classics Publishing House

工部局董事会会议录

THE MINUTES OF

SHANGHAI MUNICIPAL COUNCIL

(1928—1930)

At the meeting of the Council held on Wednesday, January 11, 1928,
at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 K. Fukushima
 T. Funatsu
 V. G. Lyman
 H. B. Roe
 T. H. R. Shaw
 The Commissioner General, and
 The Secretary.

Absent:

Mr. W. R. B. McBain.

The Minutes of the last meeting are confirmed and signed.

The Council 1928/29 - Date of Election. - A draft letter to the Senior
 1187 Consul requesting that a date be fixed for the election of Councillors
 for the Municipal Year 1928 and suggesting that Thursday and Friday,
 March 1 and 2, would be generally convenient for this purpose, is approved.

Land Commission - Membership. - It is decided to invite Mr. G. Okada to
 1191 continue as the Council's nominee on the Land Commission for the forth-
 coming Municipal Year.

Constitution of Court of Consuls. - A letter from the Senior Consul notifying
 1199 the constitution of the Court of Consuls for 1928, is noted.

General Hospital - Consular Representatives on Board of Governors. - A
 1199 letter from the Senior Consul notifying the Consuls elected to serve on
 the Board of Governors of the General Hospital for 1928, is noted.

Taxation of Greyhound Racing. - In accordance with the minute of the last
 1198 meeting, a memorandum by the Commissioner-General outlining the system
 adopted for the taxation of greyhound race tracks by the French Municipal
 Authorities and giving particulars of the two Companies which have regis-
 tered with the British Consulate for operation within the Settlement, is
 submitted. With regard to the view unofficially expressed by the British
 Consul-General that if pari-mutuels or cash sweeps are conducted in con-
 nexion with greyhound racing the formation of a club will be necessary
 whereafter the manner in which the club conducts its business and what

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its membership consists of will be matters for the Council's control, the Chairman states that whilst the Council under the Land Regulations can frame Regulations for the control of clubs, the question as to the legality for conducting pari-mutuels and cash sweeps is governed by the laws of the country to which the promoters are subject. Upon his suggesting that for the time being the Council should confine its consideration to means whereby taxation may be imposed on these syndicates, the Commissioner-General points out that the basis of taxation will depend almost entirely on whether or not they are permitted to conduct pari-mutuels and cash sweeps.

Since the Council has never raised the question of the legality of the pari-mutuels and cash sweeps conducted by the Race Club and as these have been in operation for many years, the Chairman regards it as inadvisable to raise this question now in respect of the two Companies now in course of formation. The Commissioner-General suggests that possibly these Companies may incorporate as clubs of which the public are made members for one day only, by payment of gate money. He suggests that in the first instance he should approach the directors of each Company in order to find out what they have in mind in regard to pari-mutuels and cash sweeps, after which the question of taxation could be taken up. After discussion in the course of which it is realised that any basis of taxation arrived at in these cases may affect the position of the Shanghai Race Club in the matter of taxation, members endorse the Commissioner-General's proposal that he should take up this question with the directors of the two Companies and thereafter report to the Council.

Licensing of Greyhounds. - An enquiry from the Secretary of the Greyhound Association of China Ltd., as to whether it is necessary to take out licences for these animals, is submitted. After brief discussion, it is decided that licences for these dogs should be taken out in the usual manner.

Japanese Residents' Petition. - Exclusive Policing by Japanese Branch. - With regard to the proposal that the policing of the Dixwell and Pootoo Road districts should be exclusively undertaken by the Japanese Branch, the Commissioner of Police for the reasons advanced recommends that a number of Chinese Police should be retained in these districts. In support of this recommendation, the Commissioner-General states that representations have been made to him on behalf of Chinese mill-owners in the Pootoo Road district, that the Chinese

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Police in this district should not be entirely withdrawn. Members concur ⁱⁿ with the view of the Commissioner of Police as to the advisability of retaining a number of Chinese Police in these districts and the further recommendations contained in his report of December 22, regarding the policing of these districts by the Japanese Branch, are also endorsed.

9111 Chinese Special Advisory Committee to consider Municipal Budget. - The nominations of seven Chinese to confer with the Council on the forthcoming Municipal Budget having been accepted, consideration is given as to the best means by which their collaboration may be secured. The Commissioner-General states that he has discussed this question with one of their representatives and has arranged for three of their number to attend at the Secretariat shortly in order that the method of preparing the Budget may be fully explained to them. They have been informed that if they desire they may attend the meetings of the various departmental Committees when the estimates are under consideration, also the meetings of the Finance Committee when the final estimates are submitted. One of the representatives suggested that an opportunity might be given them to become acquainted with the members of Council. Members approve this proposal and the Commissioner-General will accordingly arrange for a tiffin party to be held on Tuesday next either at the Shanghai Club or the Astor House Hotel. The Vice-Chairman's proposal is endorsed that an invitation be extended to these representatives to accompany members of the Works Committee and the Commissioner of Public Works on their periodical inspections of public works and undertakings.

Conduct of Cases by Prosecuting Solicitors. - (see schedule attached).

The Municipal Gazette for Friday, January 13, is submitted in proof and authorized for publication.

The meeting adjourns at 6.p.m.

Stirling Sutherland
Chairman.

Sh. Duward

Secretary.

Schedule to the Minutes of the Meeting of Council of January 11, 1928.

Charges of Inefficiency against the Prosecuting Solicitor and his Assistant:-

A confidential memorandum by the Commissioner-General dealing with complaints which have been received from the Provisional Court Judges, the Consular Deputies and the Commissioner of Police as to the manner in which Police prosecutions are conducted in the Provisional Court by the Prosecuting Solicitor and his Assistant, together with a reply to such charges by Messrs. Maitland and Goldring have been circulated.

The Chairman states that whilst it is impossible to overlook the serious nature of these charges, the fact should not be lost sight of that with the exception of Mr. Burdett none of the Assessors have had any legal training or have any knowledge of the proper manner in which Police prosecutions should be conducted. For this reason certain of the statements made should be received with reserve. A proper investigation of the charges put forward presents some difficulty.

At the same time that the above complaints were received the Commissioner of Police also requested that a case involving the intimidation of Tramway employes should be placed in the hands of the Council's Legal Adviser, on the ground that at an earlier hearing the case had been grossly mishandled by the Prosecuting Solicitor. He thereupon interviewed Mr. Maitland and informed him that serious charges had been made against him and his Assistant as to the manner in which cases were handled by them in the Provisional Court and in order to give him an opportunity of proving whether these allegations were or were not well founded he instructed him to take this particular case personally, instead of adopting the proposal of the Commissioner of Police that it should be handed over to the Legal Adviser. He has since been notified that this case has been handled by Mr. Maitland to the entire satisfaction of the Police Department and the Consular Deputies. It would thus appear that Mr. Maitland can, if he so desires, conduct cases satisfactorily.

The charges put forward are serious reflections on the professional ability of both Mr. Maitland and Mr. Goldring and further may be regarded as detrimental to the interests of the community. He is not, however, prepared to accept the statements put forward as conclusive, although it is difficult to suggest any means by which a thorough investigation might be instituted for the purpose of ascertaining to what extent the Prosecuting Solicitor and his Assistant are culpable. It

would, therefore, appear to be desirable to devise some means by which the Council would be enabled to decide whether the charges put forward result from lack of ability or energy on their part or whether they are attributable to conditions over which they have no control.

The Commissioner-General states that the Judges of the Provisional Court have been particularly emphatic in their complaints and he suggests that the Council take no action at the present time other than to warn Messrs. Maitland and Goldring that such complaints have been received and that reports will be called for from the complainants in two months' time. The intervening period should be sufficient to show whether Mr. Maitland and his Assistant are capable of conducting cases to the satisfaction of the Court.

The Vice-Chairman suggests that the Chairman should personally inform Messrs. Maitland and Goldring that the Council is dissatisfied with the manner in which cases are conducted and should impress on them that unless marked improvement is shown the termination of their services will be considered.

After discussion the above two proposals are adopted.

With regard to the engagement of a new Legal Assistant the Vice-Chairman suggests that under present conditions it might be possible to obtain a suitable man locally, thus avoiding the necessity of obtaining a man from Home. The Chairman agrees that whilst there might be no difficulty in obtaining a suitable man in Shanghai, he is very doubtful whether one could be obtained for the salary proposed.

Another matter which has been brought to his attention is the suggested unsuitability of the Chinese Assistant who accompanies Mr. Maitland in Court; this in some degree may handicap Mr. Maitland in the successful conduct of prosecutions, and he undertakes to obtain Mr. Maitland's views as to this and if necessary to authorise him to obtain a more suitable employe for this duty.

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At the meeting of the Council held on Wednesday, January 13, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden (Chairman)
A. D. Bell (Vice-Chairman)
K. Fukushima
T. Funatsu
V. G. Lyman
W. R. B. McBain
H. B. Roe
T. H. R. Shaw
The Commissioner-General, and
The Secretary.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Traffic Committee of January 9, are submitted
3106 and confirmed. With regard to: Utilisation of the mud track within the Public Recreation Ground for parking purposes, the Vice-Chairman states that there would appear to be some misunderstanding on the part of the Police Department as to the attitude of the Race Club Stewards regarding the utilisation of the mud track for parking purposes. He has ascertained that whilst the Stewards have no objection to the occasional use of this track for the purpose, they take exception to arrangements being made without any prior reference to them. He, therefore, suggests that if in future the Police desire the use of the mud track for the parking of motor vehicles on occasions such as referred to in the Committee's minute and proper notice is given to the Stewards no difficulty will be encountered. The Secretary is directed to notify the Police as to this.

The Minutes of the meeting of the Works Committee of January 10, are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of January 12, are submitted and confirmed.

Chinese Representation on Council. - Further reports by the Commissioner
3114 General wherein he puts forward alternative suggestions for the settlement of this question on a compromise basis are submitted. With regard to the first suggestion that if three Chinese representatives join the Council forthwith and their relations with the existing Council prove to be satisfactory the Council should undertake to recommend to the ratepayers

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at the forthcoming Annual Meeting an increase to five, the Chairman states that he is reluctant at the present time to advocate any increase in the number sanctioned. For the reason that the future political and military status of the Nationalist Government is obscure and since the demand for increased representation on the Council emanates primarily from political agitators, the Consular Committee supports his attitude. Up to the present, the Nationalist Authorities have failed to demonstrate their ability to achieve anything in the nature of constructive municipal work and for this reason he does not regard with favour the second suggestion put forward by the Commissioner-General that in addition to three Chinese members serving on the Council, the Council should agree to the appointment of an Advisory Committee consisting of five members each of whom should serve on the Council's Committees. At the same time if this would satisfy the Chinese community and assist towards the settlement of this question he would be prepared to withdraw his objections.

The Commissioner-General submits that the desire for increased participation by Chinese in the government of the Settlement has within the past year extended to the responsible and respectable classes of the Chinese Community and that unless some solution is reached in the near future, the Council will undoubtedly be confronted with further difficulties including probably a refusal by the Chinese to pay Municipal Rates. His proposals are therefore put forward solely with the object of enabling the administration to be conducted without the difficulties experienced last year. If the proposal that an Advisory Committee of five should be appointed were agreed to, he anticipates that its members would be selected from those of the newly formed Budget Committee who were entertained by the Council on Tuesday last, with the addition of Mr. Yu Ya-ching. It may also be presumed that three of those gentlemen would be nominated to serve as members of the Council.

The Chairman states that he understands that Mr. C. T. Wang, one of the leading agitators for increased Chinese representation on the Council has now been eliminated from the local nationalist political party and has left Shanghai. He is also influenced, in his opinion, as to the inadvisability of the Council committing itself to advocating increased Chinese representation by a conference he recently had with M. Maggior, regarding the attitude adopted by the French Municipal Authorities towards the question of the participation of Chinese in the

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administration of the French Concession. He then details the views expressed both by M. Maggiar and M. Meyrier on this question. Members realise, however, that the French Municipal Council functions in an advisory capacity only and that the French Consul-General is empowered at any time to dismiss any or all of its members. As, however, in the Settlement increased Chinese representation can be effected only with the approval of the ratepayers, members agree that it would be most inadvisable for the Council to put forward a recommendation for such increase unless it could be assured that the ratepayers would support such proposal.

In supporting the suggestion that an Advisory Committee should be appointed, the Vice-Chairman proposes that five Chinese should be invited forthwith to serve in that capacity and that they be appointed to sit on the more important Committees of the Council. By this means they would be educated in the administrative work of the Council and the Council would be in a position to form an opinion as to their desire to assist in the administration which would be valuable when later the question of increased representation had again to be brought before the ratepayers. A further advantage would be that whilst they would be given every opportunity of participating in the work of the various Committees their recommendations would always be subject to the Council's approval. He, therefore, supports the Commissioner-General's suggestion, namely, that the Chinese be invited to nominate three members to the Council forthwith and five additional members be invited to serve on the Council's various Committees, the hope being transmitted that the result of this proposal will enable the Council at a later date to again bring forward to the ratepayers the question of an increase in the number of Chinese members of Council, as desired.

Members take the view that since the above scheme can be brought into operation forthwith, whereas the possibility of the sanction of the ratepayers being obtained to an immediate increase of Chinese Councillors is very doubtful, the proposal should commend itself to the Chinese community.

After discussion and subject to the Council not binding itself to bringing the question of increased Chinese representation before the ratepayers at a specific time and to provision being made whereby the Council would be able to reject any undesirable proposals,

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the proposal put forward by the Vice-Chairman, is adopted.

The Chairman undertakes in conjunction with the Commissioner General to draft a communication embodying the above offer and to circulate same to members for their approval.

Public Sale of Opium. - With reference to the minute of the meeting of December 26, a communication from the Committee of the Chinese General Chamber of Commerce stating that the question referred to them by the Council will be carefully considered and a reply forwarded in due course, is submitted.

The Chairman states that prior to the departure of the French Consul-General, he enquired as to the policy of the French Municipal Authorities on this question. M. Maggier stated that he understood that the Nationalist Authorities intended to instruct the Provisional Court to refuse to regard the smoking and sale of opium within the Settlement as an offence, he then outlined the views held by him regarding the licensing of the sale and smoking of opium within the French Concession, in the event of this attitude being adopted by the Nationalist Authorities and their licensing the sale and smoking thereof in adjacent Chinese territory. After a lengthy discussion in the course of which the Chairman pointed out the possible effect of the action contemplated by the French Authorities on Foreign public opinion, M. Maggier was inclined to modify his views and finally he intimated that upon his return to Europe he would put forward the question to the League of Nations for their views.

Propaganda. - The Chairman reads a letter he has received from Mr. H. G. Sims detailing for the Council's consideration a scheme for counteracting the hostile propaganda launched by a section of the British Press against the Council and the British interests in Shanghai. An outline of the scheme, which would be conducted by Mr. Watney of St. Stephen's Intelligence Bureau, is read, it being noted that the cost thereof would be 2500 per annum. Since a certain section of the English Press has been particularly active in its hostile criticism of the Council the Chairman considers that the operation of the proposed scheme might have beneficial results. If, however, the Council agrees to finance the scheme, instructions should be given that it be conducted on international lines and not confined entirely to the promotion of British interests. Should it be possible to extend this scheme to other countries having considerable interests in the Settlement, he considers this would be advantageous to the foreign community.

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Prior to recording decision it is decided that the communications received from Mr. Simms be circulated to members for their consideration.

Charges of Inefficiency against the Prosecuting Solicitor and his Assistant. -

3081 With reference to the minute of the last meeting, the Chairman reads a letter received from one of the American Consular Deputies supporting the views already recorded by other Consular Deputies and putting forward suggestions with the object of ensuring the more satisfactory conduct of cases dealt with by the Provisional Court. The Chairman states that in accordance with the decision reached at the last meeting he interviewed Messrs. Maitland and Goldring and explained to them that the Council was dissatisfied with the manner in which cases were conducted and impressed on them the need for a marked improvement. Mr. Maitland alluded to the heavy increase in the number of criminal cases which now have to be dealt with as also to the fact that under the existing system no line of demarcation exists between cases which must be handled in Court by a lawyer and other cases of a nature which could be successfully dealt with by a Police officer. He states that at present he is requested by any Police officer to conduct a case, frequently at the last moment with the result that in some instances it has been found that the case could have been satisfactorily conducted by the Police officer himself or that insufficient time was allowed him for its preparation. From further enquiries made of lawyers who have had considerable experience in the Mixed Court, the opinion expressed by him at the last meeting, that the inability of the Chinese Assistant who accompanies Mr. Maitland in Court to correctly translate the statements made by him have influenced the reports received from the Judges and Assessors, is strengthened. Mr. Maitland also stated that other work undertaken by himself and his Assistant in the Secretariat such as that connected with the collection of outstanding rates, etc., takes up a considerable amount of their time.

The Chairman accordingly suggests that it might be more satisfactory both for the Council and the Prosecuting Solicitors themselves if in future they are attached to the Police Department and their duties confined entirely to Police prosecutions. He has requested Mr. Maitland to draw up in conjunction with the Police Department a scheme whereunder only cases involving a serious or political issue would be dealt with by them. He adds that to effect any satisfactory re-organization certain

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details of a legal nature may require consideration and he suggests that these might be left to him for settlement.

After brief discussion, members unanimously agree that any necessary re-organization involving changes as above outlined be left to the discretion of the Chairman.

Membership. - Members are informed that owing to Mr. H. B. Roe's impending ¹¹⁷² departure from Shanghai, this is the last meeting of Council he will be able to attend. In accepting his resignation, with regret, the Chairman on behalf of members expresses appreciation of the valuable services rendered by Mr. Roe during his tenure of office and voices the hope that upon his return to Shanghai he may again serve as a Councillor. In thanking members for this expression of appreciation, Mr. Roe expresses his regret at relinquishing his seat on the Council.

The Municipal Gazette for Friday, January 20, is submitted in proof and authorized for publication.

The meeting adjourns at 6 p.m.

Sam. Edwards

Secretary.

Stirling Crossenden
Chairman.

At the meeting of the Council held on Wednesday, February 1, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
K. Fukushima	
T. Funatsu	
V. G. Lyman	
W. R. B. McBain	
J. J. Paterson	
T. H. R. Shaw	
The Commissioner-General, and	
The Secretary.	

Membership. - The Chairman welcomes Mr. J. J. Paterson upon his rejoining the
1172 Council. Mr. Paterson expresses his willingness to serve on the Watch,
Staff and Health Committees.

To fill the vacancy caused by the resignation of Mr. H. B. Roe
it is decided to invite Mr. B. C. M. Johnston of the Hongkong & Shanghai
Banking Corporation to accept a seat on the Council.

The Minutes of the last meeting are confirmed and signed. With regard to

2211 Appointment of Chinese Consultative Committee, the Chairman reports that
in accordance with the decision recorded at the last meeting he transmitted
to Mr. Yu Ya-ching the proposal as to the appointment of a Chinese
Consultative Committee. Mr. Yu Ya-ching expressed his gratification and
his hope of being able to secure the adoption of this proposal by the
Chinese community. He undertook to lay this proposal before the
representatives of the various Chinese organizations forthwith.

The Minutes of the meeting of the Electricity Committee of January 9, are
submitted and, subject to the following exception, are confirmed.

Engagement of Chief Assistant Engineer. - With regard to the difficulties
referred to by Mr. Aldridge in filling this position at the salary offered,
members are reluctant to authorise increased pay at the rate of Tls. 1500
per mensem as recommended on the ground that such rate will inevitably
entail the re-adjustment of pay drawn by other senior officials in the
Department. Doubt is also expressed as to whether the senior officials
of the Department give sufficient consideration to the qualifications of
existing members of the Staff when vacancies for senior posts arise. In

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this connexion, members endorse the Chairman's view that since the Council must necessarily be guided in these matters by the recommendations put forward by the Electricity Committee who in turn must rely on the advice of the senior officials it might be advantageous if the membership of the Committee comprised a qualified electrical engineer. Members also record the view that it might be possible to obtain locally a suitable candidate for the vacancy. Prior to endorsing the Committee's recommendations in this matter it is directed that the above observations be transmitted to them for their careful consideration.

Introduction of Corporal Punishment. - In a report submitted, the Commissioner ¹⁰⁷⁶ of Police advocates that in view of the recent increase of kidnapping and armed robberies within the Settlement the strongest possible representations be made for the inclusion of corporal punishment in the sentences imposed by the Provisional Court. It is recalled that similar representations made in the past have been unsuccessful but in view of the new Bandit law recently enacted by the Chinese Authorities for dealing with crimes of violence it is unanimously decided that this matter be again taken up with the Consular Body.

Public Sale of Opium. - With reference to the minute of the last meeting, the ¹⁰⁷⁷ Chairman reports that Capt. Fibri, Chief of Police of the French Concession recently called upon him, apparently at the suggestion of M. Naggiar, and informed him very frankly as to the policy adopted by the French Concession Authorities regarding the sale of opium. Having regard to the recent announcement made by the Nationalist Government considerable discussion takes place as to the advisability or otherwise of adopting the policy followed by the French Concession Authorities and also as to the desirability of an expression of opinion of certain representative bodies being obtained prior to reaching decision in this matter. The Chairman requests members to consider most carefully the whole question in the light of the information disclosed at this meeting with a view to a further discussion at a later date.

Lester Trust - Appointment of Trustee. - A letter from Messrs. Platt & Co., ¹⁰⁷⁸ requesting the Council to appoint a new trustee to replace Mr. R. N. Macleod who has recently resigned, is submitted. It is unanimously decided to request Mr. R. E. S. Gregson to fill this vacancy.

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Japanese Residents' Petition - Educational Subsidy. - The application of 4733/ the Japanese Amalgamated Association of Street Unions for a subsidy from the Council towards the cost of maintaining the Japanese national schools in Shanghai with comment by the Commissioner-General and a memorandum by the Educational Assistant have been circulated. Mr. Fukushima states that this application is put forward by the Japanese Association for the study of the Shanghai Municipal administration but the Japanese Residents' Corporation does not support this petition being put forward at the present time.

The Chairman alludes to the policy consistently adhered to by the Council in the past and the difficult position in which it might be placed if departure therefrom were made in respect of one particular nationality. It is not unlikely that with the advent of Chinese Councillors the whole policy regarding the provision of educational facilities may have to be revised which may entail a heavy expenditure from the public funds. Upon Messrs. Fukushima and Funatsu agreeing that it would be impolitic at the present time to consider any change in the existing policy it is decided that further consideration of the above application be deferred until the whole question of education is reconsidered.

Mr. Funatsu submits a memorandum dealing with the educational work undertaken by the local Japanese residents viz-a-viz that provided by the Council and this will be circulated to members. 4733/ Japanese Assistant Commissioner of Police. - Following the Council's decision to appoint a Japanese Assistant Commissioner of Police, Mr. Fukushima states that in accordance with the Council's request he has, in collaboration with the Commissioner of Police, endeavoured to obtain a suitable candidate for this post. After consultation with the Japanese Consul-General, the latter communicated with his Home Government. It has been suggested by the Japanese Residents' Corporation that Mr. Tajima who was formerly a Vice-Consul in Shanghai and who is now in Nanking could suitably fill this appointment. In addition to his knowledge of local conditions he possesses an excellent knowledge of the English language which qualifications should assist towards the necessary co-operation between the officer appointed and his fellow police officials. He has discussed with the Commissioner of Police Mr. Tajima's qualifications for this appointment and Capt. Barrett has expressed his desire to

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meet him upon his return to Shanghai shortly. Whilst he is not certain that Mr. Tajima will be willing, or permitted, to accept this appointment he suggests that after his return to Shanghai a meeting should be arranged with the Commissioner of Police whereafter a report could be submitted by Capt. Barrett. Members unanimously endorse this proposal.

Chinese Special Advisory Committee on the Budget. - In view of the fact that 1111 the Chinese Budget Committee will commence to function forthwith the Chairman requests members of Committees to do their utmost to make the Chinese representatives feel at home at the meetings of the various Committees thereby assuring them of the willingness of members of Council to afford the fullest co-operation.

Chinese Stamp Tax. - A letter from Messrs. E. D. Sassoon & Co., Ltd., forwarding 1107 a communication received from the Chinese General Chamber of Commerce relative to the payment of stamp tax on receipts for house rentals, is submitted. Upon the Secretary stating that it would appear that Messrs. Sassoon & Co., are under a misapprehension since the letter in question was intended for their Compradore and relates only to native rent receipts it is decided that no action by the Council is necessary.

Taxation of Greyhound Racing. - With reference to previous minutes the 1108 Commissioner-General reports that he has taken up with the representatives of the two British registered Greyhound Racing Companies the question of taxation and he anticipates that they will put forward their proposals to the Council in due course.

Publicity. - With reference to the minute of the last meeting the communication 1105 received from Mr. Simms has been circulated. Members are of the view that the benefit to be derived by adoption of this proposal would be incommensurate with the cost involved and in deciding that the offer be declined, they express their approval of the alternative scheme put forward by the Commissioner-General whereunder from the date of his arrival in England he will undertake a certain amount of publicity at less cost to the Council.

Chinese Government Offices in the Settlement. - The Chairman reports that 1190 during a recent interview he had with Mr. T. V. Soong, Nationalist Minister of Finance, it transpired that he strongly resented the Council's attitude in refusing him permission to have an office within the Settlement. In the course of an amicable discussion Mr. Soong states that whilst he did not desire to transact official business from an office in the Central Bank of China he would appreciate permission being granted for him to

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utilise a room in that building to receive his friends and business associates. The Chairman detailed the reasons which actuate the Council's policy and after a lengthy conversation he intimated that if Mr. Soong was prepared to furnish him with a personal guarantee that any permission granted him to utilise a room in the Bank of China building for the purpose stated would not be abused he would be prepared to recommend to the Council that such permission be granted. He considers that this small concession might tend towards the cultivation of friendly relations between the Council and the Nationalist Authorities.

After brief discussion members agree that the desired permission be granted by the Chairman personally, to apply only to Mr. Soong, it being understood that such permission will be withdrawn if at any time it is found that the undertaking to be required from Mr. Soong is not adhered to.

The Municipal Gazette for Friday, February 3, is submitted in proof and authorised for publication.

The meeting adjourns at 6.30 p.m.

Sheikhan

Secretary.

Stirling Seward
Chairman.

At the meeting of the Council held on Wednesday, February 15, 1928,

at 4.30 p.m. there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
K. Fukushima	
T. Funatsu	
B. C. M. Johnston	
V. G. Lyman	
W. R. B. McBain	
J. J. Paterson	
T. H. R. Shaw	
The Commissioner-General, and	
The Secretary.	

Membership. - On behalf of members, the Chairman welcomes Mr. B. C. M. Johnston upon his joining the Council. Mr. Johnston expresses his willingness to serve on the Finance and Staff Committees.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Works Committee of January 31, are submitted and confirmed. Road Widening and Extension Plans 1928. - The proposals put forward by the Committee and the abandonment of certain schedulings advocated by the Economy Sub-Committee under which a saving of approximately Tls.3,000,000 will be effected are noted and endorsed as are also the supplementary proposals put forward by the Commissioner of Public Works and detailed by the Vice-Chairman.

The Minutes of the meeting of the Foreign Education Committee of February 2, are submitted, and subject to reference to the Finance Committee of the section relating to the Annual Estimates, are confirmed.

The Minutes of the meeting of the Chinese Education Committee of February 3, are submitted, and subject to reference to the Finance Committee of the section relating to the Annual Estimates, are confirmed.

The Minutes of the meeting of the Health Committee of February 7, are submitted, and subject to reference to the Finance Committee, are confirmed.

Opium Policy. - With regard to the discussion at previous meetings, a reply to the enquiry addressed to the Chinese General Chamber of Commerce is submitted with the request that the Council will not permit the public sale of opium. The Chairman informs members of the views expressed by

Mr. Yu Ya-ching at a recent conference with the Commissioner-General and himself. After brief discussion it is decided that further consideration of this question be deferred until the Chinese nominees have taken their seats on the Council.

A letter from Mr. H. V. Tong, Director General of the Anti-Smuggling Bureau for the Province of Kiangsu, requesting the co-operation of the Council in the activities of the Bureau is also submitted. The Chairman states that he has met Mr. Tong and discussed this question with him and his proposal is adopted that a reply in the sense suggested should be drafted by the Chairman and circulated to members for their approval.

Foreign Gambling Houses "The Wheel". - A report by the Commissioner of Police on the subject of the foreign gambling resort known as "The Wheel" operating at No.151C Bubbling Well Road and recommending that this building be picketed in such a manner as to make a visit thereto as unpleasant as possible to the public, is submitted. The Chairman states that in the absence of further details as to the form of the proposed picketing would take he is unable to support this proposal. There is no Bye-law under which the Council can suppress gambling in the Settlement and without the assistance of the Consuls of the nationals concerned, the Council is unable to take any effective action. Attempts to close down these houses have in the past proved unsuccessful and during conversations with certain Consuls they have expressed the view that since gambling is conducted on the Race Course and presumably will also be permitted on the proposed Greyhound Race Tracks, attempts by the Council to suppress gambling houses such as the one above referred to renders its policy inconsistent and unfair. For this reason certain of the Consuls are not disposed to assist the Council. In view of the criticism which has been levelled against the Council and the Police in permitting gambling houses to function and since the public are not in possession of the facts as to the Council's position in this matter he has considered the desirability of a statement being made to the ratepayers at the next Annual Meeting. Whilst on occasions in the past these houses have been raided without a warrant he does not consider the Council is justified in continuing such action which cannot be legally upheld.

After discussion it is decided not to adopt the proposal put forward by the Commissioner of Police but that a reference to this

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question should be included in the Chairman's speech at the forthcoming Annual Meeting of Ratepayers.

Crime Suppression - Proposed Registration Scheme. - A communication from 1034 a Chinese Street Union comprising 5 roads proposing that a registration scheme be instituted in order to combat the present crime wave, with a memorandum thereon by the Commissioner-General and comment by the Commissioner of Police are submitted. Doubt is expressed as to whether the applicants could effectively organise the proposed scheme and prior to approving this application it is decided to refer this question to the Chinese nominated to serve on the Council. In the meantime, and pending receipt of the information already applied for from the Police Forces in countries where this system is in operation the applicants will be requested to submit further details in connexion with their proposal.

Premises in occupation of Defence Forces - Exemption from Taxation. - An 1034 application by the Shanghai Defence Force for extension in the matter of exemption from taxation to "houses occupied by officers on the lodging list", is submitted. In comment thereon the Commissioner of Revenue suggests that exemption should only be granted in respect of premises rented by the Billetting Committee as official quarters. Whilst desirous of assisting the Defence Force in this matter so far as possible, having regard to the criticism by the Chinese community of the Council's action in allowing the Defence Force remission of taxation, members decide that the exemption already authorised be not extended. The Secretary will accordingly notify the North China Command of this and the Commissioner-General undertakes to inform Colonel Brownrigg personally as to the reasons actuating this decision.

Appreciation of Services rendered by the S. V. C. - In a report submitted 1034 the Commandant recommends that a certificate of appreciation similar in form to that issued in 1924 should be issued by the Council to all Volunteers who participated in the defence of the Settlement during the States of Emergency declared during the period 1925 to 1927. In this connexion the Secretary reports that he is unable to trace any authority for the action of the former Acting Secretary in issuing the "Certificates of Appreciation" referred to although he understands that a limited number were issued. Members take the view that the issue of certificates at the present time might reopen the controversy with the Chinese

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community regarding the events which led to the mobilisation of the Corps in 1925 and in order to avoid this it is decided that the Council's appreciation of their services be conveyed to members of the Corps by the issue of a general order and that a letter be also forwarded to the Commandant by the Chairman intimating the Council's appreciation of the services rendered by him during those critical periods.

Collection of Special Rate. - A report by the Commissioner of Revenue relative to the increasing difficulty experienced in collecting Special Municipal Rate in the North Szechuen Road District and recommending that in the event of continued non-payment, the Council should arrange for the discontinuance of the water, electricity and telephone services to the houses concerned, is submitted. After brief discussion the proposal of the Commissioner-General is adopted that measures which might embarrass negotiations now proceeding between the Council and the Chinese Ratepayers Association should be deferred until the view of the Chinese nominated to serve on the Council have been obtained.

The Municipal Gazette for Friday, February 17, is submitted in proof and authorised for publication.

The meeting adjourns at 5.40 p.m.

Stirling S. Seward
Chairman.

Ch. P. ...

Secretary.

At the Special Meeting of the Council held on Thursday, February 24, 1928,
at 11.45 a.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 K. Fukushima
 B. C. M. Johnston
 V. G. Lyman
 W. R. B. McBain
 J. J. Paterson
 T. H. R. Shaw
 The Commissioner-General, and
 The Deputy Secretary.

Absent:

Mr. T. Funatsu.

Chinese Representation on the Council. - With regard to the negotiations which
 3319 are being conducted with Mr. Yu Ya-ching on the question of Chinese
 representation on the Council, the Chairman states that, in connexion
 with the authority accorded him to propose that, if the three authorised
 seats on the Council were filled by Chinese nominees, the Council would
 agree to invite 5 Chinese gentlemen to serve on the Council's various
 Committees, both the Commissioner-General and himself have had several
 interviews with Mr. Yu Ya-ching on this question. Mr. Yu Ya-ching has
 now informed him that this proposal has been put before the Chinese rate-
 payers and other organizations and that the more radical elements are
 insistent in their demand that the Council next year should recommend that
 the number of Chinese Councillors be increased to six. In refusing to
 agree to this proposal, the Chairman informed Mr. Yu Ya-ching that,
 provided that he was Chairman in 1929 and subject to 3 Chinese members
 being nominated to the Council forthwith and the Committee members taking
 their seats, and provided the relations between the Council and the
 Chinese members prove to be satisfactory, he would be prepared to
 recommend to the Council that they should favourably consider the question
 of increased Chinese representation being put forward to the ratepayers.
 Beyond this he made it clear that he was not prepared at the present time
 to commit himself. After lengthy discussions and following his detailed

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explanation as to the impracticability of committing the Council or himself in the matter of increased Chinese representation, and in fully appreciating the difficulties encountered by Mr. Yu Ya-ching in obtaining acceptance of the Council's counter proposal by the more radical elements of the Chinese community, Mr. Yu Ya-ching finally stated that if the Council would agree to an increase in the number of the Chinese Committee members from 5 to 6, he anticipated that a satisfactory settlement of the question of Chinese representation would be reached very shortly. In reply to this proposal the Chairman informed Mr. Yu Ya-ching that personally he had no objection to the proposed number of Committee members being increased from 5 to 6 but that he desired to take the Council's views as to this, whereafter he would communicate with him again. In view of the prolonged negotiations in this matter and the difficulties which have been encountered in endeavouring to arrive at a solution satisfactory to both parties and as delay in settlement may possibly embarrass the Council in the collection of Municipal revenue he recommends that he be authorised to accede to Mr. Yu Ya-ching's request. He reiterates that during these negotiations the Council has not committed itself to recommending to the ratepayers an increase of Chinese membership of the Council, a personal undertaking only having been given by himself that if the forthcoming experiment is successful he will recommend that the Council should favourably consider this proposal. Both Mr. Yu Ya-ching and Mr. Li Ming, who attended the meeting yesterday, expressed their appreciation of the Council's attitude in conducting these negotiations.

After discussion, members unanimously endorse the Chairman's recommendation that Mr. Yu Ya-ching be informed that the Council is prepared to invite an additional Chinese member to serve on one of the Council's Committees.

The meeting adjourns at 12 noon.

Stirling S. Freeman
Chairman.

J. M. W. Keen
Deputy Secretary.

At the meeting of the Council held on Wednesday, February 29, 1928,

at 4.30 p.m. there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
K. Fukushima	
B. C. M. Johnston	
V. G. Lyman	
W. R. B. McBain	
J. J. Paterson	
T. H. R. Shaw	
The Commissioner-General, and	
The Secretary.	

Absent:

Mr. T. Sunatsu.

The Minutes of the last meeting and of the Special Meeting held on February 24, are confirmed and signed.

The Minutes of the meeting of the Orchestra and Band Committee of February 20 and 27, are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed. With regard to: Musicians' Terms of Service, Mr. Shaw details the number of musicians on "A" and "B" form agreements which number he states does not conform to the scheme prepared by the Committee in 1926 and endorsed by the Council. He states that the Committee feels strongly that it should be consulted in the matter of engagements and agreement renewals of musicians. In concurring in this view it is directed that in future all engagements and renewals of agreements be referred to the Band Committee prior to consideration thereof by the Staff Committee.

With regard to the unwillingness of the temporary musicians to give an undertaking to attend a maximum number of performances per month, in endorsing the Committee's view as to the impossibility of maintaining the Orchestra under these conditions it is agreed in principle that temporary musicians on monthly engagement must hold themselves available for such services as are required and that they be so informed. It is considered, however, that no further action should be taken by the Conductor until he reports after the concert for which the Orchestra is

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booked on March 10. If the temporary musicians do not attend that performance consideration will be given to termination of their services forthwith.

The Minutes of the meetings of the Watch Committee of February 10 and 13, are submitted and subject to reference to the Finance Committee of the section dealing with the Annual Estimates are confirmed.

The Minutes of the meetings of the Works Committee of February 14 and 21, are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed. With regard to: 4869h Concrete Ware Yard - Thorne Road - Cad. Lot 1153. - In connexion with the Committee's recommendation that the title deeds of this property should be transferred to the purchasers subject to a bank guarantee for the payment of the balance of the purchase money being furnished, Mr. Fukushima states that he understands that the Japanese Residents Corporation will propose that the Yokohama Specie Bank should forward as such security a certificate as to their deposit in the bank. Subject to the Treasurer & Comptroller having no objection to this proposal members record their approval thereto.

The Minutes of the meeting of the Library Committee of February 14, are submitted and subject to reference to the Finance Committee are confirmed.

The Minutes of the meeting of the Staff Committee of February 16 are submitted 1206 and confirmed with the exception of the recommendation as to the terms of renewal of the agreement of Mr. J. M. McKee, Deputy Secretary, which will be the subject of further consideration.

Tobacco Tax. - An enquiry from Messrs. Mei, Liu & Mok as to the necessity 1107 of revenue stamps being affixed by the Association of Chinese Tobacco Companies on their products before sale and whether this requirement of the Nationalist Authorities is a matter for Municipal enquiry and appropriate action with comment thereon by the Commissioner-General and the Commissioner of Police, is considered. The Chairman is of the opinion that the action of the British American Tobacco Company and other foreign companies in concluding private agreements with the Nationalist Authorities to pay certain taxes will to some extent embarrass the Council in maintaining its policy consistently adhered to not to allow the Chinese Authorities to collect taxes in the Settlement. Since however these agreements were entered into voluntarily by the Companies concerned and as

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The Council has no knowledge of this officially and as the application now received is on behalf of Chinese Companies he regards it as desirable that the Council should decide upon adoption of a definite policy in the matter of acquiescing in or preventing the collection of taxes by the Chinese Authorities from persons who are unwilling to agree to such impositions. From conversations he has had with Nationalist officials he has gathered that they maintain their right to tax Chinese residents in the Settlement and whilst they have made no such claim in respect of the foreign community he regards with misgiving the effect on the Council's position of an extension of these private agreements being entered into between foreign Companies and the Chinese Authorities. It is recalled that this question has been referred to the Consular Body for its views but that up to the present it has been unsuccessful in obtaining a satisfactory settlement thereof. In endorsing the Chairman's view that unless the Council adopts a firm attitude in this matter the Chinese Authorities will endeavour to impose other forms of taxation within the Settlement members unanimously decide that the Council should resist their attempts to collect taxation in the Settlement and in the event of applications being received from individuals or companies for assistance to this end that the Council should afford them the necessary Police protection. A reply to the letter received from Messrs. Mei, Liu & Mok will accordingly be made in this sense.

Chapei Authorities and Dixwell and North Szechuen Roads Extension. - Two letters from the Shanghai Land Investment Co., Id., drawing the Council's attention to the possibility of a serious situation arising should the Chapei Authorities continue to break down the boundary walls of their properties situated on the Dixwell and North Szechuen Roads Extension and enquiring as to the Council's policy in the matter of payment of Municipal Rates on properties from which Police protection has been withdrawn and upon which taxation is being levied by the Chinese Authorities are considered. Incidental to this question the Chairman states that he has been informed by the Commissioner of Police that the Chapei Police have endeavoured to remove number plates from houses on the North Szechuen Road. As an understanding has been reached between the Consular Body and the Chinese Authorities that the position of outside roads should remain in statu quo until the whole question has been discussed and an agreement arrived at, it is considered that the Council should strongly

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resist any efforts by the Chinese Authorities to function on these roads. At the same time it is realised if the Council were called upon to resist by force such attempts by the Chinese Authorities it is not unlikely that the most serious consequences might result. For this reason members are of the view that until the question of Chinese representation has been satisfactorily settled the Council should refrain from measures the result of which might embarrass the settlement of this question. In the case of the property referred to by the Shanghai Land Investment Co., Ltd., it is noted that the one located off North Szechuen Road is entirely situated in Chinese territory and has only a very narrow frontage on to a Municipal Road and since Police control has been withdrawn it is considered inadvisable that this should be resumed at the present time.

After lengthy discussion the Commissioner-General is requested to interview the Senior Consul and the British Consul-General to ascertain whether any definite steps have been taken by the Consular Committee for obtaining a conference with the Chinese Authorities to consider the whole question of outside roads and also to ascertain from the Commissioner of Police the result of the representations made to the Chinese Authorities regarding the attempted removal by their Police of the Municipal number plates from houses in North Szechuen Road. Prior to further consideration of this question as to which the Chairman requests members to give their most careful consideration no action will be taken as to the letter received from the Shanghai Land Investment Co., Ltd.

S. V. C. Mobilisation. - Following a formal letter addressed by the Chairman ^{1207/85} to Major General Wardrop, similar to that forwarded to his predecessor regarding the co-ordination by the Local Defence Force certain enquiries have been received from the Headquarters, North China Command. A reply is directed to the effect that the Council agrees to the Volunteer Corps being included among the troops which come under General Wardrop's command after a "State of Emergency" has been declared and also that the Council will cancel forthwith by a Gazette Notification the "State of Emergency" which technically is still in force. The other proposals put forward by General Wardrop in which the Commissioner of Police concurs and which are detailed in a memorandum submitted by the Commissioner-General are approved.

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Prosecuting Solicitor's Office. - In connexion with the authority accorded
 3081 him by the Council to re-organise this office, the Chairman recommends
 that the office be transferred from the Secretariat to the Police
 Department forthwith. He understands that the President of the Provisional
 Court has agreed to the suggestion that two Chinese Assistant Prosecuting
 Solicitors be engaged and provided their duties are confined solely to
 the conduct of Police cases to the exclusion of cases having political
 significance he himself favours this proposal. For this reason he
 cancelled the authority already given to Mr. Maitland to engage an
 Assistant Prosecuting Solicitor in England. The Commissioner-General
 states that in the event of two Chinese Prosecuting Solicitors being
 engaged it is proposed that they should each be paid at the rate of
 \$500 per mensem and that the President of the Provisional Court has
 intimated that he will recommend the Nanking Government to authorise the
 Court to contribute half this amount. After brief discussion, members
 unanimously endorse the above proposals and the Commissioner-General
 undertakes formally to notify the President of the Provisional Court as
 to this and at the same time to obtain an undertaking from him that a
 moiety of this cost will be borne by the Court.

Ex-Commandant's Ill-health. - An application by Colonel Gordon that the
 1511 Council will pay any charges incurred by him in carrying out the advice
 of his medical attendant to consult specialists on his arrival in England,
 is submitted. On the ground that the continuous strain experienced by
 him in Shanghai and for the reason that he has been unable to take any
 leave during the past 5 years he feels that the expenses involved should,
 in equity, be borne by the Council. The Chairman states that prior to
 his departure Colonel Gordon discussed this matter both with the
 Commissioner-General and himself. After discussion members record the
 view that this application merits favourable consideration and it is
 accordingly decided that a sum of £100 be paid to Colonel Gordon as a
 contribution by the Council towards the cost involved in taking the
 special treatment recommended.

Electricity Committee - Membership. - The Vice-Chairman reports that Mr.
 1504 H. W. Lester, Chairman of the Electricity Committee, is shortly leaving
 Shanghai and that he has expressed his anxiety as to the future smooth
 working of the Committee. He suggests that Mr. W. P. Lambe, who he

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understands will be willing to serve, should be invited to fill the vacancy caused by Mr. Lester's departure. For the reasons detailed members approve the proposal that Mr. Lambe be invited to rejoin the Committee, the opinion being expressed that he is eminently suitable to succeed Mr. Lester as Chairman of the Committee, if elected.

The Municipal Gazette for Friday, March 2, is submitted in proof and authorized for publication.

The meeting adjourns at 7 p.m.

Stirling Anderson
Chairman.

S. Edwards

Secretary.

At the meeting of the Council held on Wednesday, March 14, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
K. Fukushima	
B. C. M. Johnston	
V. G. Lyman	
W. R. B. McBain	
J. J. Paterson	
T. H. R. Shaw	
The Commissioner-General, and	
The Secretary.	

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are confirmed and signed. With regard to:

3263/ Chapei Authorities and Dixwell and North Szechuen Roads Extension. - The Commissioner-General has submitted a report on the situation, with a map showing the areas whose control is disputed, the position of Municipal and Chinese Police Stations and all relative information. Negotiations are still pending, and meanwhile the Special Municipal Rate on four properties of the Shanghai Land Investment Co., Ltd., and one other property are no longer paid, and revenue to the extent of about \$8,000 per annum is being lost. He expresses the opinion that the action of the Chapei Police may be the beginning of further encroachments, not only in the Northern area but in the Western extra-Settlement district as well. Twenty-one Chinese Police Stations, having from 15 to 100 men each, are marked on the map in the neighbourhood of Settlement land or Municipal Roads. A number of these cannot be considered necessary for ordinary policing purposes, and their existence would seem to be evidence of a desire to contest the Council's established rights. This applies mainly to the Northern district. In the Western district, apart from Municipal Roads, only the Kinnear Road estate and one other small area outside Settlement Limits are policed by the Council. In some places a system of dual control has arisen on certain roads in the vicinity of Chinese Police Stations.

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The Commissioner-General states that the Chapel Residents' Association is constantly holding meetings on the subject of the so-called sovereign rights of the Chinese in this district. On the other hand, the Inspector in charge of the Dixwell Road Station has stated that he is on good terms with the Chinese Police in that neighbourhood; the latter have the advantage over him now and cannot be dislodged, but otherwise the situation is easy. The Commissioner-General informs members that the British Consul-General has no further news to communicate at present and no recommendation to make. He adds that the properties hitherto affected are almost wholly tenanted by Chinese, and there has been little or no sign of aggression against foreign residential properties.

The Chairman observes that this problem is not likely to be finally solved until the question of Chinese representation on the Council is settled, and members agree in the meantime to leave the situation as it stands, but to request the Police to keep the matter well in hand and to make immediate report of any further signs of aggression.

The Minutes of the meeting of the Electricity Committee of February 24 are submitted and confirmed. With regard to: Staff - Chief Assistant Engineer. - Mr. Lyman states that if the Council is unable to sanction the appointment of a senior official at Tls. 1,500 per mensem the Committee would suggest in the alternative that Mr. E. J. Edgar, already highly qualified in some respects, should be given an opportunity to acquire such additional experience as would fit him for the control of all departments, including generation and distribution, so that the smooth running of the Department might not be dependent on the presence of Mr. Aldridge or Mr. Taylor, the former of whom may wish to retire before long. In accepting the Committee's recommendations, members agree that Mr. Edgar should at the same time be given the opportunity to acquire further experience as suggested. They also recognise that the appointment of a Chief Assistant Engineer from outside at Tls. 1,500 per mensem may necessitate the increase of one senior official's salary to something over this figure.

The Minutes of the meeting of the Staff Committee of March 5 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of March 9 are submitted and confirmed. With regard to: Death of Civilian while assisting the Police.

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1803 The Chairman enquires whether the Committee of the Special Crime Suppression Fund has yet been constituted. The Commissioner-General replies in the negative, and states that he and the Commissioner of Police are endeavouring to arrange for some Chinese members to sit on it.

The Minutes of the meeting of the Public Utilities Committee of March 9 are submitted and confirmed. With regard to: Waterworks Company Agreement. -
1908
Members concur in the Chairman's opinion that this Agreement should be signed as soon as possible, after resubmission to the Public Utilities Committee for minor alterations. In this connexion a protest by Mr. Paterson against the wording of Clause 10, relative to the extraneous supply of water, is recorded; and members consider that the difficulty might be met by a small amendment safeguarding the interests of users who possess their own wells.

Health Department - Engagement of Four Nurses. - The Secretary states that
1955
some of the members of the Health Committee are in favour of Dr. Davis's recommendation that four nurses be obtained from London, but that the Economy Committee appears to be against it. He adds that some of the present staff are retiring, and perhaps Dr. Davis would be satisfied with the appointment of two new nurses from London. Mr. Lyman understands that drastic economy in this direction has been recommended, and the Chairman adds that, during the last year at least, there were too many nurses at the Country Hospital, and he thinks that some might be transferred to the Council's Hospitals. Members are agreed that if possible the proposed expenditure should be avoided.

The Commissioner of Public Health attends.

In reply to the Chairman's enquiries, Dr. Davis states that he is faced by the resignation, this month and next, of four nurses, but he agrees that it might be possible to borrow some of the surplus staff of the Country Hospital, or alternatively to close down a portion of the Victoria Nursing Home. His estimates for 1928 included provision for a maximum of 49 nurses. The actual number to-day is 41, and the Economy Committee has recommended 37. He considers the present hospital staff as the irreducible minimum, at least under existing conditions. Since he made his recommendations he has been able to secure one trained nurse locally, and there are some prospects of getting one more locally and one

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from Amoy. He undertakes also to see Dr. Gray of the Country Hospital on this subject. Mr. Lyman suggests the possibility of engaging more Chinese and Japanese nurses, but in Dr. Davis's opinion this might lead to difficulties with foreign patients. After further discussion, it is decided that an attempt should be made to make up the remaining shortage in staff by application to the Country Hospital or, failing that, to close down a portion of the Victoria Nursing Home.

The Commissioner of Public Health withdraws.

North Soochow Road Extension - Maintenance. - The Commissioner of Public Works, in a report submitted, states that the Chapei Authorities are laying a 12-inch drain on the North Soochow Road Extension, which is a Municipal Road, from the Settlement boundary West of Thibet Road to Stone Bridge, connecting thereto the road gullies on the North side of the road, and he understands that they also intend to construct a chip-paved carriage-way on a spall foundation. The Commissioner-General has suggested ignoring these encroachments, the only alternative thereto being for the Council to resume the responsibilities of ownership, including both policing and maintenance. He informs members that, in the opinion of all Heads of Departments concerned, the road is of no particular use to the Council. The Chairman states that the agreement between the Chapei Authorities and the Consular Body is a consideration, and the Secretary adds that it would be difficult to claim possession of the road after the Chinese have made improvements. After further discussion, it is agreed that protest should be made to the responsible parties, and that this should take the form of a communication from the Commissioner of Public Works to the Chinese Engineer in charge before any formal protest is addressed to the Chinese Authorities through the Senior Consul.

Pension Scheme - Maximum Pension. - The Commissioner-General has submitted a report embodying the joint request of the Heads of five departments - Electricity, Finance, Works, Health and Police - that the maximum pension allowed should be increased from Tls. 3,500 per annum to Tls. 5,000 per annum. In the cases cited it was stated that, on present computations, the value of the pensions would, in the absence of any limiting rule, range from Tls. 5,552 to Tls. 8,233. In his comment, attached, the Assistant Treasurer & Comptroller observes that when the pension scheme was approved in its present form the maximum was fixed at Tls. 3,500, calculated as

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the approximate equivalent of £500 at exchange 2/10 $\frac{1}{4}$.

The Secretary remarks that the principle of retirement on half pay was favourable for those who joined the Service since the introduction of the scheme, while those who joined much earlier would not receive its full benefit. The present application was for a partial adjustment only. Mr. Lyman observes that the pension scheme was instituted to meet the needs of the Police Force. It was intended as a relief for the lower paid employes, and it was decided at that time that Tls. 3,500 per annum was ample for employes retiring on a big superannuation. Mr. Shaw expresses the opinion that retirement of half pay should not be made a rule irrespective of the size of an employe's salary, in reply to which the Commissioner-General asserts that the principle of retirement on half pay has already been laid down and accepted. The Secretary points out that the employes now concerned joined the Service when pay was very low compared with present standards, with the result that their superannuation funds are also low. He adds that, before the introduction of the pension scheme, it was the custom of the Council to give a lump sum to employes on retirement when their superannuation was deemed inadequate.

In the ensuing discussion, the opinion is unanimously expressed that the present arrangement is a liberal one, and that, in view of the ratepayers' attitude towards departmental emoluments, it should not be extended at the present time. The application is accordingly disapproved.

Chinese Characters signifying Municipal Titles and Terms. - In submitting 1786/ a list of suggested changes in Chinese equivalents of Municipal titles and terms, the Secretary states that in his opinion the present time is not propitious to make amendments and that, should Chinese members be appointed to seats on the Council in the near future, it is likely that they would ask for further changes to be made. Both the Chairman and Mr. Fukushima express the belief that the proposed characters are unsatisfactory, and after a short discussion it is directed that no action be taken in the matter.

Police Work during the past Week. - On the proposal of Mr. Lyman, Chairman 1803 of the Watch Committee, it is decided to send a letter to the Commissioner of Police, recording the Council's appreciation of the remarkably fine work done by the Police during the past week.

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Health Department - Dr. Davis's Agreement Renewal. - The recommendation
12/16 of the Staff Committee that Dr. Davis's agreement be renewed at expiry
on April 14, with pay as at present, i.e., Tls. 2,000 per mensam, is
submitted and confirmed.

The Municipal Gazette for Friday, March 16, is submitted in proof and authorised
for publication.

The Chairman states that grossly misleading
statements have appeared in the Shanghai Times and the Weekly Review
regarding an alleged saving by the Council of Tls. 3,000,000 a year,
an error which he has himself corrected. In this connexion he enquires
whether the minutes of meetings could be printed in fuller form in the
Gazette. The Secretary replies that the printed minutes are accurate
though circumscribed, and he has made a practice of leaning towards
caution when preparing them for publication. His explanation is
accepted.

The meeting adjourns at 6.45 p.m.

Arthur J. S. S. S.
Chairman.

S. S. S. S.

Secretary.

At the meeting of the Council held on Wednesday, March 28, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
K. Fukushima	
B. C. M. Johnston	
V. G. Lyman	
W. R. B. McBain	
J. J. Paterson	
T. H. R. Shaw	
The Commissioner-General, and	
The Secretary.	

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Works Committee of March 13 are submitted and confirmed. With regard to: Kienwan Road - Sale of Surplus Land - Japanese Naval Authorities. - No progress is reported, but Mr. Bell agrees to take the matter up with the Japanese members of Council.

The Minutes of the meeting of the Finance Committee of March 15 are submitted and confirmed.

Estimates of Ordinary Income - Electricity Department's Contribution. - With ¹⁹²⁷reference to the meeting of the Finance Committee of March 26, Mr. Lyman states that the Electricity Committee, whilst opposing any increase in the Electricity Department's contribution to the Budget above Tls. 1,200,000 recognises the paramount needs of the Council and agrees to withdraw its opposition to a contribution of Tls. 1,500,000. At the same time mention is made of the Department's obligation, where possible, to give consumers the benefit of any substantial reduction in the cost of producing electricity. Members, however, hold the view that the charges for current, especially for power purposes, are favourable to consumers. In this connexion, an extract from the minutes of the Electricity Committee Meeting of March 26 are submitted, containing the views of the Engineer-in-Chief and Manager. After discussion, members consider that an increase in the Department's contribution from Tls. 1,200,000 to Tls. 1,500,000 is necessary, but they direct that it be clearly stated in the Budget that the additional 3 lakhs is a special contribution for the year 1928.

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Proposed Transfer to General Funds - Equalization Account - Tls. 800,000.

1927 The Secretary states that the Council's decision is required as to whether the sum of Tls. 800,000 should be hypothecated to General Funds, Equalization Account, or to General Reserve, and he informs members of the views of the Treasurer & Comptroller in regard thereto, and also of the opinion of the Electricity Committee as set forth in the minutes. Members incline to the view expressed by the Electricity Committee, and it is accordingly decided that the sum in question be transferred to General Reserve Account.

Estimates of Ordinary Expenditure - Lester Chinese Hospital. - With reference

1898 to the meeting of the Finance Committee of March 26, the Chairman states that he is informed that the Board of the Lester Chinese Hospital would be satisfied this year with a grant of Tls. 5,000 "without prejudice", and it is agreed to include this sum in the forthcoming Budget in place of the Tls. 20,000 originally requested.

The Minutes of the meeting of the Foreign Education Committee of March 16 are

submitted and confirmed, except that, with regard to Public School for
1744 Girls - Theft of Bicycles, the Chairman remarks that, though the payment of compensation for the theft of three bicycles is a small matter in itself, the principle of accepting liability therefor is unsound. After discussion members adopt these views, and the ex gratia payments recommended by the Committee are disapproved.

The Minutes of the meeting of the Public Utilities Committee of March 21 are

submitted and confirmed. With regard to: Omnibus Service - Draft
1689 Agreement. - It is stated that the draft agreement is now in the hands of the Legal Adviser and should soon be available in finished form. Since preferential treatment amounting almost to a monopoly is to be granted to the China General Omnibus Company, members direct that the opinion of the Legal Adviser be taken as to whether or not the agreement should be placed before the Ratepayers for ratification.

The Minutes of the meeting of the Watch Committee of March 23 are submitted and confirmed.

Tobacco Tax - Chinese Agents Functioning in the Settlement. - A report is

1107 submitted from the Commissioner of Police recounting an alleged assault on a Chinese Inspector of the Cigarette Tax Bureau when he attempted to enforce the stamping of certain cases of cigarettes outside a factory in

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E. Yuhang Road, and requesting the Council's instructions regarding the question of tobacco taxes in the Settlement. The Chairman expresses the opinion that the Chinese Authorities should be prevented from exercising functions of this kind in the Settlement, and states that he has been assured by the Nationalist Minister of Finance that no such action was intended. The enforcement of taxes is a different matter from the mere selling of tax stamps in the Settlement, regarding which representations have been made to him by the Chinese Authorities. The stamps are already voluntarily used by large foreign cigarette factories, and in view of this private concession to Chinese demands he has invited the Nationalist Minister of Finance to write him an official letter on the subject, which he will then submit to the Council for consideration.

A member states that a similar design is contemplated on various commodities, e.g., a tax of 10% to 20% on different grades of sugar, while another member remarks that it is proposed to station tax inspectors in godowns in the Settlement. The Chairman states that all such innovations, unless formally submitted to and approved by the Council, should be resisted, though the sale of revenue stamps by the exchange shops, as practised for some eight years past, cannot well be opposed. Members adopt these views.

Settlement Defences. - A letter is submitted from Major-General A. E. Wardrop, G. O. C., Defence Force, regarding the provision of gates, railings and police posts for the better defence of the Settlement. The Commissioner of Police agrees with these proposals. The Commissioner of Public Works has reported that the erection of a gate near the North end of Thibet Road, one of those sanctioned by the Council in December, 1927, is in hand, and that designs for the remaining work are being prepared. After discussion, the suggestion of the Commandant of Volunteers is approved, that a Committee consisting of representatives of the Police and Public Works Departments, with himself, be appointed to investigate the question of improving the existing defences, and that General Wardrop be asked to nominate an R. E. officer to act as technical adviser thereto.

Police Specials - Chinese Section. - The Commissioner of Police has submitted suggestions from the Federation of Street Unions for the formation of a Special Chinese Police Squad to assist the Council in the protection of the Settlement. The proposal was to enrol some 570 men to be trained and armed by the Council and to have their headquarters in the

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Central Police Station, with District Officers in the Police Stations of the various districts. Uniforms were to be purchased by the members themselves. The Commissioner of Police does not recommend this scheme, which would entail dual control of Police in the Settlement, but he suggests as an alternative that a Chinese section of the Police Specials be raised. The Commissioner-General concurs. Members agree in principle with the plan of the Commissioner of Police and authorise him to negotiate on these lines.

Chinese Edition of Land Regulations and Bye-laws. - A letter has been received

1853/ from Mr. J. Van den Bogaert, Senior Consul's Deputy, suggesting that the Land Regulations and Bye-laws should be officially translated into Chinese in order to facilitate the work of the Provisional Court. The only recent Chinese translation, namely that issued by the Commercial Press, is stated to be inaccurate in some respects. After discussion it is agreed that Dr. Parker be requested to prepare a new translation, which the Commissioner-General will then have checked by Chinese experts, and that an edition containing the English and Chinese texts on opposite pages be issued for the guidance of the Provisional Court and official use only.

Ratepayers' Meeting - Chairman. - Judge Sir Peter Grain is nominated Chairman of the Annual Meeting of Ratepayers.

General Hospital - Board of Governors. - Messrs. J. J. Paterson and B. C. M. Johnston agree to be nominated to the Board at the ensuing Ratepayers' Meeting.

Land Commission - Membership. - The suggestion that Mr. G. L. Wilson be re-nominated is approved.

Chinese Representation on the Council, etc. - A letter signed by Mr. Yu 211 Ya-ching, Chairman of the Chinese Ratepayers' Association, and other officers, and the Council's reply thereto, as per schedule attached, together with a draft official announcement by the Council for the press, are submitted. The Chairman informs members that these letters are the outcome of negotiations conducted by the Commissioner-General and himself for the Council but not yet completed. He also makes reference to the difficulties encountered by Mr. Yu Ya-ching in seeking to find a working solution of the problem while at the same time attempting to satisfy the demands of his constituents for vigorous action.

Admission of Chinese to the Parks. - The Chairman suggests that a resolution
 1937 on this subject similar to the draft resolution submitted to the
 Ratepayers at the last Annual Meeting should be introduced, and this is
 approved, though it is not certain what the attitude of the Ratepayers
 will be. In reply to a query whether the parks will be thrown open
 immediately, the Chairman states that he understands the opinion of the
 Council to be that a small charge should be made to those using the parks
 thus excluding many undesirable persons without discrimination against
 any nationality. Mr. Bell states that a charge is made in the Peking
 parks, and the Secretary adds that in the Parks Committee only the
 foreign members were opposed to the principle of charging an entrance
 fee. Mr. Bell considers that charges could only be made for the two
 large parks. The Commissioner-General states that Brennan Piece will
 probably be required for an open-air market, and in that case would have
 to be excluded from the resolution. Admission to the parks by season
 ticket is suggested, as also free admission to those presenting their
 General Municipal Rate receipts. Finally the Commissioner-General under-
 takes to work out a definite scheme for submission to the Council.

Municipal Economy Committee's Report. - The Chairman states that since the
 477 Health Committee is intimately concerned in this report it has been
 arranged to have it discussed by a joint meeting of the Health and
 Finance Committees and thereafter by the Council.

The Municipal Gazette for Friday, March 30, is submitted in proof and
 authorised for publication.

The meeting adjourns at 5.50 p.m.

Sir Edward

Secretary.

Stirling Sutherland
 Chairman.

Schedule.(Translation).

Shanghai, March 26, 1928.

Dear Sir,

With a view to effecting the removal of various causes of misunderstanding and friction in the near future as well as the immediate present, and with a view to manifesting a sincere desire for co-operation, Mr. Yu Ya-ching, our Chairman, and Mr. Li Ming, Chairman of our Budget Committee, pursuant to the policy of equality of treatment as the basic principle for the solution of outstanding problems, take the liberty of addressing you on behalf of our Association and of placing before you certain suggestions for your sympathetic consideration:-

Seats for Chinese Councillors. - The Association still considers the number of seats for Chinese on the Council should be determined by the amount of taxes paid into the Municipal Treasury. But as an indication of the sincere desire for co-operation on the part of this Association under present circumstances, a modus vivendi based on discussions that have taken place between the Association and the Council should be adopted in the form of adding six seats on the Council's Committees to the original offer of three seats on the Council itself, making a total of nine seats in all. This arrangement should be carried out at once.

The Association regards this arrangement as an interim arrangement only, and considers that an increase of six in the number of seats on the Council itself should be effected in the shortest possible time. In the meantime it is understood that the functions and treatment of the six Chinese Committee Members will be in all respects similar to those of other members of the said Committees.

Chinese in the Secretariat and other Departments. - The Association considers that in order to assist in the administration of the various departments of the Council there should be at least a Chinese senior executive respectively in the Secretariat, Police Department and other Departments in the Service. Chinese should also be liberally placed in other responsible positions in order that the spirit and principle of co-operation may be given due effect and in order that all misunderstanding may be removed and prevented.

Chinese and Chinese Education. - The Association considers

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that the Chinese Education Committee should be composed principally of Chinese Members and that, in principle, the appropriation for Chinese education should be fixed on a basis of 20% of the total municipal revenue. But in order not to render the present budget unworkable, the Association suggest that the appropriations to be made should consist of the original allotment plus the amount that will cover the minimum requirements for the extension of education among the Chinese residents. This Association will be glad to assist in the appointment of suitable Chinese as Members of the Chinese Education Committee. With a view to meeting the educational requirements of Chinese pupils and to facilitating the future administration of the educational institutions, from the next term onward the Association considers that Chinese should be appointed to various responsible executive positions in the four municipal public schools for Chinese.

In placing these suggestions before you we have been actuated by the motive of sincere desire for the advent of close sino-foreign co-operation in all municipal enterprises, and we hope that in the interest of the residents of this Settlement and in the interest of the development of sino-foreign trade relations you will see your way to do the necessary for the expeditious fulfilment of the wishes of this Association as embodied in this letter, bearing in mind that we are engaged in a movement in which we voice the sentiments of the Chinese ratepayers in particular and the Chinese community in general.

Yours faithfully,

Yu Ya-ching, Chairman
 S. S. Fung, Vice-Chairman
 C.C. Chao, K.H. Lin, C.C. Woo,
Members of Executive
Committee, Chinese Ratepayers' Association
 Li Ming, Chairman of the Budget Committee.

S. Fessenden, Esq.,
 Chairman,
 Municipal Council.

Council Chamber,
Shanghai, March 26, 1928.

Sir,

I have the honour to acknowledge receipt of your letter of this date in connexion with the questions of Chinese Representation on the Council, the employment of Chinese in senior positions in the Municipal Service and the education of Chinese in the Settlement.

The Council notes with satisfaction your views as to the desirability of filling the three existing vacancies for Chinese Councillors at once, and hereby confirms our arrangement for the selection of six Chinese gentlemen, in addition to the three Councillors, as Members of the various Council's Committees. As already stated in conversation with yourself, the functions and treatment of the Chinese Committee Members would be similar to those of the other Members of the said Committees.

As regards the view expressed in the third paragraph of your letter, the Council quite appreciates the point that, with the full co-operation of the Chinese, the proposed arrangement will, in the ordinary course of events, lead to an increase in the number of Chinese Members of Council.

As regards the other points mentioned in your letter, I have the honour to state that the Council has already given preliminary consideration both to the appointment of Chinese to senior positions in its service and to the question of increased educational facilities for the Chinese; but consideration of these subjects "in extenso" is being held in abeyance until such time as the authorised Chinese Members of the Council take their seats.

I have the honour to be,

Sir,

Your obedient servant,

S. Fessenden,

Chairman.

Yu Ya-ching, Esq.,

Chairman,

Chinese Ratepayers' Association,

Shanghai.

At the meeting of the Council held on Wednesday, April 11, 1928,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 K. Fukushima
 B. C. M. Johnston
 V. G. Lyman
 W. R. B. McBain
 J. J. Paterson
 The Commissioner-General, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 T. H. R. Shaw.

The Minutes of the meeting of March 28 are confirmed and signed. With regard
 1638 to: Kiangwan Road - Sale of Surplus Land - Japanese Naval Authorities.
 Mr. Fukushima states that, on being advised of the situation by Mr. Bell,
 he took up the matter with the Naval Authorities who, he understands, are
 trying to secure an outlet from the Chinese village to Wonglo Road. He
 is confident that the conditions under which the surplus land was sold
 by the Council will be observed. With regard to: Ratepayers' Meeting -
Chairman. - The Chairman states that Judge Sir Peter Grain is unable
 to take the chair at the meeting on April 18, and Mr. A. W. Burkill is
 nominated thereto instead. With regard to: Land Commission - Member-
ship. - The Secretary states that Mr. G. L. Wilson, who was re-nominated,
 is going Home, but that a resolution has now been received proposing
 Mr. J. T. W. Brooke for membership.

The Minutes of the meeting of the Finance Committee of March 26 are submitted
 and confirmed.

The Minutes of the meeting of the Electricity Committee of March 26 are
 submitted and confirmed.

The Minutes of the meeting of the Staff Committee of April 2 are submitted
 and confirmed.

The Minutes of the meeting of the Watch Committee of April 3 are submitted

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and confirmed. With regard to: ^{4367/1} Taxicab Service. - The Secretary states that Mr. Bonner called on him on the day following the meeting and explained more fully his intentions as to the control of his Company's taxicabs. It was proposed to make arrangements with the chauffeurs to issue new cars to them after a year's service in certain cases, but in no event would a chauffeur ever be the proprietor of a car so as to be able to operate it independently of the Company. Old cars would not be sold in Shanghai but would be disposed of in Amoy and other places. After discussion the question is referred back to the Watch Committee.

Taxation of Greyhound Racing. - In a report submitted, the Commissioner-
 4728 General states that the Greyhound Racing Association of China, Ltd., which is likely to commence operation on its Ward Road track early in May, proposes to make a contribution towards the Municipal revenue on the same percentage basis as the Shanghai Race Club, i.e., 1% on the pari-mutuel turnover. As this is so entirely different from the terms agreed to between the French Concession Authorities and the Greyhound Racing Company operating in the French Concession, he requests the Council's decision as to the basis of taxation to be levied and suggests that the Association be notified without delay that under Bye-law 34 they are debarred from starting business without a licence first obtained from the Council. The Secretary refers to the French Administration's decision as to the contribution to be made by the Champ de Courses Francais, viz: 4% of the pari-mutuel takings, 10% of the cash sweep takings and from 10% to 20% on the gate money on a graduated scale. Under French Law only the third item can form part of the Administration's direct revenue. With reference to the 1% on the pari-mutuel turnover which the Shanghai Race Club pays to the Council, Mr. McBain explains that there is a further payment for community purposes, i.e., the Club deducts 20% from the gross receipts from the cash sweep-stakes and hands half of it to charities. He is of the opinion that a percentage tax on the gross turnover of the Greyhound Racing Association would be equitable, and that horse racing and greyhound racing should receive similar treatment. A member objects that greyhound racing is purely a money-making business and does not merit equality of treatment, while Mr. Bell remarks that if the Council

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were to impose a heavier tax on the Race Club that body might be forced to adopt the most unpopular expedient of reducing its contributions to charity. Members on the whole incline towards taxation on gross takings, and a flat rate of 5% is suggested, at least for the first year, after which it might be revised if necessary. It is eventually decided to refer the matter to the Watch Committee for further consideration and report, after a meeting with representatives of the Companies concerned.

Admission of Chinese to Parks and Open Spaces. - In a report submitted, the

1937 Commissioner-General makes recommendations regarding the control of parks and open spaces after the ban against the admission of Chinese has been removed. The Secretary reads a letter from two Japanese residents representing the Association for the Study of Municipal Administration, protesting against the proposal to charge entrance fees. Mr. Fukushima endorses the protest. He states that he was formerly in favour of charging admission, but he now recognises the claims of many Japanese residents in the neighbourhood of Hongkew Park for a continuance of present privileges and refers to the hardship which would be caused by a charge for admission in the case of school children. He considers also that after a while the Chinese may not be so keen on using the parks. The Commissioner-General states that he based his recommendation on present practice in Peking and Tientsin, where entry to eight parks is subject to fees from 5 cents upwards, but mostly about 10 cents. The Chairman expresses the opinion that regulations regarding the dress of persons using the parks might be introduced, as in the case of the French Park. He thinks that it may be necessary to make a small charge at first, though 10 cents is perhaps too high. The Commissioner-General refers to a previous suggestion that every Ratepayer, on production of his tax receipt at the Revenue Office, should be given a ticket entitling him to free admission to the parks, but he has ascertained that the extra work entailed would be beyond the capacity of the present staff of that Office. The Secretary remarks that he understands from Bro. Faust, who has lived for many years in Shanghai, that any charge for admission would certainly be met by a storm of protest from poor Russians and others. He states, however, that the Chinese representatives who attended the meetings of the Parks Committee on this subject did not raise objections to the imposition of such charges. After

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further discussion members accept the view of the Chairman that a small charge of perhaps 5 coppers should be charged for entry to the parks and 10 coppers to the Public Gardens, with special concessions to children. It is recognised, however, that many details, including a revision of the Parks Regulations and the status of the Golf ^{Club} ~~Club~~ in Hongkew Park, require attention, and consideration thereof is deferred to another meeting.

Ratepayers' Meeting - Resolutions and Speeches. - The Chairman states that he has prepared speeches introducing the various Resolutions, and his suggestion is adopted that those of a routine nature be taken as read. The Chairman then reads the following speeches, with a view to eliciting members' views thereon:-

Admission of Chinese to Parks. - This speech is approved.

Public Gambling. - The Chairman states that he has informed the Senior Consul of his intention to refer to this matter at the Ratepayers' Meeting. He is not sure, however, that it will be necessary to read the speech as submitted, though he considers it desirable that Ratepayers should be told of the constitutional difficulties with which the Council is faced in dealing with this evil. He has arranged to discuss the matter further with the leading Consuls on April 13. The tenor of the draft speech is approved.

Armed Robber and Kidnapper Menace. - On Mr. Lyman's suggestion the Chairman agrees to add a statement, calling attention to the fact that, of all the death sentences pronounced by the Provisional Court, only one has yet been carried out. With this amendment the speech is approved. The Chairman further agrees that his letter to the Senior Consul on this subject should be printed in the Municipal Gazette.

Shanghai Defence Force. - The Chairman explains that he has reduced the length of this draft speech, as parts of it might be misconstrued. He intends, however, at the Ratepayers' Meeting, to call for a vote of thanks to the Defence Force.

Other Items. - The Chairman states that he intends to refer briefly to Chinese Representation on the Council, the Waterworks Agreement, and the readjustments necessitated by the early departure from Shanghai of the Commissioner-General and the Secretary. With regard to the first item, he has invited the new Chinese members to take their seats at the first meeting following the Ratepayers' Annual Meeting.

Publicity in Great Britain. - With reference to the minute of February 1, 1928, the Commissioner-General, in a report submitted, states that he has made arrangements to get into personal touch, on his arrival in England, with a number of the largest London daily newspapers and with several provincial newspapers, and he offers to furnish these papers with up-to-date, authoritative information on the international situation in Shanghai in its relation to Municipal affairs, at a cost to the Council of not more than £150 for one year from August 1, 1928. Members agree that this is an excellent opportunity of removing gross misconceptions from the public mind regarding the local situation, and the Commissioner-General's offer is accordingly accepted.

Chinese Legal Assistants. - The Secretary states that from 50 to 60 applications for two positions of Chinese Legal Assistant have been received, but most of these are quite unsuitable. However, he considers that the qualifications of Mr. Chang Nieh-yun, a member of the Chinese Education Committee, deserve consideration. Members generally support this application and consider that satisfactory service would be rendered by Mr. Chang. Since, however, it would be most undesirable to allow him to retain his private practice it is agreed that an offer be made to engage him for six months on probation, during which time he would be allowed to carry on his private practice, with a view, however, to bringing it to a close on confirmation of his appointment; his salary to be \$500 per mensem during the probationary period and \$750 thereafter. If this arrangement can be concluded, it is considered that a second Chinese Assistant will not be necessary. The question is also discussed of inviting the Provisional Court to contribute half the salary of the Chinese Legal Assistant or Assistants; the opinion, however, prevails that this might result in undue influence being exercised on the course of prosecutions undertaken by the Council, and

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it is decided not to pursue the subject.

The Municipal Gazette for Friday, April 13, is submitted in proof and
authorised for publication.

The meeting adjourns at 6.15 p.m.

Hilding Eerensen
Chairman.

J. M. M. Kee
Acting Secretary.

At the meeting of the Council held on Thursday, April 19, 1928,
at 11.45 a.m., there are:

Present:

Messrs. A. D. Bell
 S. Fessenden
 K. Fukushima
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau
 The Commissioner-General, and
 The Secretary.

Absent:

Messrs. H. E. Arnhold
 T. Funatsu.

Election of Chairman. - In proposing Mr. Fessenden for re-election as Chairman of the Council, Mr. Bell speaks of the opening of a new chapter in Municipal affairs and to the success of negotiations for the representation of Chinese on the Council, to which Mr. Fessenden has so largely contributed. The motion is seconded by Mr. Johnston and carried unanimously.

Election of Vice-Chairman. - Upon the proposal of Mr. Fessenden, seconded by Mr. Lyman, Mr. Bell is re-elected Vice-Chairman.

Constitution of Council. - The Chairman refers to the fact that the personnel of the Council has been increased to twelve by the election of three Chinese members. He feels sure that this event marks the opening of a new era, in which co-operation and friendly relations between the Chinese and Foreign communities will be greatly strengthened and increased. He sees no reason why Chinese and Foreign members should not work together in perfect peace and harmony.

Appointment of Committees. - Appointment to membership of the various Committees is then approved as follows:-

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Finance, Rate and Appeal Committee. - Messrs. A. D. Bell, S. Fessenden, T. Funatsu, B. C. M. Johnston, V. G. Lyman, Tsuyee Pei and Z. C. Zing.

Watch and Defence Committee. - Messrs. D. S. Ch'en, K. Fukushima, S. L. Hsu, V. G. Lyman and J. J. Paterson.

Works Committee. - Messrs. H. E. Arnhold, A. D. Bell, W. P. Lambe and L. T. Yuan.

Staff Committee. - Messrs. B. C. M. Johnston, Li Ming, V. G. Lyman and J. J. Paterson.

Public Utilities Committee. - Messrs. A. D. Bell, B. C. M. Johnston, W. P. Lambe, K. H. Ling and S. U. Zau.

Health Committee. - Messrs. I. C. Ch'ien, S. L. Hsu, Drs. E. L. Marsh and F. M. Neild, and Mr. J. J. Paterson.

Electricity Committee. - Messrs. C. J. Knipschildt, K. Kuroda, W. P. Lambe and V. G. Lyman.

Traffic Committee. - Messrs. H. E. Arnhold, D. S. Ch'en, J. S. S. Cooper, V. G. Lyman and G. Okada.

Chinese Education Committee. - Messrs. R. Calder-Marshall, Chi-cheh Nish, R. E. S. Gregson, W. P. Lambe, K. H. Ling and S. U. Zau.

Consideration of the membership of the Orchestra and Band Committee, the Library Committee and the Foreign Education Committee is deferred.

Procedure. - For the benefit of new members the Chairman mentions certain rules to which Councillors adhere in the conduct of Municipal business. In substance these are:-

(1) That each Councillor acts in his individual capacity, i.e., the Council never recognises any Councillor as representing any faction or outside body, and members of the Council are concerned only with the interests of the whole community.

(2) That all Council business is strictly confidential, and may not be made public, until decisions have been finally confirmed by the full Council; that all documents circulated in boxes are strictly for the personal and confidential information of the Councillor or Committee member concerned, and may be seen by no one else.

(3) That the Council, or a Committee, acts as a whole; and that the individual opinions of members, though recorded on occasion in the Minutes, may never be divulged to outside parties.

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(4) That no Council or Committee member may take part in any discussion, or vote upon any matter, in which he has, directly or indirectly, any financial interest.

(5) That no individual Council or Committee member may discuss Municipal matters in public or address any public meeting on Municipal matters without the sanction of the Council.

The meeting adjourns at 12.5 p.m.

Stirling Jessenden
Chairman.

J. M. K. C.
Acting Secretary.

At the meeting of the Council held on Wednesday, May 2, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
K. Fukushima	
B. C. M. Johnston	
W. P. Lambe	
V. G. Lyman	
J. J. Paterson	
Tsuyes Poi	
L. T. Yuan	
S. U. Zau	
The Commissioner-General, and	
The Acting Secretary.	

Absent:

Mr. T. Funatsu.

The Minutes of the meetings of April 11 and 19 are confirmed and signed.

The Minutes of the joint meetings of the Finance and Health Committees of

April 4 and 25 are submitted and confirmed. With reference to the proposal to sell the Victoria Nursing Home site, the Chairman alludes to the hostile editorial on the subject in this morning's North-China Daily News and to the editorial in the Shanghai Times, which is also averse to immediate action being taken. He states that Mr. O. M. Green, Editor of the former newspaper, called on him to-day with the request for an assurance that the Council would not do anything to carry out yesterday's recommendations without the views of the Ratepayers being first sought. The Chairman informs members that he was unable to give any such undertaking without first referring the matter to the Council, and he suggested to Mr. Green that he should put his views in writing for members' information. This has been done, and the Chairman reads a letter from Mr. Green, expressing the anxiety of the public as to the disposal of the Victoria Nursing Home, urging that no final decision be taken without the Ratepayers' knowledge and approval, and requesting the publication of the facts and an assurance that a meeting of Ratepayers will be convened for the public discussion of the whole question.

In conversation with himself, Mr. Green intimated that, unless the Council made some such announcement forthwith, he and his friends would be inclined to call a Special Meeting of Ratepayers to deal with the subject. The Chairman replied that he considered the movement premature, since the matter had not yet been fully discussed by the Council. He therefore advised Mr. Green to wait until the relative material was published, and added that no sale of any part of the property could possibly take place within two or three weeks.

In reply to a question by Mr. Arnhold, the Chairman states that he understands the Council's intention to be to publish the Municipal Economy's Report when it is complete, and he further expresses the opinion that the part relating to Hospitals should be published immediately, except for the voluminous appendices, which might simply be held at the disposal of any one who wishes to inspect them. Members agree to this course, and it is decided to inform Mr. Green accordingly.

The Minutes of the meeting of the Watch Committee of April 16 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of April 23 are submitted and, subject to the following exception, confirmed: ¹¹¹³ Mr. J. C. Bosustow Revision of Terms of Agreement. - The question is raised whether the excellent work performed by this employe, who it is stated will reach the ordinary retiring age in about three years, should properly be recognised by a special grant or by an increase of pay above the scale limit for No. 3's of Senior Departments. Both alternatives appear to have disadvantages, though precedents are not wanting. Reference is also made to the increasing expenditure on the Finance Department; and the opinion is expressed that since the general question of salaries has been given consideration by the Municipal Economy Committee the final report of that body, which is expected in a few days, should be studied before a decision is recorded. It is accordingly agreed to defer consideration of Mr. Bosustow's case until a later meeting. With regard to ¹³⁷⁴ Mr. J. T. Ford's Agreement Renewal. - It is noted that the question of this employe's renewal agreement has been deferred at his own request, but that the question remains to be decided of his status and pay during the absence of the Treasurer & Comptroller on sick leave. No precise precedent or ruling exists on these points, and members are reluctant to make any general ruling until after the Economy Committee's report has been submitted. In this special case, however, it is

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recognised that Mr. Ford should receive the same treatment as though Mr. Goodale were absent on long leave, and it is accordingly directed that he be authorized to sign as Acting Treasurer & Comptroller while performing the duties of the Treasurer & Comptroller and to draw acting pay for the same period.

The Commissioners of Public Works and Revenue
attend.

Parks Regulations. - The Chairman presents a scheme which has been elaborated
1937 by the Commissioner-General, with the assistance of the Commissioners of Public Works, Police, Public Health and Revenue, for the control of the parks and open spaces when they are thrown open to the Chinese on the same terms as to foreigners. He suggests that members may be willing to accept the proposed Regulations as an experimental measure, to be revised later if found necessary. As regards charges for admission, the plan is to issue season tickets for adults, available for all parks and open spaces, at \$3 each for one year, to levy an admission fee of 10 coppers for persons without such tickets, and to admit children free.

Mr. Fukushima refers to his written comment, that a charge of \$3 for a season ticket is excessive, especially as charges for admission were not primarily intended for revenue purposes. Members generally concur, and several alternative suggestions are made. A reduction to \$1 for Ratepayers only is regarded as impracticable, largely because of the clerical work involved in the separate issue of such tickets. A flat rate of \$2 also does not find favour. A plan to issue \$1 books of 30 to 50 tickets, each good for one admission, is not considered an entirely satisfactory substitute for cash payments at the gates. The Commissioner of Public Works is of the opinion that tickets would be forged, as formerly happened in the case of ricscha tickets; and it is observed that the Race Club's sweep tickets have been forged, and payments actually made on them. This might be overcome by the use of a special quality of paper for park tickets. Mr. Fukushima states that no forgeries have occurred in the case of books of tickets issued by Japanese railways and tramways. Mr. Arnhold further suggests a form of ticket permitting a stated number of admissions. Whenever the holder entered a park the gate keeper would punch a hole in the

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ticket, until the number of holes indicated that the ticket was no longer valid.

In the course of discussion members agree that the scale of charges should be open to revision after a fair trial, and that in the meantime such charges should be reasonably small and the procedure as simple as possible. As best satisfying present conditions the plan is approved of levying a charge of 10 coppers for adults, issuing season tickets good for 12 months from June 1 in any year at \$1 each, and admitting children free. Mr. Harpur advises the use of turnstiles, partly for statistical purposes.

On the proposal of Mr. Lombe it is decided to reserve the whole of the small area comprising Quinsan Garden for children, and for such adults as may be in charge of them at the time.

It is further agreed that the parks should, generally speaking, be closed at sunset, the time to be indicated to the public by suitable notices at the gates.

With regard to the free admission of members of the Shanghai Defence Force in uniform, recommended by the Commissioner-General as a temporary measure, Mr. Bell is of the opinion that the troops would actually prefer to be treated on the same footing as the paying public; though it is pointed out that Jessfield Park is already in partial occupation by the Defence Force, while a further difficulty might arise if armed parties wished to enter the parks for purposes of drill, etc. At the Chairman's request, the Commissioner-General undertakes to consult the authorities concerned on this point. He remarks, in this connexion, that the free admission of men in uniform would in no case be referred to in any published regulations.

As regards the definition of children, it is agreed to fix the limiting age at 12 years.

With reference to the Commissioner-General's recommendation as to restrictions on the playing of golf in Hongkew Park, it is agreed as a provisional measure to prohibit this game after 9 a.m.

The Commissioner-General is requested to embody the above decisions in the Regulations, and the Commissioners of Public Works and Revenue are authorised to take such action as may be necessary to render them effective.

The Commissioners of Public Works and Revenue withdraw.

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Stationing of Chinese Police in the Post Office. - A letter is submitted from 4207/11 the Public Safety Bureau of the Local Special Government stating that plans are being placed before the Post Office Authorities for the provision of Chinese Police to maintain order in the Post Office. This has been endorsed by the Commissioner of Police, conditionally on the men being nominally employed as watchmen and not allowed to parade through Settlement streets. The Chairman states that the question first arose when the Chinese employes of the Post Office were threatening to strike. He states that the Municipal Police can deal with cases of crime and violence but that it is impossible to furnish sufficient men to keep permanent order on the premises. The Chairman adds that, while he does not wholly approve of the employment of Chinese Police, he is nevertheless inclined to agree to the proposed plan under the conditions named by the Commissioner of Police, since the Post Office is an institution on which the commercial prosperity of Shanghai so largely depends. From conversations with the Commissioner (Mr. C. H. Shields) and other persons he understands that the postal employes are a turbulent lot, and concludes that the employment of Chinese watchmen as suggested would be the lesser of two evils. In reply to questions he states that he understands that these men would have power to detain offenders and hand them over to the Municipal Police, but they would not be armed and would not be allowed to appear on Municipal Roads in uniform. After discussion, it is agreed that decision be deferred pending the receipt of a detailed report on the subject by the Commissioner of Police.

Waterworks Company Directorate. - A letter is submitted from the Shanghai 1488 Waterworks Co., Ltd., stating that Mr. T. H. R. Shaw, one of the Directors nominated by the Council, resigned from the Board on March 30. It accordingly becomes necessary, under Clause 25 of the Waterworks Agreement of March 17, 1928, for the Council to appoint a successor. On the proposal of Mr. Zau, Mr. V. G. Lyman is nominated, and the nomination is accepted.

Municipal Seal and Flag. - Recommendations have been received from the judges 4495/1 appointed to select a new Municipal Seal and a new Municipal Flag from the designs submitted in the open competition recently held. In the former case, Mr. Pei states that, in spite of the merits of the chosen design, No. 63a, the central figure of a foreign woman is open to objection among the Chinese community. Alternatively, design No. 63 by

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the same artist, with a pagoda in the central position, is proposed and, after discussion, adopted. It is decided, however, to request the artist to insert the Chinese characters for Shanghai, making the inscription read "Shanghai Municipal Council" in Chinese as well as in English.

With regard to the flag, members comment on the impossibility of securing a really artistic design suitable for this purpose, especially as simplicity of form and colour have to be observed. The design recommended, No. 35, is not considered entirely satisfactory, the view being expressed that the central letter S might with advantage be omitted. The Commissioner of Public Works is accordingly requested to have an actual flag made up on these lines for the Council's further consideration, and also to prepare a red and blue flag according to a design by "Oxbnian" with modification of the central portion.

The Municipal Gazette for Friday, May 4, is submitted in proof and authorised for publication.

The meeting adjourns at 6.30 p.m.

Arthur Sessenden
Chairman.

J. M. Kee
Acting Secretary.

At the meeting of the Council held on Wednesday, May 16, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
B. C. M. Johnston	
W. P. Lembe	
V. G. Lyman	
J. J. Paterson	
Tsuyce Pei	
L. T. Yuan	
S. U. Zau	

The Commissioner-General, and

The Acting Secretary.

Absent:

Messrs. K. Fukushima
T. Funatsu.

¹³⁷⁴
Death of Mr. E. F. Goodale and Mr. P. W. Goldring. - Before proceeding with the ordinary business of the meeting, the Chairman refers to the death of Mr. E. F. Goodale, Treasurer & Comptroller, and of Mr. P. W. Goldring, Assistant Prosecuting Solicitor. At his suggestion the Council records its unanimous regret and directs that letters of condolence be addressed to the widows of the deceased employees.

¹³⁷⁴
Treasurer & Comptroller. - It is directed that the terms of the appointment of Mr. Ford as Treasurer & Comptroller in succession to Mr. Goodale be referred to the Staff Committee for its recommendation.

¹³⁷⁴
The Minutes of the last meeting are confirmed and signed. With reference to:
^{1307/11}
Stationing of Chinese Police in the Post Office. - The Chairman states that a further report has been received from the Commissioner of Police containing further details in connexion with the scheme for the employment of Chinese watchmen in the Post Office. This scheme now appears to be satisfactory, but the report requires to be seen by members before any decision is recorded. With regard to: ¹⁹³⁷
Parks Regulations. - The Commissioner-General states that he interviewed the Military Authorities, as requested, and was informed that they would very much appreciate the

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privilege of free admission of members of the Defence Force to the Parks. So far as Jessfield Park is concerned any other arrangement would be almost impossible, since members of the Defence Force continually enter and leave it in the course of their duties. Members, accordingly, agree that free entry to all the Parks should be permitted to such persons, though no reference to this permission will be made in any published regulations.

General Hospital. - The Chairman states that, before proceeding to confirm the Minutes of the joint meeting of the Health and Finance Committees of May 1, it is desirable that consideration be given to a letter which has been received from Dr. C. Bennett, Superintendent of the General Hospital, forwarding a report from Messrs. Moorhead, Halse & Robinson on the délapidation of the East Wing of that building, since the Council's decision regarding the future of the Victoria Nursing Home may be affected by any curtailment of hospital accommodation elsewhere. According to Dr. Bennett's letter, the East Wing, which is reported to be in a dangerous condition, contains 83 beds for patients, 74 of which are the only accommodation available in the Hospital for women. The Chairman explains that the General Hospital is under the control of a Board of Governors, on which the Council is represented, and that the Council has guaranteed the Hospital's overdraft at the Hongkong & Shanghai Bank, which is secured by a mortgage on the property. He adds that the same question of the safety of the Hospital building came up some years ago when he was a member of the Board of Governors. A member remarks that if the majority of the beds in the East Wing are occupied it would be a difficult matter to evacuate this part of the building.

The Commissioner of Public Works attends.

In reply to the Chairman's enquiry, Mr. Harpur states that, after careful examination of the building by three members of his staff, he is left in considerable doubt whether there is any real danger of collapse, as suggested by the Hospital's Architects, or any need to rebuild. He thinks that, even on the evidence of their own report, reconstruction would not be justified. He reads a report which he has prepared on the subject. Therein he states that, upon receipt of the Architects' report, arrangements were made by them, with his cognisance, to erect a temporary shoring at the point alleged to be in imminent danger. A previous

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inspection by Mr. Toone, Assistant Building Surveyor, in March, showed that while there were no dangerous conditions, the building required renovating, and had suffered considerable water damage. Subsequently a joint inspection and report were made by Mr. Toone and Mr. Whitehouse of the Public Works Department, in company of Mr. E. Luthy, and thereafter an inspection and report by three members of the Public Works Department staff were made. From these reports, and from his own knowledge of the building generally, he submits the following conclusions:-

- (a) The building has some weak features in structural design which can be remedied.
- (b) The examinations which have been made are not sufficient to justify the recommendation of Lessrs. Moorhead, Halse & Robinson for complete demolition of the Wing in question.
- (c) I think that the faulty alignment of some of the walls has existed from the time the building was constructed.
- (d) There was unquestionably some distortion and settlement of the building when the new West Wing was built, which has weakened the resistance of the former to the effect of vibration caused by heavy traffic in Tiendong Road.
- (e) The exterior of the building has not been well maintained and has suffered considerable damage from water, due to leaking rain water pipes and other causes.
- (f) It is not necessary to evacuate the building.

He accordingly recommends:-

- (1) That authority be given for a more complete examination of the structure, necessitating opening up some of the floors and underpinning of columns.
- (2) That the building be daily watched by a competent person to note the effects of vibration.
- (3) That a scheme (with estimate of cost) be drawn up for renovation of the whole building.

In reply to members' enquiries, he states that some of the cracks observed are in arches which carry but little weight and that they do not denote serious structural weakness, though some of the material needs replacing. A certain amount of cracking is not uncommon in cement work. Crushing is partly due to the composite brick-work employed, the use of red and blue bricks together being undesirable. Considerable damage involving the crushing of exterior bricks appears also to have been caused by water, but it does not follow that the parts which carry the main load are seriously affected. To decide this point, it would be necessary to underpin and examine some of the columns near the ground. The one at the South-east corner is in the worst condition. Except for a certain amount of noise the operations would not cause inconvenience to the occupants of the building.

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This work would take a month or so, after which the structure should be examined throughout. He believes that Tls. 5,000 to Tls. 10,000 would cover the total cost of renovation, while if the East Wing were rebuilt it would cost about Tls. 150,000 and involve cessation of hospital work therein for a considerable time.

In the ensuing discussion, the opinion is expressed that the Council is likely to become liable for part of the expenditure involved, and that its views, based on the reports of the Commissioner of Public Works, should therefore be fully represented at the meeting of the Board of Governors next Monday. To facilitate matters, Mr. Harpur undertakes to send a copy of his report to the Superintendent of the Hospital. Members are strongly of the opinion that it would be unwise to assume that the East Wing is in a dangerous condition pending the outcome of the forthcoming examination.

Mr. Harpur states that he proposes to attend personally at the examination of the structure. Finally, if he is responsible for the safety of the building he would like to have a say in the remedial measures to be taken. Members endorse these views and authorise Mr. Harpur to proceed on the lines indicated in his draft report.

The Commissioner of Public Works withdraws.

The Minutes of the joint meeting of the Health and Finance Committees of May 1 are submitted and confirmed. With regard to: Report of the Municipal Economy Committee on Hospitals. - The Chairman expresses the opinion that prompt action should be taken on the question of the Victoria Nursing Home, especially as the disposal of the nursing staff has to be settled. On enquiry he finds that the number of patients at the Country Hospital is stated to have increased from 30 to 40, presumably as a result of the order regarding the closure of the Victoria Nursing Home to ordinary medical and surgical cases. Members agree that there is no sufficient reason to revise their decision in this matter.

The Minutes of the meeting of the Works Committee of May 4 are submitted and confirmed. With regard to: ¹¹⁵⁹House Refuse. - Members enquire whether some working arrangement could not be made with the contractor to secure the permission of the Chinese Harbour Authorities for dumping refuse on particular sites outside harbour limits, since the contractor for the French Concession appears to have found a way out of the same difficulty.

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Mr. Bell remarks that the Deputy Commissioner of Public Works has met several of the Chinese Authorities, but has been unable to prevail on them to remove their embargo. Mr. Zau suggests that the matter be referred to the Mayor of Greater Shanghai, who has authority over the Kiangsu Water Constabulary, and Mr. Pei endorses the suggestion. Members agree that it is worth trying this plan, while at the same time exploring other methods of disposing of house refuse. The Chairman accordingly undertakes, with the assistance of the Chinese members, to take up the matter with the Mayor of Greater Shanghai.

Proposed Hospital Commission. - The Commissioner of Public Health has submitted

3776 a letter from Dr. C. Bennett, Hon. Secretary of the Shanghai Medical Society, forwarding a resolution of a joint meeting of the Shanghai Medical Society, the National Medical Association and the Shanghai Branch of the China Medical Association, petitioning the Council to appoint a commission to enquire into the Hospital and nursing needs of this city, especially as regards the poorer members of the community. Dr. Davis recommends that the suggestion be made to Dr. Bennett that the Associated Medical Societies should appoint their own commission from among their members, and that every facility and assistance that is possible and permissible be given by the Public Health Department of the Council.

The Chairman is of opinion that no action is called for beyond that recommended by Dr. Davis. He adds that most of the ground has been covered by the Economy Committee, whose report on hospitals has already received careful consideration, though there is also the question of certain small hospitals whose functions might well form the subject of discussion at a medical conference, at which it is hardly necessary for the Council to be represented. After a short discussion, a reply to Dr. Bennett in the sense of Dr. Davis's recommendation is approved.

Prosecuting Solicitor's Office - Reorganization. - A letter is submitted from 3081 the Senior Consul, alluding to the difficulties which attend the execution and interpretation of the Rendition Agreement, and recommending, on behalf of the Consul Body, the organization of a special prosecuting department attached to the Police, with at least two foreign and two Chinese fully qualified lawyers under a foreign lawyer of high standing. The letter adds that the Consular Body was at pains to prevent the introduction of the Procurator system, which prevails in all ordinary Chinese Courts, and that to maintain the system now in force it is necessary that the Police Prosecution Department should be above criticism.

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Commenting on this letter, the Chairman refers to criticisms by the Consular Deputies of the Prosecuting Solicitors, as recorded in the Minutes of January 11. He was not prepared and is not prepared to accept these criticisms at their face value, since the Deputies have not sufficient legal experience on which to base a sound opinion. Nevertheless he is now satisfied that prosecutions in the Provisional Court were not conducted in an efficient manner. Immediately after his admonitory talk with the Prosecuting Solicitors their work showed a decided improvement. He recognises that their work was often very heavy, especially as the result of the large number of appeal cases coming before the Court, and their time was too much occupied by matters referred to them by the Council's Departments. About two weeks ago he met the Consular Committee and discussed with them in great detail the question of prosecutions in the Provisional Court. The letter to himself of May 11 was the outcome of that discussion. The Consuls are strongly of the opinion that efficiency should be secured in the public interest, and urge that the question of expense should not be allowed to weigh unduly with the Council. With reference to the Senior Consul's remarks on the Procurator system, the Chairman states that he himself sat once or twice with the Rendition Committee when this matter was being discussed, and he fully agrees that it would be most undesirable to put all Police prosecutions under a Chinese Procurator. In the past he believes that the Prosecuting Solicitors were lacking in enthusiasm, in knowledge of Chinese law and procedure, and in readiness to adapt themselves to the conditions prevailing in the Provisional Court.

The Chairman continues that at the present time Mr. Maitland is on long leave, while Mr. Goldring has recently died, and Mr. Chang is carrying on the Prosecuting Solicitor's work as far as he is able. As a temporary arrangement, Mr. J. E. Badeley is also assisting the Police. Immediate steps should now be taken to put the work of the Prosecuting Solicitor's office on a proper footing. This entails consideration of the renewal of Mr. Maitland's agreement, on which the Commissioner of Police has reported adversely. Mr. Maitland is due to return from long leave on October 19, next, and his current agreement expires on November 30. In the circumstances referred to, he does not consider that Mr. Maitland is sufficiently qualified for the responsibilities of his position. He might be successful as an Assistant to a lawyer of high standing with sound legal experience, though he would not be likely to favour such an arrangement. The

Chairman states that he has so far failed to find a first class lawyer having an adequate knowledge of Chinese law and the Chinese language, as well as the requisite amount of enthusiasm, who would undertake the duties of Prosecuting Solicitor at a salary of less than Tls. 1,000 per mensem. He has in view Mr. R. T. Bryan, an excellent lawyer with a good knowledge of the Chinese language, who, he understands, would be willing to accept the position, with remuneration as stated and the prospect of increases in due course. He understands that the appointment would be acceptable to the Commissioner of Police.

In discussing this proposal, members agree that Tls. 1,000 per mensem is not too much to pay for a capable man, while no suggestions as to alternative candidates are forthcoming. It is accordingly decided to offer the position of Prosecuting Solicitor to Mr. Bryan from June 1, 1928, under an "A" form agreement, carrying pay at Tls. 1,000 per mensem with Tls. 50 per mensem locomotion allowance and the usual benefits accorded to employes on the Council's permanent staff.

1081 Mr. E. T. Maitland's Agreement Renewal. - For the reasons stated above the Chairman recommends that Mr. Maitland's agreement be not renewed at expiry on November 30 next. Members regret the necessity of having to record such a decision while Mr. Maitland is on long leave, but they recognise that the appointment of a Prosecuting Solicitor locally makes the present position untenable. It is, accordingly, decided to terminate Mr. Maitland's services on the expiry of his agreement, with the issue of full Superannuation, and that he be not required to serve the remainder of his agreement from October 19 to November 30, 1928, or to refund the return half of the passage money already issued to him.

1645 Commissioner-General's Departure. - The Chairman, in stating that this is the last Council Meeting to be attended by Major Hilton-Johnson, reminds members that when the position of Commissioner-General was established the duties attaching thereto were never fully defined, but that work of great importance had required this officer's attention subsequent to the events of May 30, 1925, and much of his time was devoted, on the Council's behalf, to business of a political nature, the value of which may not have been immediately apparent. Without his help, and especially his close co-operation with the Chinese leaders, it would

not have been possible to settle certain outstanding questions such as Chinese representation on the Council and the admission of Chinese to the parks. The Chairman wishes, therefore, to express his deep appreciation of Major Hilton-Johnson's services and his regret at his approaching departure from Shanghai.

Mr. Pei voices the Chinese Members' appreciation of the departing Commissioner-General, and pays a tribute to the arduous work performed by him and to those qualifications of character which have rendered his services of such high value to the community. He wishes Major Hilton-Johnson long life, health and prosperity in his retirement.

In thanking members for these kind words, Major Hilton-Johnson speaks of the pleasant recollections which he will retain of his activities, in the senior position to which he was appointed, during three of the most eventful years in China's history. Brought into close contact with members of the Council, as well as the public, his labours have been rendered agreeable to him, and he specially recognises the debt which he owes to the Chairman, a good counsellor and a good friend, with whom it has been an inspiration and a pleasure to work. He also thanks Mr. Pei for his very complimentary remarks on behalf of the Chinese members, and expresses satisfaction in the knowledge that he has made many good friends among the Chinese people.

Circulars and Minutes. - Mr. Arnold complains that a good deal of members' time is consumed in reading files and minutes in which they are not directly concerned, and also that the tin boxes in which these papers are circulated are sometimes troublesome to open. The Chairman states that similar questions have been raised in former times. Present arrangements were intended to meet members' convenience as far as possible. He thinks that many decisions of minor importance might be made without reference to a Committee or to the Council, and also certain decisions regarding financial and technical matters, to which members are asked to put their signatures without a full understanding of the subject; though he realizes that it is most difficult for the Secretary to discriminate. With regard to requisition books, the Acting Secretary explains that the procedure has been amended, so that they are now submitted in each case to one member only.

After some discussion, it is directed that the Acting Treasurer & Comptroller be requested to report on the feasibility of

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settling certain matters coming within his province by the Council's executive, without reference to the Council itself, that a larger proportion of minor questions be settled by the Acting Secretary at his discretion, and that attention be given to the need for providing suitable boxes and keeping the locks in good order.

The Municipal Gazette of Thursday, May 17, is submitted in proof and authorised for publication.

The meeting adjourns at 6.35 p.m.

Ateling S. S. S.
Chairman.

J. M. C. K.
Acting Secretary.

At the meeting of the Council held on Wednesday, May 30, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fensenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
K. Fukushima	
T. Funatsu	
B. C. M. Johnston	
W. P. Lambe	
V. G. Lyman	
J. J. Paterson	
Tsuyee Pei	
L. T. Yuan	
S. U. Zau, and	
The Acting Secretary.	

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Electricity Committee of May 4 are submitted and confirmed with the following exceptions: Exchange: - Mr. Lambe states that the minutes should not be taken to imply any desire on the part of the Committee to settle exchange on Electricity Department gold commitments without the Council's authority. He states that a policy as to how and when exchange should be settled may have been laid down, but that in practice the matter seems to have become somewhat confused, with the result that actually the responsibility appears to have been largely thrown on the Electricity Committee or even on individual members thereof. The Chairman states that the question of settling exchange has in the past been submitted to him, as Chairman of the Finance Committee, for a decision, which is usually made after consultation with the Chairman of the Electricity Committee and the Treasurer. It has not been thought necessary to submit the matter to the whole Council. Members express the view that the present procedure is sound and that it is not necessary for the Electricity Committee to assume responsibility in the matter. After further discussion, it is decided that the Treasurer & Comptroller be requested to consult the Chairman of the Finance Committee from time to time as to the desirability of

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fixing exchange. In regard to the usance at which Bills for the Electricity Department's account are drawn on the Council, Mr. Lambe says that he understands they are drawn "at sight"; if this is so, he would like the opportunity of discussing this matter with the Treasurer & Comptroller, with a view to ascertaining if this is considered the most satisfactory procedure to follow. With regard to: Invaliding of Mr. C. L. Roberts, Testing Engineer. - This employee, whose first agreement dates from March 8, 1925, was granted six months' sick leave, with full pay, from January 21, 1928, on the understanding that his services would terminate at the end of that period if he were unable to pass the necessary medical examination. Mr. Roberts is now reported by the Council's doctor in London to be permanently unfit to return to Shanghai, and he will therefore be invalided from the Council's service. As, by the terms of his agreement, Mr. Roberts is not entitled to reimbursement of the cost of his wife's passage to Shanghai and back to England, the Committee recommends, in the unusual circumstances of this case, that a compassionate allowance of Tls. 1,000 be issued to cover part of these expenses. In his report in comment thereon, the Acting Treasurer and Comptroller, after referring to the medical evidence, points out the exceptional nature of the demand on the Council's favour in regard to Mrs. Roberts' passage, and recommends that, if the concession is made, it should not be used as a precedent in any future case.

In the course of discussion, members express a desire to be more fully informed of the circumstances under which Mr. Roberts was engaged from home without a satisfactory medical certificate being insisted upon; and, on the Chairman's proposal, it is decided to defer confirmation of this minute until the requisite information is forthcoming.

The Minutes of the meeting of the Traffic Committee of May 11 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of May 14 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of May 14 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of May 22 are submitted and confirmed.

The Minutes of the joint meeting of the Health and Finance Committees of
1513/ May 23 are submitted and confirmed. With regard to: French Administra-
tion - Contribution to Public Health Services. - The Chairman states
that his interview with the French Consul-General on May 24 was devoted
to a discussion on wharfage dues, and there was not sufficient time to
deal with the subject of public health services as intended. He will
therefore arrange another appointment for this purpose. With regard to:
1025 Hokanshan Sanatorium. - The Commissioner of Police has suggested that
the Senior Consul be requested to obtain from the Chinese authorities
a guarantee of protection for foreigners before the Council deals
further with the question of reopening the Sanatorium. Mr. Pei states
that if the Commissioner for Foreign Affairs were asked for such a
guarantee he would no doubt approach the Hangchow Government on the
matter; but members are of the opinion that danger would still exist,
e.g., from organized bands of bandits. It is, accordingly, decided
that no action be taken at present beyond keeping a close watch on the
situation.

Collection of Special Rate in Northern Area. - Reports by the Commissioner
1705 of Revenue and the Commissioner-General have been submitted, relative
to the difficulty of collecting Special Rate on properties in the
Northern Area and the necessity of framing a definite policy thereon.
The Chairman states that consideration of this matter has been deferred
in order that the opinion of Chinese members might be obtained. The
majority of the tenants are Chinese, but a good many Japanese have also
refused to pay rates on the ground that their houses were placed outside
the barbed wire defences during the State of Emergency. The difficulty
of bringing pressure to bear on tenants by cutting off supplies of
electricity and water is emphasised in reports from the Electricity
Department and the Waterworks Company, respectively. Mr. Pei, on
behalf of the Chinese members, considers that, for the reasons referred
to, it would be better not to discontinue the public services but to
try to settle as soon as possible the larger political question of the
Council's control of roads beyond Settlement Limits and its right to
levy rates on outside properties. It is on this issue that the Tenants'
Union and similar bodies base their advice as to the non-payment of
rates. The Chairman asserts that, while negotiations between the
authorities concerned are called for, individuals should not be allowed

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to coerce the Council in this manner. The rates are now seriously in arrears and, though the Council may have no direct means of enforcing payment, it has in effect entered into a bargain with the householders in this area under which it would be justified in withdrawing protection and public services if payments are withheld.

After discussion, the Chairman undertakes to interview the Consuls concerned for the purpose of ascertaining what stage has been reached in the negotiations on the political issue involved, and whether any action taken by the Council to enforce payment of rates would be likely to prejudice the course of such negotiations.

Public Swimming Bath and Swimming Pool. - The question of admitting persons of Chinese nationality to the Public Swimming Bath and the Open Air Swimming Pool has been raised in recent letters from the Chinese public. Under present rules these places are reserved for the use of foreigners only, though in practice Chinese in foreign dress are not excluded. The Chairman states that, after conferring with Mr. Pei and Dr. Jordan, he sees no reason why permits should not be issued to Chinese of the returned student class to enable them to use the Swimming Bath and the Swimming Pool. Members adopt this view, and the Chinese members undertake to notify the Chinese Y.M.C.A. and similar institutions of the amended rule. The Acting Commissioner of Public Health will also be requested to arrange for the issue of the necessary permits.

Municipal Flag. - In a report submitted, the Commissioner of Public Works states that he has prepared specimen flags in accordance with members' wishes, and these have been hung in the Council Chamber for their inspection. Both of the new designs are seen to be lacking in any characteristic feature which would distinguish them from commercial and other flags in common use, and the opinion is expressed that it might be preferable to use the existing flag with the central device replaced by the new seal or the letters S.M.C. The additional cost of this combination is not considered to be a matter of great importance. Accordingly, the Chairman undertakes to consult Mr. Harpur as to what device might suitably be placed in the centre of the existing flag.

The Municipal Gazette of Friday, June 1, is submitted in proof and authorised for publication.

The meeting adjourns at 6.40 p.m.

J. M. Kee
Acting Secretary.

Stirling Bissenden
Chairman

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

there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are confirmed and signed. With regard to:

1705 Collection of Special Rate in Northern Area. - The Chairman states that he has discussed this matter with the British Consul-General, who recommends that action be deferred for a little time pending certain negotiations now in progress between the Consuls and the Chinese Authorities, which negotiations would be adversely affected if the Council were now to bring pressure to bear on defaulting ratepayers. The Chairman states that it is hoped to reach some definite agreement on outstanding questions with the Chinese authorities shortly, and members agree with his suggestion that in the meantime the matter of enforcing payment of rates be deferred. With regard to: Invalidating

1823/ of Mr. C. L. Roberts, Testing Engineer. - Having had an opportunity of perusing the evidence, members are satisfied as to the equity of the Electricity Committee's recommendation, and direct that, as a special case, a compassionate allowance of Tls. 1,000 be issued to cover part of the expenses of Mrs. Roberts' passage to Shanghai and back to England.

Electricity Committee Minutes of May 4 - Appointment of Assistant Secretary. -

3130 Mr. Lambe refers to the minute which states that Mr. R. E. Whittaker

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has been appointed by Mr. Aldridge to the position of Assistant Secretary of the Electricity Department, with pay at Tls. 800 per mensem. He states that, apparently through a mistake on somebody's part, Mr. Whittaker was not given to understand that he was excluded from the pension scheme because he was over 35 years of age. Nevertheless, on behalf of the Electricity Committee, he urges that, on account of the great difficulty experienced in filling this position, the Council will make an exception in this case and allow the appointment to proceed as arranged. Otherwise it will be necessary to cable to London, stating that the terms of Mr. Whittaker's agreement will definitely exclude him from participation in the Pension Scheme, a condition which might not be accepted by him. In reply to a member's question, Mr. Lambe states that it is the policy of the Department to train men for senior posts as far as possible, but in this and some other cases no employee can be found with the necessary qualifications, and facilities for training men for such posts are frequently lacking. The question is discussed whether, in this particular case, it would be feasible to induce Mr. Whittaker, on his arrival in Shanghai, to forego all claims to a pension in return for some other concession of equal value; but the view prevails that such a concession would constitute a precedent even less desirable than the omission of the usual clause excluding Mr. Whittaker from pension benefits. It is accordingly decided that Mr. Whittaker be given an agreement without reservation, so that he may receive a pension if he becomes entitled to it by length of service; but at the same time the principle is reaffirmed, that hereafter no employee entering the Council's service above the age of 35 shall under any circumstances receive a pension, and it is directed that the Engineer-in-Chief of the Electricity Department be advised accordingly on his return to Shanghai, and that the London Agents be cautioned not to conclude any agreement differing from the standard form without the Council's authority being first obtained.

The Minutes of the Electricity Committee of May 25 are submitted and confirmed, except with regard to: Form of Agreement for Senior Officials. The Treasurer & Comptroller has reported that the reasons submitted by the Engineer-in-Chief do not appear to warrant making any differentiation between the senior officials of the Electricity De-

partment and those of other Departments regarding the type of agreement which they are required to sign. He recommends that the Council's decision be adhered to, and that the employees concerned be given the choice of a "B" Form Agreement, or an "A" Form Agreement with the qualification stipulated by the Council. Members incline to this view, and since the Chairman states that the Economy Committee's report, which deals with the whole question of the terms of service, is in preparation, it is decided to leave the matter in abeyance, and in the meantime the Minute referred to remains unconfirmed.

The Minutes of the meeting of the Orchestra and Band Committee of May 25 are submitted and confirmed.

The Minutes of the meeting of the Foreign Education Committee of June 1 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of June 5 are submitted and confirmed. With regard to: ¹⁹³⁷ Entry to Public Parks - Applications from Schools. - The Chairman refers to the fact that the Educational Assistant has convened a meeting of the heads of a few Council Schools and other foreign schools, in order to ascertain their views and requirements. Personally he is not in favour of any alterations to the standing rules, at any rate while the new system is in the experimental stage, but he adds that it should be possible to make special arrangements to meet the needs of individual schools. A very large number are involved, and he has suggested that different days be assigned to them. Mr. Bell states that the views of the Chinese schools are important, and that the Committee desired that they should be obtained. Members concur, and it is directed that further information be solicited from Mr. K. H. Ling, a member of the Chinese Education Committee, and from other sources, and that meanwhile the meeting of the Headmasters be postponed. ¹⁹³⁷ With regard to: Closing Hour of Parks. - Mr. Bell states that there was a slight misapprehension as to the Public Garden, which actually is lighted and kept open until 11 p.m. Mr. Fukushima speaks of the pleasure which the Japanese community have derived from the use of Hongkew Park, and expresses the opinion that, in view of the charges now made for entrance thereto, it might be found possible to keep it open to the public in the evenings. Mr. Bell explains that hitherto, except when the Band was playing, this Park has been closed to all but members of the Golf Club, who, in obtaining

access to the Club House, also had the free run of the Park. He considers that this exclusive privilege should cease, though if the cost of lighting the Park, whereby certain abuses might be obviated, was not found too high, the closing hour could be made later. Members adopt this view, and it is directed that further particulars be obtained as to the cost of the necessary installation for lighting this Park.

The Minutes of the meeting of the Health Committee of June 6 are submitted and confirmed.

Chinese Education. - The Chairman states that the question of an extension of Chinese Education was one of the principal matters brought forward in the negotiations for Chinese representation on the Council and Committees. He now desires the Chinese members to outline the main features of their proposals for the Council's consideration.

Mr. Pei states that the present system meets the needs of only a small minority of the Chinese community, i.e., those who are able to pay the fee of \$40 a term or thereabouts. Some 200,000 children in the Settlement are unprovided for by the Council, and most of them cannot obtain an education in Chinese schools either. He thinks this is one of the causes of unrest among the Chinese populace, and is of the opinion that increased facilities for education would reduce the amount of crime in the Settlement. The principal need is for primary education, which he believes can best be controlled by a carefully selected Chinese Committee, who would have a knowledge of what was actually wanted, and by a Superintendent who would work under their direction. The Chinese members contemplate a type of education along Chinese lines, estimated to cost very much less than the amount now spent in the Council's schools for Chinese. As a first step it is suggested that schools be erected in the Northern, Eastern and Western Districts. Eventually further facilities could be offered.

The Chairman observes that the Council's schools for Chinese were intended to be model schools. Their primary object appears to be the teaching of English for the benefit of those seeking foreign employment, but it is evident that the proportion of Chinese admitted is infinitesimal, while the scheme proposed by the Chinese members would provide for relatively large numbers. If such a scheme is adopted, he does not doubt that the Chinese will agree to the presence of foreign members on the Committee as well as Chinese.

and to supervisory control by the Council. He considers that, if the scheme is generally approved, early action should be taken, especially as he understands that the Economy Committee has severely criticised the Council's present system of education on the score of expense. He does not contemplate the elimination of any existing schools, but favours the establishment of new Chinese elementary schools which would be operated according to Chinese ideas at a much lower cost. He recommends that Mr. Pei's memorandum, with estimates of expenditure, be circulated for members' information.

Replying to a member's question, Mr. Pei suggests that buildings can be rented for schools if the Council has none available.

Mr. Fukushima informs members that similar proposals are likely to be received from the Japanese community.

The Chairman replies that such proposals have been placed before him on various occasions, but he has asked that consideration should be deferred until the question of Chinese education also was under consideration. He adds that he has consistently placed the Japanese schools in the same category as other national schools, and that applications from the American School for the Council's aid have been refused in the past. At the same time, there is nothing to prevent the Japanese from putting forward their views at this time for the Council's consideration.

Mr. Yuan endorses the proposals outlined by Mr. Pei, and emphasises the desire of Chinese members to apply any funds which may become available for Chinese education in the most appropriate manner.

Mr. Bell states that the Trustees of the Lester Estate, of whom he is one, contemplate devoting a large residue of that estate to public education, almost entirely Chinese, such scheme to include the institution of a technical school and an ordinary day school. The late Mr. Lester gave instructions that the teaching of English was to be an important feature of the schools. He thinks it would be well to consider this scheme in conjunction with the Council's plans for Chinese education extension.

After discussion, it is directed that the scheme outlined by the Chinese members be circulated for the Council's information

4795/ prior to further consideration in meeting.
Municipal Seal. - A protest against the design for a Municipal Seal, adopted

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at the meeting of May 2, has been received from the Commandant of Volunteers, who considers it unsuitable for military collar badges, etc., and suggests that further designs be obtained for that purpose. A letter has also been received from Mr. R. Hall, who submitted the design, defending it against hostile criticisms in the columns of the North-China Daily News. The Chairman states that the main objection appears to be that it would not be easy to obtain a good impression from a die made from this design, and also that it is not specially suitable for use on a flag.


A member adds that the seal is also unsuitable in that it contains three unrelated pictures instead of presenting a unified and preferably emblematical design. It is suggested that the emblems now in use by the Volunteer Corps and the Police Force might be retained, and this is provisionally approved.

As regards the new seal, it is directed that arrangements be made with Mr. Hall to have an experimental die made from his design for the Council's inspection, and ~~that~~ the Acting Secretary is requested to ask Mr. Hall to allow his letter to the Council to be published in the North-China Daily News, either as it stands or with modifications, in refutation of public criticism.

The Municipal Gazette for Friday, June 15, is submitted in proof and authorised for publication, with one amendment.

The meeting adjourns at 6.45 p.m.


Acting Secretary.


Chairman.

At the meeting of the Council held on Wednesday, June 27, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
T. Funatsu	
B. C. M. Johnston	
W. P. Lamba	
V. G. Lyman	
J. J. Paterson	
Tsuyee Pei	
L. T. Yuan	
S. U. Zau, and	
The Acting Secretary.	

Absent:

Mr. K. Fukushima.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Staff Committee of June 11 are submitted and confirmed.

9933k
The Minutes of the meeting of the Works Committee of June 12 are submitted and confirmed. With regard: Bubbling Well Police Station - Purchase of Additional Land. - A letter from Messrs. Fessenden & Holcomb, dated June 18, is submitted, conveying an offer from the Temple Authorities to sell to the Council the whole of the land referred to, including the reversion of that on which the Police Station stands, for Tls. 175,000, 90% of the purchase price to be paid by the Council on delivery of fangtans and the remaining 10% when the foreign Title Deed is issued. As the owners had certain financial engagements to meet before the Dragon Boat Festival, they wished the transaction to be completed as soon as possible. Commenting thereon, the Commissioner of Public Works expresses the opinion that the offer is very reasonable, the interests to be acquired having been previously valued at Tls. 183,000. He suggests certain conditions on which the offer might be accepted. He understands that the sale is being sponsored by the Nationalist Government and that it should, therefore, be possible to arrange for the

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issue of the Title Deeds within about 14 days. The Treasurer & Comptroller, however, is of opinion that financial considerations preclude endorsement of the proposal except as regards the reversion of the existing property.

Mr. Fessenden, being a partner of the firm negotiating the sale, takes no part in the ensuing discussion.

Replying to a member's question, the Deputy Secretary states that he has learned that, previous to the present offer being made, Messrs. Teesdale, Newman & McDonald had been negotiating with a Chinese party for the purchase of the additional area of Mow 13.278; that the fangtans are in the office of that firm; and that, if the Council does not close with the offer, there is every prospect of the land being sold forthwith to the Chinese purchaser.

The Commissioner of Public Works and the Treasurer
and Comptroller attend.

Replying to Mr. Bell, the Commissioner of Public Works states that the whole of the land could eventually be used to advantage by the Council, and if it is decided to conclude the purchase it would be quite easy to lease a portion of it for shops. He indicates on a plan the manner in which the land might be divided up: the North-east and North-west sections would be leased for shops, a space between them would be used for a market, and the remainder of the area adjoining the Police Station site would be used for the proposed extensions and for two blocks of Police married quarters. At present the Council is spending about Tls. 80,000 a year in rent for Police quarters, whereas it would be possible to provide all necessary accommodation at a capital cost of some Tls. 500,000, thereby reducing the effective annual charges to Tls. 50,000. Alternatively it would be possible to retain only the land immediately required and to resell the remainder, though this would prevent later extensions to the Police Station and quarters. He adds that, since the owners wished to receive payment before the Dragon Boat Festival, which is past, they may not now be prepared to sell on the terms stated.

The Treasurer & Comptroller states that, unless a particular scheme is regarded as absolutely essential, the question of finance must be the determining factor. He understands that some of the Council's land in Tifeng Road next to the Fire Station is available.

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However, the main question now is whether Police Quarters can be provided without purchasing this large property for Tls. 175,000. If it is found impossible to acquire a portion only, the present Police Station site is at any rate secure until the end of 1949. He suggests the possibility of deferring the purchase of additional land until next year.

Replying to questions by the Treasurer, Mr. Harpur states that he considers that this site could be economically developed, and that revenue would soon come in from the market if established. The completion of Avenue Road would be advantageous to the property. He is strongly of the opinion that economical development cannot be expected unless the Council looks more than two or three years ahead. He states that the Health Department wants a market at the corner of Bubbling Well Road and Avenue Haig, but owing to the high value of this property (about Tls. 25,000 per mow) and to its multiple ownership the scheme is impracticable. Regarding the Tifeng Road property, he believes the area is large enough for Police requirements, but it suffers from being outside Settlement Limits, and also there have been strong protests by the Educational Committee against its use in this manner.

Mr. Bell states that he is not much in favour of the Council becoming a landlord, and suggests that, if the land next to the Police Station is bought, a part of it be resold at once. The Treasurer agrees that this course would dispose of his main objection to the deal. Replying to a question by Mr. Bell, the Commissioner of Public Works states that surplus land is being sold systematically, and that funds are thereby made available for development work. On the other hand, it is often necessary to reserve lots which are likely to be required for Municipal purposes later on, since otherwise there would frequently be unduly heavy expenditure in buying new land. At present there is comparatively little surplus land in the Western district.

In the course of discussion, members express the view that, in spite of financial difficulties, it would be a great mistake to refuse the offer of the Temple Authorities, provided it still remains open; and that the Council could partly recoup itself by the sale of a portion of the property comprising at least the valuable site at the corner of Avenue Road (shortly to be completed) and Jessfield Road. The Commissioner of Public Works is, accordingly, authorised to continue

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negotiations with the Temple Authorities for the purchase of the reversion of the Police Station property, together with the adjacent land and buildings thereon.

The Commissioner of Public Works withdraws.

The Minutes of the meetings of the Watch Committee of June 15 and 21 are
 4539/ submitted and confirmed. With regard to: Volunteer Corps - Recruiting.-

Mr. Arnhold states that he was a member of the Recruiting Committee in 1926, when the strength of the Corps was raised to about 2,000. He doubts whether it will be possible to increase the number again to 2,000 men because of a general disinclination to remain on duty for long periods at a time. Members recognise this difficulty, but are of the opinion that the firms liable to be affected by mobilization orders are under an obligation to permit their employees to join the Volunteers, and that their own security is at stake since it is not possible to depend on the assistance of the Foreign Powers for continued protection, at any rate from internal disorder. It is suggested, however, that the strength of the paid Russian Unit might be increased. The Acting Secretary states that the Commandant has been requested to submit an estimate of the cost of expansion of the Corps to not less than 2,000 men. Further consideration of the question is, accordingly, deferred.

The Minutes of the meeting of the Electricity Committee of June 15 are submitted and confirmed.

The Minutes of the meeting of the Foreign Education Committee of June 21 are
 3084 submitted and confirmed, except in regard to: Date of Return from Short Leaves. - Members are satisfied that the Council is entirely within its rights in determining the period of short leave for the school staffs, but are of opinion that deductions from the pay of those overstaying their leave would be attended by certain difficulties, and it is directed that no provision be made on the short leave application forms for such deductions. It is, however, decided to warn these employees that late return to duty will render them liable to dismissal. Furthermore, the belief is expressed that other employees of the Council sometimes overstay their leave, and it is considered that the practice, if it exists, should be checked. It is, accordingly, directed that a General Order be issued, warning all Council employees that failure to return from leave on due date, or absence from duty without permission, renders the

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employee liable to dismissal; and that the Heads of all Departments be requested to report on all infringements of the rule for the Council's information and the necessary disciplinary action.

Karrier Lorries for Volunteer Corps. - In a report, submitted, the Commandant

3107 has requested authority to purchase from the Auto Palace Co. ten Karrier lorries with a quantity of spare parts at a total cost of Tls. 14,000, provided they are found to be in good mechanical condition. The purchase of such trucks was recommended for approval in principle by the Watch Committee on April 3, 1928, and duly endorsed by the Council.

Replying to the Chairman, the Treasurer states that, at the price now mentioned, there would, at the end of this year, be a nett deficit on the transaction of Tls. 5,000 to Tls. 6,000 only, and ultimately there would be a considerable saving on ordinary expenditure. The trucks and spare parts are, accordingly, authorised for purchase on the terms stated.

Taxation of New Y. M. C. A. Building. - A letter is submitted from the

1098 Foreign Y. M. C. A. of Shanghai, requesting a substantial abatement in taxation in respect of the new building on Bubbling Well Road, in view of the fact that the undertaking is carried on for the public benefit and that a large portion of the building will produce no revenue. The Commissioner of Revenue has expressed the opinion that his assessment of Tls. 4,660 per mensem (which includes Tls. 4,000 on the building itself) is not too high; but he suggests that, if the Council is prepared to accept a reduction in the estimated value of the building to Tls. 390,000 by omitting "Building bureau costs and supervision," etc., the assessment be correspondingly reduced from Tls. 4,660 to Tls. 3,900 per mensem.

After short discussion, it is agreed that any rebate allowed should be on the same general lines as were followed in the cases of other institutions of a similar nature; and, to enable comparisons to be made, the Acting Secretary is requested to have a list prepared for further consideration.

Chinese Education. - As directed at the meeting of June 13, the Chinese

3730 members' report to the Chairman on Chinese Education has been circulated to the whole of the Council. In reply to a member's enquiry whether the initiation of a Chinese education scheme requires the sanction of the

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ratepayers, the Chairman states that, in his opinion, the Council is at liberty to proceed without reference to the ratepayers, though it would remain responsible to them if a mistake in policy occurred. He considers that, under the general terms of Land Regulation IX, the Council has the power to undertake this work; and, in view of the strong demand from Chinese ratepayers, it should do so without delay. The question of devising ways and means to raise the requisite funds is one for consideration at the Ratepayers' Meeting. Mr. Bell believes that within a short time a special educational rate will have to be considered.

In the ensuing discussion, the opinion is expressed that the development of the scheme could best be dealt with by a special committee, which would consider the question of sites for schools and other matters and report thereon to the Council. Mr. Pei suggests that Messrs. K. H. Ling and S. U. Zau, members of the Chinese Education Committee, be appointed members of the Special Committee. No finality is reached on this point, the selection of the Chinese personnel being left to the Chinese members of Council. Regarding foreign representation, as no nominations are forthcoming, Mr. W. P. Lambe and the Deputy Secretary are requested to select and recommend one or two persons who are well acquainted with Chinese education for appointment to the Committee, in addition to a Secretary, for which office Mr. J. J. Pope, the Educational Assistant, is considered suitable.

The Municipal Gazette for Friday, June 29, is submitted in proof and authorised for publication.

The meeting adjourns at 7 p.m.

Stirling Ross
Chairman.

J. M. McKee
Acting Secretary.

At the meeting of the Council held on Wednesday, July 11, 1928,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 H. E. Arnhold
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambie
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Messrs. A. D. Bell
 K. Fukushima.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Staff Committee of June 25 are submitted and confirmed.

Country Hospital - Home for Nurses. - The Chairman refers to two circulars ^{4788/26} which he has sent to members. In the first he draws attention to the fact that the fourth floor of the Country Hospital cannot be used for hospital wards, as suggested by the Economy Committee, until the nurses resident on that floor are provided with other quarters. A separate building for this purpose on the hospital premises would cost about Tls. 60,000, with an additional Tls. 20,000 for furniture, and the Council would be responsible for raising the necessary funds. In the second circular the Chairman states that, as the immediate result of closing the Victoria Nursing Home to medical and surgical cases, both the Country Hospital and the General Hospital are using about half their accommodation for patients, the demand being mainly for first class patients in the former and lower class accommodation in the latter. He recommends that early steps be taken to open the fourth floor of the Country Hospital, to provide additional first class accommodation, and he favours a suggestion by Dr. Birt, endorsed by Mr.

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O. M. Green, that the proceeds of the sale of the original 5½ mow of land, donated by the community for the Victoria Nursing Home, be earmarked for a nurses' home at the Country Hospital, which could be so named as to perpetuate the Victoria Memorial feature of the Nursing Home.

Supplementing these statements, the Chairman alludes to the fact that the closure of the Maternity Block of the Victoria Nursing Home is dependent upon the erection of a nurses' home at the Country Hospital, and the whole scheme of hospital development is involved therein. Sufficient land is available for the purpose, though he does not recommend that the area facing Avenue Haig should be so utilised.

After discussion, it is decided that a nurses' home be built on the Country Hospital estate from the proceeds of the sale of part of the Victoria Nursing Home site, and named so as to perpetuate the Victoria Memorial; and the recommendations of the joint meeting of the Health and Finance Committees of July 6 are endorsed, that an estimate be made of the number of nurses for whom accommodation is required, and that the Commissioner of Public Works be requested to prepare the necessary plans and estimates.

Annual Recess. - It is proposed that the annual recess shall extend from July 26 to September 11, both dates inclusive. Members enquire whether consideration of the Economy Committee's recommendations on staff matters and the inauguration of the Chinese education scheme are likely to be unduly delayed. The Chairman replies that this need not be so, and he suggests that a special meeting to deal with the former subject be called for Wednesday, July 18. Members approve of this date and also direct that the recess period extend from July 26 to September 11 inclusive.

The Municipal Gazette for Friday, July 13, is submitted in proof and authorised for publication.

The meeting adjourns at 4.55 p.m.

Acting President
Chairman.

J. M. McKee
Acting Secretary.

At the meeting of the Council held on Wednesday, July 25, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden (Chairman)
 H. E. Arnhold
 W. P. Lambe
 V. G. Lyman
 Tsuyes Pei
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Messrs. A. D. Bell
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 J. J. Paterson.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Electricity Committee of July 6 are submitted

and confirmed, with the following comments and emendations: Letter to

4927/ Cotton Millowners' Association. - Mr. Lambe states that he has noted from a circular that the Council had endorsed the amendment suggested by the Treasurer & Comptroller to the letter drafted by the Acting Engineer-in-Chief and Manager, and he adds that he is confident that the Committee will accept this view of the case. With regard to: Mr. P. P.

4978/ Kashkadamoff - Temporary Assistant Draughtsman. - Mr. Lambe states that the period of agreement to be given to this employee will receive further consideration by the Committee at its next meeting. With

regard to: ³⁰⁵⁴⁷ Japanese Meter Inspector. - In view of the Treasurer's comment on this subject, the question as to whether the salary of this employee is to be placed on a tael or a dollar basis is referred back to the Committee for further consideration. With regard to: Short

3368/ Leave in Shanghai. - Mr. Lambe states that the Electricity Committee would like to be relieved of the necessity of deciding individual cases of application for short leave in Shanghai. The Chairman suggests that the matter might well be left to the discretion of Heads of Departments,

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whose recommendations in any case would no doubt be accepted without question by the Staff Committee or the Electricity Committee. Members endorse this view, and it is decided to authorise Heads of Departments to approve, at their discretion, employees' applications for permission to remain in Shanghai during their annual short leave.

The Minutes of the joint meeting of the Health and Finance Committees of July 6 are submitted and confirmed.

1895/11
1951/11
The Minutes of the meeting of the Staff Committee of July 16 are submitted and confirmed. With regard to: Engagement of three Inspectors. - Mr. Lyman states that he has been informed by Mr. Pei of a qualified Chinese veterinarian who might be a candidate for one of the positions of Inspector at the Municipal slaughter-houses for pigs, who, he understands, would be willing to accept a relatively low salary. Details are not at the moment available, but it is agreed that the Acting Commissioner of Public Health should be requested to examine the qualifications of the proposed candidate for such a position; and directions are given accordingly. Meanwhile, the Staff Committee's minute on this subject is confirmed.

The Minutes of the meeting of the Health Committee of July 17 are submitted and confirmed.

4059/5
The Minutes of the meeting of the Chinese Education Committee of July 19 are submitted and confirmed. With reference to: Public School for Chinese - Mr. Burrington's Agreement Renewal. - Mr. Zau suggests that this matter be left in abeyance pending the conclusion of deliberations on Chinese Education Extension in the Settlement and a fuller understanding of Chinese school requirements. The view, however, prevails that these are two separate issues, and that since no question has arisen of abolishing the existing Chinese schools or radically changing their administration, the Council is obliged to take the necessary steps to secure continuity of teaching therein on established lines.

4007/74
The Minutes of the meeting of the Watch Committee of July 20 are submitted and confirmed. With regard to: Removal of Wire Barricades. - The Chairman states that he is informed that the Consular Body are using their influence with the Military Authorities to secure a certain measure of relief for residents affected by these obstructions.

Closing Hour of Hongkew Park. - Mr. Lambe refers to a discussion by the Works Committee on the proposal to keep Hongkew Park open until midnight. The Council has approved of this course, provided that the Park could be sufficiently well lit to ensure safety and propriety while it was open to the public. The reports of the Commissioner of Public Works showed that the lighting was inadequate, and could only be made satisfactory at considerable cost and after a period of six months required for purchasing and laying the necessary cable. Members agree to await a further report on the subject by the Commissioner of Public Works. In the meantime, it is directed that the instructions already communicated to the Commissioner of Public Works on the subject of permitting the Park to remain open until 12 o'clock midnight be countermanded.

Free Admission of Indigent Tuberculosis Patients to Public Parks. - Mr. Lambe alludes to the question raised at yesterday's Works Committee meeting, whether free park tickets should be issued to indigent tuberculosis clinic patients to enable them to obtain the benefits of sunlight and air. He states that favourable comment has been obtained from the Acting Commissioner of Public Health and suggests that, as this is the Council's last meeting before the recess, the matter should be decided forthwith. In endorsing the proposal, the Chairman states that it may be necessary to summon a meeting of the Council during the recess to consider urgent questions; but otherwise he is prepared to deal with such matters as this at his own discretion, and he understands that members will sanction that procedure.

The Municipal Gazette for July 27, is submitted in proof. A Chinese member suggests that, in the descriptive heading on the first page, the words "Foreign Settlement" should be changed to "International Settlement", which he considers more accurate and appropriate. It is pointed out, however, that the title cannot be changed without amending the Land Regulations, for which the approval of the Chinese Government and the Diplomatic Body would have to be obtained. The Settlement may be popularly known as "the International Settlement," but officially, it remains, "the Foreign Settlement of Shanghai."

The Gazette is then authorised for publication.

The meeting adjourns at 5.50 p.m.

J. W. McKeen
Acting Secretary.

Hubert Sussenden
Chairman.

At the special meeting of the Council held on Friday, August 31, 1928,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 H. E. Arnhold
 K. Fukushima
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Messrs. A. D. Bell
 T. Funatsu
 B. C. M. Johnston.

The Minutes of the last meeting are confirmed and signed.

Greyhound Racing. - The Chairman invites members' views on the question of greyhound racing, in order that he may define the Council's attitude thereon at a conference convened by the British Acting Consul-General for September 3, to be attended by the Directors of the two greyhound racing establishments and by himself as Chairman of Council. He states that, while he has no official knowledge of the Acting Consul-General's intentions, he understands that the Directors will be called upon to conduct their business in conformity with British Law.

The Chairman states that he drafted a speech on gambling for delivery at the last Ratepayers' Meeting, but it was decided not to use it at that time. He has, however, on various occasions expressed the opinion that if greyhound racing became popular it would bring this question to a head. As regards the greyhound racing companies, he believes that they were under the impression that the pari-mutual and the cash sweeps were permissible under British Law. It also appears that the Council assumed such operations to be legal, since it has already granted licences to the Greyhound Racing Club on the terms of payment to the Council of 10% on net profits and 1% on gross returns.

Subsequently, the Chairman states, he obtained a legal opinion, in consequence of which he wrote an official letter to the Crown Advocate for his opinion from the standpoint of British Law. No written reply has yet been received, but it is understood that the official view is that the gambling associated with greyhound racing and that conducted under the auspices of the Race Club is entirely illegal. In conversation with himself the British Consul-General agreed that something should be done about it, but some difference of opinion arose as to who was responsible for dealing with the matter. His own view is that, since the Companies have been duly incorporated and registered at the British Consulate, it rests with the British Consul-General to enforce compliance with the law. Sir Sidney Barton arranged that the discussion should be continued by Mr. C. F. Garstin, in place of himself, and Mr. A. G. Mossop, Crown Advocate.

Continuing, the Chairman states there is no Municipal ruling against public gambling; but under the Bye-Laws the Council has the power to license lotteries and public entertainments, and is therefore free to control greyhound racing in these ways. However, he finds that it has been the Council's consistent policy for many years past not to license public gambling. Only once, in 1901, was it proposed to license lotteries at the supposedly prohibitive fee of Tls. 1,000 per mensem. The Council further intended to raise the amount to Tls. 2,000 per mensem, for consideration by the Ratepayers, but in deference to the Consuls no action was taken. Varying success has attended the Council's efforts to suppress public gambling. In his opinion private betting is legal, but both the pari-mutuel and cash sweeps are illegal. The Stewards of the Race Club appear to have realised the position, and are stated to be taking steps to comply with British Law. Nevertheless, there is a great difference between this body, which operates only occasionally, without seeking individual profit, and the greyhound racing companies, which exist for the purpose of individual profit and actually show very large returns. Apart from the agitation against greyhound racing by the Chinese public, which has already been brought to members' attention, it appears that the Chinese Government has some justification for regarding the institution of gambling in China, in contravention of national laws, an abuse of extraterritorial rights. Some of the higher Chinese officials have protested to the Nanking Government, and the affair is not merely of local concern.

He thinks it might be possible for the British Consular Officials and the Crown Advocate to devise a modification of rules by

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which greyhound racing could be regularized; but the Council's co-operation would be essential. He believes that only a relatively small fine can be imposed for contravention of the licence conditions, but that other remedies are available in British Law. Should the Council at any time have to enforce a decision, it would be possible to do so by withdrawing the licence and, if necessary, as in the case of the Gaieté Café, by obstructing public access to the premises by the erection of a barricade on adjoining Municipal roads and withdrawing Council amenities such as light and water.

Mr. Paterson observes that the Council should not make itself an arbiter of the legality of a company's operations, but would leave the decision to the Consul concerned, and at his request would take the necessary action. With this the Chairman concurs. Mr. Arnhold reminds members that the Consuls did not oppose the formation of the two companies and he asks whether the Council could go further in this matter than the British Authorities. The Chairman agrees that the Council would not do so, but on the other hand it could not refuse to co-operate.

Replying to a question by Mr. Lyman, the Chairman states that if the policy of the British Authorities is one of suppression it would probably entail drafting new licence conditions relating to gambling. In this connexion, Mr. Paterson states that he is not in favour of the Council taking any initiative or responsibility which ought to be assumed by the Consuls.

The Chairman considers that the Consuls would all fall into line on the principal points. Some of them have expressed themselves as strongly opposed to gambling. Support from these quarters is essential if the Council is to continue its suppression policy of the last 50 years. Illustrating the Council's difficulties, the Chairman refers to the case of the premises at 151 Bubbling Well Road, which were under Mexican protection. Two members of the Consular Body wished him to authorise the Police to raid the building without a warrant, but he refused.

Chinese members refer to the condition contained in the licence issued by the Council for a public entertainment, which provides that no gambling take place; it is explained to them that the licence requires the countersignature of the Consul concerned, and further that the definition of gambling is a question to be decided by the several

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Consular Authorities.

The Deputy Secretary alludes to three legal considerations, viz:

(1) The Race Club is not a British Company but an international proprietary body, (2) it is possible for cash sweeps to be limited to members only, and (3) legislation to permit the pari-mutuel for horse racing only is on foot in England, and, if passed, its operation may be extended to China.

In further discussion, members express the view that the Consuls are responsible for initiating action in restraint of gambling under national laws, but that at the same time the Council should adhere to its established policy in the matter without, however, making any statement thereon which might embarrass the British Consul-General. On the above understanding, the Chairman is authorised to offer to co-operate with the Consuls in every way, subject to reference to the Council of any detailed proposals which may result from the forthcoming Conference.

The meeting adjourns at 5.25 p.m.

Stirling S. Lumsden
Chairman.

J. M. McClellan
Acting Secretary.

At the Meeting of the Council held on Wednesday, September 12, 1928,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)

H. E. Arnhold

K. Fukushima

B. C. M. Johnston

W. P. Lambe

V. G. Lyman

J. J. Paterson

L. T. Yuan

S. U. Zau

The Acting Secretary, and

The Deputy Secretary.

Absent:

Messrs. A. D. Bell

T. Funatsu

Tsuyee Pei.

Death of Sir Edward Pearce. - The Chairman refers to the death, on ¹⁹²⁷ September 8, of Sir Edward Pearce, who was Chairman of Council from 1913 to 1920. On his suggestion members unanimously record their deep regret at this sad event, and direct that a telegram and a letter of condolence be sent to Lady Pearce.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Electricity Committee of September 3 are submitted and confirmed, with the following comments and exceptions:

Invaliding of Mr. J. A. Cressey and question of Compassionate Grant. -

Mr. Lambe explains that Mr. Cressey's illness is believed to be in the nature of a nervous breakdown, the result of gas poisoning previous to his appointment. A member suggests that the doctor who passed him in London should be advised to exercise greater care in future, but the opinion prevails that this particular illness could not have been foreseen, and it is decided to take no further action in the matter.

With regard to: Engineer-in-Chief & Manager's Expense Account. - Mr. Lambe draws attention to the Treasurer's criticism of the manner in which Mr. Aldridge's expense account had been rendered, i.e., in condensed form without an itemized statement. Members consider that the

account should have been rendered in a more businesslike way, and that the Committee should receive detailed statements of such expenses, in accordance with established procedure. It appears that, prior to reporting on this matter, the Treasurer endeavoured to obtain details from Mr. Aldridge, but without success. After discussion, payment of this particular account is authorised; but it is ruled that in future itemized statements of such accounts must in all cases be submitted, and it is directed that a General Order be issued on the subject. With regard to: ^{5054/11} Japanese Meter Inspector and Sub-Station Attendant. - Mr. Lambe states that all the Electricity Department's accounts are in taels, and unless there are strong reasons to the contrary he considers that the two Japanese employees in question should be paid at the rate of Tls. 150 per mensem each, as recommended. The payment of certain Japanese employees on a tael basis has given a good deal of gratification to the Japanese community. This statement is endorsed by Mr. Fukushima, who adds that in the Customs and the Post Office Japanese employees are accorded the same treatment as other foreign employees, and he urges that the Council should follow the practice adopted in the case of the Japanese Assistant Commissioner of Police. The Acting Secretary alludes to the system of deferred pay for Asiatic employees and other distinctions in the Terms of Service, and to the considerations by which the Council's policy thereon has been determined. In the course of discussion the view is expressed that the Terms of Service as well as the proposed basis of pay should be examined before a decision is recorded in this case, and it is directed that a comparative statement be prepared by the Finance Department and submitted for this purpose. With regard to: ⁵⁰³³ Appointment of Chief Assistant Engineer. Mr. Lambe states that, while certain employees of the Electricity Department might qualify for this and higher positions in three or four year's time, careful enquiry shows that no one is at present so fitted, and in the opinion of all the members of the Committee it has become imperative to obtain at least one additional man who would be eligible at an early date to act as Deputy to Mr. Taylor in the event of Mr. Aldridge's retirement. He details the reasons for the retirement of Messrs. Williams and Mills from the service and their consequent elimination from the list of those who might be qualified for promotion. The prosperous state of the profession at home has accentuated the

difficulty of obtaining, since 1919, men suitable for promotion to the highest executive positions. Mr. Arnhold protests that the whole system is wrong from the beginning. He believes that several of the Council's engineers would have been qualified for promotion if only they had been given the opportunity to acquire the necessary experience within the Department, and in the absence of such opportunities they will have a natural grievance against the management. To obtain a highly efficient man from outside would no doubt mean inducing him to leave some other good position. He therefore favours taking a chance and asking Mr. Aldridge to select a man already in the Department and give him opportunities of acquiring the necessary experience. Mr. Lambe admits that there may have been mistakes in the past, but he insists that no present employees are qualified for promotion. He adds that, in Mr. Aldridge's absence, too many responsibilities fell on Mr. Taylor, and he states that the position is unsafe and is likely to become more so with the contemplated extensions to the Department's activities. Mr. Arnhold states that, in his experience, the occasional engagement by engineering concerns of senior men from outside tends to disorganize the work owing to lack of experience of the concerns' methods and the consequent attempt to foist upon the concern methods used by his previous employers. Replying to the Chairman, Mr. Lambe states that the Chief Assistant Engineer would be an understudy for the Chief Engineer and his Deputy. After further discussion, it is decided to defer consideration of the matter until September 19, when Mr. Taylor will be requested to attend and supply additional information.

With regard to: Appointment of Consulting Engineer. - A letter is submitted from Mr. Aldridge to the Electricity Committee, suggesting that on his retirement he be appointed Consulting Engineer to the Electricity Department in London, with comments thereon by Mr. H. B. Woodford, late Secretary of the Department, by various members of the Committee and the Council, and by the Treasurer and Comptroller. The Treasurer is not in favour of a regular appointment of this nature so long as Messrs. Preece, Cardew & Rider receive $2\frac{1}{2}\%$ commission on orders passing through their hands and the London Agents $1\frac{1}{2}\%$ for attending to shipping arrangements, etc. He suggests a retaining fee of 300 guineas and a Consultant's fee in connexion with major plant extensions. Mr. Lambe states that the Electricity Committee recommends that the appointment should be made, first because they are of the opinion that the best interests of the Department would be served by having a representative in London watching and reporting on technical matters; and it is

also probable that very material savings could be made from time to time in the placing of the contracts. The matter was discussed by the Economy Committee, which appears to have approved the appointment, but at the same time considered the matter to be outside the scope of its terms of reference. Mr. Lambe believes that a total saving of £9,000 or £10,000 per annum could be effected. He considers that the Treasurer's proposal to offer a retaining fee of only 300 guineas per annum does not take into account the technical advantages which would accrue. He further understands that he has the substantial support of the members of the Electricity Committee in these matters. He mentions that he has heard it said that Mr. Aldridge, if appointed, would be inclined to impose his will on the Chief Engineer, but personally he is sure that no outsider could fill the position. With regard to the length of the agreement, he would prefer the usual three years to the term of five years which has been proposed. Financially he thinks the appointment would be justifiable. Mr. Lyman agrees that Mr. Aldridge is really the only qualified man for the work. Mr. Arnhold asserts that, since Mr. Aldridge has controlled the Department for many years, there would certainly be friction when he insisted on his own view of the Department's requirements, and he therefore considers that a complete break should be made. This is a more important consideration than that of finance. He does not understand that the proposed appointment found favour with the Economy Committee, the Chairman of which told him that he thought it would be subversive of the working of the Department. Mr. Lambe, however, states that the source of his information on this point was good. He further remarks that if the appointment is not made it is probable that an employee of the Department will have to go to London in some fifteen months on the same business. Members are not in entire agreement regarding this appointment, and after some further discussion it is decided to defer consideration of the matter until Mr. Taylor can attend a special meeting of the Council on September 19 at 4.30 p.m. With regard to:

Rate of Pay for Mr. H. Gordon Wright as Secretary to the Department. -

Mr. Paterson suggests that the question of pay might be held over until the Economy Committee's Report is received. Mr. Arnhold thinks it is inequitable that this employee's salary should be increased from Tls. 850 per mensem to Tls. 1,250 per mensem on promotion, notwithstanding the reasons given by the Committee for their recommendation. Mr.

Lambe stresses the importance of Mr. Wright's new duties, and the value to the Department of his technical knowledge, but agrees that the matter might be deferred until the meeting of September 19, by which time the Chairman believes he can obtain the opinion of the Economy Committee on this subject. Members agree to this course.

Chinese Government Bureaux in the Settlement. - The Chairman states the
3090 circumstances under which the establishment of Chinese Government Bureaux in the Settlement has again come to require the Council's special attention. Some ten days ago the Commissioner of Police informed him that a Government Bureau, established at 25 Jinkee Road, was distributing anti-Japanese literature and he suggested closing it. Formal notice was then given that the Bureau must close by September 7, and on the occasion of the official visit which was made for that purpose the Police discovered and confiscated 50 anti-Japanese pamphlets. So far the Bureau has not been closed, and no application for permission to remain open has been received through the proper channel, i.e., the Commissioner for Foreign Affairs and the Senior Consul. Information has been received of the existence of several other bureaux; notice has been served on them by the Police and two of them have now closed. It is part of the ordinary duties of the Police to visit such premises, and they have more or less standing instructions as to procedure. The closing of 25 Jinkee Road met with opposition and the Chinese Commissioner for Foreign Affairs took the matter up with the Consular Body. The Chairman states that he explained to the Consular Body the Council's established policy, which is not to permit executive bureaux of the Chinese Government to function in the Settlement without the Council's previous knowledge and consent. Regarding the pamphlets, a young Chinese from Nanking claimed them as his private property, and on his assurance that they would not be distributed in the Settlement they were returned to him. The Chairman adds that in explaining the Council's policy to the Chinese members he pointed out that serious complications might arise if permission to establish bureaux were freely accorded to the Nationalist Government and the Council would thereafter have to decide the claims of rival bureaux to this privilege. The present position is that, in reply to strong representations by the Chinese, he has authorised the Police to suspend action pending the Council's decision.

Mr. Zau states that in this matter the Chinese members

of Council are in the position of delegates representing the views of the whole Chinese community. He considers that the Chinese are in the position of Landlords in the Settlement. He understands that the Land Regulations and certain diplomatic correspondence provide for Government Offices to be established in the Settlement with immunity from Municipal control.

The Deputy Secretary points out that Article I of the Land Regulations, in defining the limits of the Foreign Settlement, provides as follows:-

"Within the boundaries defined and above referred to under the first head are certain sites, namely, the new Custom House and the Temple of Rewards, together with the land set apart for the use of H.B.M.'s Government, known as the British Consulate site, which are exempted from Municipal control, as well as any land hereafter to be settled or acquired by other Governments having treaties with China for Government purposes only; but the British and Foreign Consulate sites, the Custom House and any lands acquired as above, shall bear their share of the public burdens and Municipal taxes."

He adds that these Land Regulations are those which were in force on May 8, 1899, the date of the Proclamation of Taotai Li on the extension of the Settlement. This Proclamation is the document on which arguments were based in the Chinese press in support of the Bureaux, and it contains the statement:-

"It has accordingly been determined that all the Regulations shall operate in this extension both as originally framed and as subsequently added to, together with the additional Regulation made on the extension of the Hongkew Settlement, and that protection shall thus be afforded to all Chinese houses, properties and graves, together with all creeks and other rights and privileges mentioned in the Regulations, which have been already published by the Municipal Council and exhibited at their office and other public places for the information of all."

Mr. Zau points out that the Proclamation continues as follows:-

"Let all men know by these presents that subsequent to the issue of this Proclamation the entire area of the International Settlement shall be within Municipal control, excepting temples founded by Imperial sanction and sites employed officially by the Chinese Government; with these exceptions, the existing Regulations shall operate and must be obeyed."

The Deputy Secretary remarks that though, according to this quotation, certain sites officially employed by the Chinese Government might be immune from Municipal control, it does not necessarily follow that additional sites might be acquired or would be immune. In any case it rests with the Government to furnish proofs in the usual diplomatic way that the proposed new sites are required

for legitimate official use.

The Chairman states that it is essential that notification of the Chinese Government's desire to establish bureaux in the Settlement should be made through the proper channel, and he has been informed that Dr. C. T. Wang concurs therewith. The Consuls as well as the Council are interested in this question, and it would be entirely wrong for the Council to agree to the establishment of bureaux of which the Consular Body have no official knowledge. He adds that the Chinese members of Council are not the medium of communication between the Chinese Government and the Council, and it would be a violation of correct procedure to permit negotiations on this basis. For his own part he never approaches Chinese officials except through the Senior Consul - a point on which the Chinese themselves originally insisted. As far as the Jinkee Road Bureau is concerned, the interested parties have resolutely declined to make any proper application, and it is therefore impossible to say whether they have the official recognition of the Chinese Government. Some of the Consuls are of the opinion that this Bureau exists for the purpose of distributing anti-foreign literature.

Mr. Zau states that the action of the Council should not be inconsistent with the provisions on such matters in the Land Regulations. The legal status of the Settlement was clearly and definitely defined in his instructions to Mr. Medhurst from September, 1862, to 1864 by Sir F. Bruce, the originator of the Municipal System for Shanghai. These parliamentary papers should be studied by every one, Councillors and officers, in order that the position may be exactly understood. The office in Jinkee Road is understood to be a Government Bureau. The Chinese members of Council should be consulted before any action is taken, as their function in the Municipal Council is to help to remove misunderstandings that may arise from such incidents. The Chairman stated that he had been informed that Dr. C. T. Wang concurred in the opinion that notification through the proper channel should be served; he must have been misinformed. It is the opinion of the Chinese Councillors that if notification is given to the Council by the representatives of other countries whenever a bureau is established, the same rule is applicable to the Chinese officials.

After further discussion the Chairman's suggestion is approved, that he should remind the Jinkee Road Bureau that the

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necessary application must be made immediately through the proper channel, whereupon it will receive due consideration by the Consular Body and the Council, the same rule to apply to all other bureaux which it is desired to open or maintain in the Settlement. The Chinese members dissociate themselves from this resolution.

Economy Committee - Remuneration of Secretary. - The Chairman explains that the proposed remuneration of Tls. 1,000 to Mr. Peyton-Griffin for his recent services as Secretary to the Economy Committee does not include stenographer's charges, as was at first supposed, but that the amount appears to be equitable. Members concur, and the payment is accordingly authorised.

The meeting adjourns at 7.30 p.m.

Stirling Bessenden
Chairman.

A. H. K.
Acting Secretary.

At the Meeting of the Council held on Wednesday, September 19, 1928,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 H. E. Arnhold
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Mr. A. D. Bell
 Mr. Tsuyee Pei.

The Minutes of the last meeting are confirmed in part only, and it is directed that certain amendments be made before they are signed by the Chairman.

The Minutes of the meeting of the Works Committee of September 13 are submitted and confirmed.

The Deputy Engineer-in-Chief & Manager, Electricity Department, attends.

Appointment of Chief Assistant Engineer. - With reference to the minute of September 12, and at the Chairman's invitation, Mr. Arnhold addresses Mr. Taylor on the question of the Electricity Department's staff requirements, especially in the higher ranks. He states that the Economy Committee has pointed out that twenty resignations became effective within the last twelve months, but was unable to say why. It seems to him that some discontent is indicated, and he enquires whether it was likely to have been caused by the fact that no member of the staff was called on to give evidence before the Economy Committee, and also whether the lack of prospects in the Department could have had that result.

Mr. Taylor replies that the question of evidence before the Economy Committee was determined by the Committee itself. He had, however, stipulated that he should be present if any of the staff was

called on to give evidence. He is sufficiently in touch with the staff to be able to assure members definitely that there is now no general dissatisfaction among them for that or other reasons. He admits that there was some strong feeling last year about superannuation and later over the question of the Economy Committee, but that has died down. The resignations were partly accounted for by the cleaning up process which was going forward. In one or two instances only, men left the Department because they were uneasy about the situation in Shanghai and wished to go while the going was good. He is sure that the resignations were not caused by the Department's policy of getting men from outside. It has indeed been the practice to promote men within the Department whenever possible, and a list of promotions to senior positions is submitted in evidence. Referring to the cases of three senior men: Mr. Williams left in consequence of his own unreasonable attitude regarding his promotion, though he might have stayed; Mr. Penny was in the line of succession but was invalided from the Service, and Mr. Mills left after the Engineer-in-Chief and himself were convinced that his capacity for the work assigned to him was limited.

Mr. Arnhold asks whether the proposed appointment of a Chief Assistant Engineer from outside is not at variance with Mr. Taylor's previously expressed views. Mr. Taylor replies that it could be so regarded but for the fact that the necessary material is lacking in the Department, and no alternative course is now possible.

Mr. Arnhold refers to Mr. Taylor's views of Mr. Edgar's ability, as set forth in the Electricity Minutes of May 25, and also his views on the appointment of a Chief Assistant Engineer, as stated in the Electricity Minutes of June 15, from which it appears that up to quite recently he thought he could fill senior vacancies from the existing staff.

Mr. Taylor replies that Mr. Edgar might have filled the vacancy, but at the same time a more suitable man was being looked for by Mr. Aldridge in England, and if obtainable would be given the preference. He emphasises the fact that the Department consists mainly of specialists, and contains extraordinarily few men who have a knowledge both of steam and of electrical distribution and are in any way fitted for senior positions. Mr. Edgar was the only candidate at all suitable for the post of Chief Assistant Engineer. It is just

possible to train men already in the Department for such a position, but it would be at the Council's expense. Unless a senior official has a grasp of the whole business, and can discuss technicalities with all his subordinates, he tends to become a cipher in the organisation.

In reply to further questions, Mr. Taylor says that both Mr. Aldridge and himself have a general knowledge of the Department's activities, which was easier to obtain ten or twenty years ago than it is now. Numerous staff difficulties and disappointments have been encountered in the last ten years, and during the last two years the situation has been extremely unsatisfactory. Even if Mr. Edgar were promoted, there would still be a demand for another man with general qualifications from outside. Further, even if future developments of the undertaking are disregarded, the present staff could not be trained to cope with the work satisfactorily, since a man cannot qualify for the higher positions in a year or so. Replying to questions by Mr. Paterson, Mr. Taylor states that Mr. Williams and Mr. Mills, on leaving the Council's service, obtained good positions in electrical concerns, which are, however, not so big as the Municipal Electricity Department. Secondly, the filling of senior positions in the Department by employees not fully qualified would, in his opinion, cause more dissatisfaction among the staff than the introduction of a really competent man from outside.

Replying to Mr. Arnhold, Mr. Taylor states that the proposed appointment will probably be the last senior appointment which it will be necessary to fill from outside.

At a later stage in the proceedings, when Mr. Taylor has withdrawn, Mr. Paterson suggests that, if the proposed extensions to the Department's activities do not take place, the question of appointing an outside man as Chief Assistant Engineer can wait, and he understands that Mr. Taylor is willing that it should. He adds that he knows that there is a real feeling of dissatisfaction in the Electricity Department. Mr. Arnhold remarks, incidentally, that the omission of the Economy Committee to obtain evidence from the staff was the result of active resistance on Mr. Taylor's part, and he also considers that the resignations prove dissatisfaction. It is thereupon agreed that the question of the appointment of a Chief Assistant Engineer be deferred indefinitely.

Electricity Department - Future Extensions. - Mr. Arnhold observes that in all probability the Council will be advised to purchase a super-station for £600,000 or £700,000. Nevertheless, he considers that, allowing a

reasonable margin, the present Power Station will be sufficient for three or four years. He puts it to Mr. Taylor that within the last six months the Chapei Authorities have purchased two 10,000 K.W. sets and that it is probable that the demand for Municipal electricity from this and other areas is unlikely to be maintained or to increase in such a degree as to justify costly extensions, having regard especially to the Economy Committee's opinion that the uncertainty of the political situation calls for positive retrenchment.

Replying thereto, Mr. Taylor states that these points have received careful consideration, and the plans for future extensions are based on the probable requirements of consumers within the Settlement, compared with whom the consumers outside the Settlement, actual and potential, are unimportant, and on the contractual supply of electricity to consumers in the French Concession. Supposing the Department's estimates are correct, it will be necessary to place orders towards the end of 1929 and to invite tenders even earlier.

Mr. Paterson states that he understands that a mill in constant operation can work more economically on steam than on electricity, but Mr. Taylor states that practice appears to prove the contrary. In the unlikely event of any general movement towards the use of steam the Department's charges for electricity could be lowered.

Appointment of Consulting Engineer. - Arising from the foregoing discussion, the question is raised by Mr. Arnhold whether the necessity for the appointment of a Consulting Engineer in London would remain if it were decided not to proceed with large scale extensions to the Power Station. Mr. Taylor considers the appointment would still be justified.

Mr. Arnhold further refers to Mr. Aldridge's strong personal interest in the undertaking which he has done so much to build up, in consequence of which he would be likely, perhaps unintentionally, to apply pressure on the Department to conform to his ideas as Consulting Engineer. Mr. Taylor replies that if he succeeds to the position of Engineer-in-Chief he is resolved to maintain complete independence, and he is certain that any recommendations from Mr. Aldridge as Consultant would be dealt with by his Department as such, and that no friction would follow. The subject has been frankly discussed by Mr. Aldridge and himself and a close understanding exists between them.

The Acting Engineer-in-Chief & Manager withdraws.

Mr. Paterson expresses the opinion that the proposed extensions are not justified, and that the appointment of a Consulting

Engineer is consequently unnecessary. He further considers that Mr. Aldridge is not a suitable man for the position.

Replying to a question, the Acting Secretary states that Mr. Aldridge's agreement expired on April 30, 1928, and that he will reach the age of 55 in March, 1929. It is understood that he is willing to remain in his present position until Mr. Taylor returns from his projected long leave. Certain members express themselves as not being altogether satisfied that the proposed appointment would be unattended by friction, and, since it appears likely that Mr. Aldridge will be here more than another year, it is decided to defer consideration of the matter indefinitely.

Pay of Mr. H. Gordon Wright as Secretary of the Electricity Department. - Mr.

1340 Arnhold states that his main objection to giving Mr. Wright Tls. 1,250 per mensem is the fact that his predecessor was only getting Tls. 1,150 up to May last, and the proposal, if approved, would further tend to raise the general level of salaries. Mr. Lambe, however, states that Mr. Wright's previous pay of Tls. 850 per mensem was fixed at a comparatively low figure in view of the prospects of promotion which awaited him. He adds that it is extremely difficult to find men qualified for such a position. He further states that if Mr. Woodford had stayed on as Secretary Mr. Wright's salary as Assistant Secretary would have automatically increased to Tls. 950 or Tls. 1,000. In the circumstances, it is directed that Mr. Wright's new agreement carry pay at Tls. 1,250 per mensem.

Chinese Government Bureaux in the Settlement. - The Chairman states that he 3490 has received a communication from the Senior Consul to the effect that he has now received an official notification through the Commissioner for Foreign Affairs regarding the establishment of a Government Bureau at 25 Jinkee Road, but that he had not had time to consider the matter and suggested that the Council should defer action. To this members agree.

The Municipal Gazette for Friday, September 21, is submitted in proof and authorised for publication.

The meeting adjourns at 6.5 p.m.

J. M. McKee
Acting Secretary.

Stirling Dunsford
Chairman.

At the meeting of the Council held on Wednesday, October 3, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden (Chairman)
 H. E. Arnhold
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 Tsuyee Pai
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Messrs. A. D. Bell
 J. J. Paterson.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Foreign Education Committee of September 14
 are submitted and confirmed, except with regard to Public School for Girls.
Miss Gosse. - The recommendation that the public be informed, through
 the medium of the Gazette, that certain charges against Miss Gosse by
 the "Showdown" of September 8 are untrue was, it is stated, given further
 consideration by the Committee on October 2, when a telegram was produced
 from the University of London to the effect that Miss Gosse's claim to
 possess a B. A. degree could not be substantiated. In the circumstances,
 it is agreed that a partial refutation of the charges would be impolitic,
 and it is directed that no further action be taken in the matter.

The Minutes of the meeting of the Staff Committee of September 17 are submitted
 and confirmed. With regard to ¹⁸⁸⁴Terms of Service in the Japanese Branch
of the Police Force: - Mr. Fukushima protests against the recommendation
 that no cash allowance in respect of quarters, etc., be issued to members
 of the Japanese Branch on long leave for reasons of cost and amendment
 to the basis of computation of Deferred Pay, besides the possibility of
 a similar application being received from members of the Sikh Branch.
 Mr. Fukushima states that the cost would be very small, and he does not

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consider that the effect on the computation of Deferred Pay and the possible reaction in the Sikh Branch are sufficient reasons for excluding the Japanese Branch from benefits enjoyed by the European Police. At present Japanese quarters are not taken into account in the computation of Deferred Pay. The Acting Secretary states that a very full report ^{5051/1} by the Treasurer covering these points will be called for in accordance with members' direction recorded at the last meeting of Council. Mr. Arnhold states that the Municipal Economy Committee recommends the abolition of all allowances in all departments and compensatory adjustments in pay. The Chairman states that this accords with his own opinion and that of the Treasurer. Members incline to the same view, and it is agreed to defer the matter pending the receipt and consideration of the reports referred to. With regard to ³¹⁴⁰ Superannuation Fund - Insurance, Mr. Lambe considers it most undesirable that the Council should assume responsibility in this matter, and recommends that it be made plain to Lloyd's that the Treasurer has been authorised to conclude arrangements with them on behalf of the employees only. A decision in this sense is recorded.

Municipal Seal. - With reference to the minute of May 2, Mr. R. Hall, agent ^{4977/1} for Messrs. Waterlow & Sons, Ltd., has returned the design for the Council's Seal, with the extra Chinese characters, etc., added. The Chairman states that the only objection to the old Seal was that it did not contain the flags of all the countries represented in the Foreign Settlement. On the other hand, the flags which, with certain variations in design, do appear in the Seal represent the nations originally concerned, and it is much better adapted to the Council's use than the elaborate design now submitted which, some people say, resembles the trademark of a soap or piece goods product. He agrees with Mr. Lyman that its historical and sentimental value should not be overlooked. He recognises that the Japanese residents had some cause for calling attention to the absence of their flag, but he does not think that this in itself is sufficient reason for substituting a new Seal which does not really please any one. He trusts that Mr. Fukushima will make it plain to the Japanese ratepayers that the Council has made a bona fide attempt to secure a better Seal.

A majority of members concur in these views, and it is decided to retain the old Seal until such time as a more worthy design becomes available.

The prize of Tls. 500 is then authorised for payment to Mr. Hall for his design.

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Police Force - Mr. W. G. Clarke, M.B.E. - The Chairman states that, after discussing the situation with certain members, he has come to the conclusion that it is very desirable that Mr. Clarke's valuable work as Director of Criminal Investigation should be recognised by according him the position and title of Deputy Commissioner of Police. Though this employee has been a member of the Force for only about three and a half years, his previous long training and experience have enabled him to bring his department to a high degree of efficiency in dealing with kidnapping and crimes of violence in the Settlement. As Deputy Commissioner of Police he would be of the same rank and standing as Captain R. M. J. Martin, though he would continue his duties as Head of the C.I.D. Mr. Lyman expresses himself as being thoroughly in accord with these views.

Members are informed that Mr. Clarke's agreement as Director of Criminal Investigation has recently been authorised for renewal at expiry on August 13, 1928, with pay at Tls. 1,000 per mensem. Members are also informed that the agreement of Captain Martin, which expires on December 21, 1928, has been authorised for renewal with pay in accordance with scale, at Tls. 1,175 per mensem.

In order that Mr. Clarke may be placed on an equal footing with Captain Martin in every respect, members direct that he be promoted to the post of Deputy Commissioner of Police with effect from October 1, 1928, with pay at Tls. 1,000 per mensem, and that from the date of renewal of Captain Martin's agreement on December 22, 1928, Mr. Clarke be given a new agreement with pay at Tls. 1,175 per mensem.

Chinese Primary Education Scheme. - Mr. Pei states that the Special Chinese Education Committee has selected Mr. H. C. Chen as Chinese Educational Officer and has recommended that the new Schools open on October 8, but he is not aware that the Council's confirmation has been obtained. He is thereupon informed that the Committee's minutes have been submitted to the Chairman, who is authorised to approve them on the Council's behalf and to sanction the necessary arrangements for opening the Schools.

The Municipal Gazette for Friday, October 5, is submitted in proof and authorised for publication.

The meeting adjourns at 5.35 p.m.

Stirling Fessenden
Chairman.

A. M. M. K. ...
Acting Secretary.

At the Special Meeting of the Council held on Thursday, October 11, 1928,
at 11.45 a.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 H. E. Arnhold
 K. Fukushima
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tauyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Messrs. A. D. Bell
 T. Funatsu.

Police Force - Mr. W. G. Clarke's Appointment as Deputy Commissioner of Police. - Referring to the minute of October 3, the Chairman states that he informed the Commissioner of Police a few days ago of the Council's decision to appoint Mr. W. G. Clarke Deputy Commissioner with effect from October 1. In response thereto the Acting Secretary received a report from the Commissioner, dated October 9, requesting that, in the interests of discipline, publication of the relative Police Order No. 5090 of October 6 be postponed until the Council has had an opportunity of discussing the terms of his letter to the Chairman on that subject.

The Chairman states that the letter from the Commissioner of Police was in reply to a letter from himself dated October 4, which in turn was the outcome of recent communications between himself and Mr. Clarke. Mr. Clarke told him that there was no real organisation in the Police Force, and also endorsed the views of the Shanghai Times which, in a leading article, criticised the Force and advocated measures for the suppression of armed robbery. Mr. Clarke stated that his advice to the Commissioner of Police on these matters had simply been pigeon-holed.

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The Chairman then reads the letter from the Commissioner of Police. The latter, while recognising the Council's right to promote one of his subordinates, even against his own recommendation, protests strongly against the action of the Council in taking such decision without reference to himself. He is always willing to give full consideration to his subordinates' reports relative to the well-being and efficiency of the Force, and he regards Mr. Clarke's representations to the Council as an act of disloyalty, such as must be prejudicial to efficiency and discipline and undermine his own authority. He is willing to supply the Council with all information required if approached direct. Finally, he asks that an independent Committee, composed, if possible, of persons with some knowledge of military and police matters, be appointed to inquire into all questions connected with the organisation, discipline and efficiency of the Police Department, and that he be previously furnished with full particulars of Mr. Clarke's representations to the Council.

The Chairman states that the Commissioner of Police has theoretically some justification for his protest, but on the other hand the situation is such that, in his opinion, the Council could not act otherwise. He believes Mr. Clarke to be one of the ablest men in the Force and that, if not supported by the Council, he, Mr. Clarke, will resign. As the Council has already recorded a decision in this matter he sees no reason for holding back the announcement of Mr. Clarke's promotion.

Meanwhile, to give the Commissioner of Police an opportunity of vindicating his position, he has requested him, through the ordinary medium of a letter from the Acting Secretary, dated October 8, to supply the Council with (1) a report on Police organisation, (2) a statement on the composition and strength of the Force, (3) a statement regarding the distribution of the Force, and (4) orders and rules relating to the appointment of Assistant Commissioners and the training, powers, duties and responsibilities of all ranks.

Mr. Arnhold states that he has been approached by the Commissioner of Police, who informed him that the Council's order had caused surprise and resentment in the Force and even in other Departments. For his own part he does not see how such dissatisfaction could have been expressed unless the Commissioner himself had made the matter public.

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Continuing, the Chairman states that, as matters stand, the Council has appointed Mr. Clarke, a man of proved ability, Deputy Commissioner of Police, whereby it will be possible to obtain directly from him necessary information and advice which Captain Barrett has so far been unable to supply. He now suggests waiting for the latter's reply to the Acting Secretary's letter of October 8, before consideration is given to the demand for the appointment of an independent Committee. In any case it would be difficult to find men with sufficient experience to sit on such a Committee. He believes, from his own knowledge and a study of the records, that the Police Department is run on the water-tight plan and that Captain Barrett has not familiarised himself with its organisation.

Mr. Lyman concurs. In his opinion the Council is quite competent to make the appointment in question and has no reason to revise its decision. Members generally adopt the same view, considering that the Chairman did not seek information through other than the ordinary channels until the Commissioner's obstructive attitude had prompted him to do so.

After discussion, it is agreed that the Commissioner's reply to the enquiries addressed to him are material to the case, and it is decided to inform him that nothing further can be done in the matter until such reply is received, whereafter every opportunity will be given him of expressing his views and making representations to the Council. It is also directed that the announcement of Mr. Clarke's promotion be published in the Gazette forthwith.

The meeting adjourns at 12.20 p.m.

Stirling Sutherland
Chairman.

J. M. McKee
Acting Secretary.

At the meeting of the Council held on Wednesday, October 17, 1928, at 4.30 p.m.

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
K. Fukushima	
T. Funatsu	
B. C. M. Johnston	
W. P. Lambe	
V. G. Lyman	
J. J. Paterson	
Tsuyee Pei	
L. T. Yuan	

The Acting Secretary, and

The Deputy Secretary.

Absent:

Mr. S. U. Zau.

The Minutes of the meeting of October 3 are confirmed and signed.

The Minutes of the Special Meeting of October 11 are confirmed and signed.

The Minutes of the meeting of the Orchestra and Band Committee of October 1 are submitted and confirmed.

The Minutes of the meeting of the Foreign Education Committee of October 2 are submitted and confirmed. With regard to: Public School for Girls -

1240 Miss Gosse. - The Chairman states that he is informed that there is still a possibility that Miss Gosse qualified for a London B. A. degree, even though her name is not found on the University register. It is observed, however, that a letter will be sent to Mrs. Halifax (née Gosse) on the subject, and that she will thus have an opportunity of correcting any false impression which may have been made.

The Minutes of the meeting of the Foreign Education Committee of October 4 are submitted and confirmed, except with regard to: Public School

1240 for Girls - Appointment of Headmistress. - Mr. Johnston considers it rather unfair that Miss Alexander should be appointed Acting Headmistress of the Yuyuen Road School while a successor is being sought in England, and he suggests that her appointment be on a probationary basis and be confirmed in due course unless her services as

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Acting Headmistress are found to be unsatisfactory. Members endorse this view, and also express the opinion that the probability of a permanent appointment being made at Home next year would not conduce to good service or discipline in the meantime. It is thereupon unanimously decided to appoint Miss Alexander Acting Headmistress of the Yuyuen Road School on a probationary basis from the date of Miss Ware's departure on long leave until the end of the Summer Term, 1929, when the question of her confirmation as Headmistress will be determined.

The Minutes of the meeting of the Works Committee of October 5 are submitted and confirmed. With regard to: Sale of Surplus Land. - The Chairman states that there are serious difficulties in the way of earmarking the proceeds of the sale of surplus land for the purchase of land elsewhere. Mr. Arnhold suggests that the brief minute does not fully represent the Committee's wishes or the reasons which led to the introduction of the subject. On Mr. Lambe's request, consideration of the matter is deferred pending receipt of the Treasurer's report thereon. With regard to: Town Hall and Market - Cad. Lot 631. - Mr. Lambe informs members that the Town Hall and Market site, with the exception of the portion required for road widening, has now been sold for Tls. 1,300,000, of which Tls. 130,000 bargain money has been paid. In connexion with this subject, Mr. Lambe states that at a later meeting on October 16 the Committee gave favourable consideration to a proposed new ⁴¹¹⁶ Central Market Site at the corner of Foochow and Chekiang Roads, i.e., Cad. Lot 538 with an area of Mow 4.314, and he observes that the proposal was afterwards circulated to members of Council, who signified their approval of its purchase at a cost of Tls. 325,000. He understands, however, that the property carries a mortgage of Tls. 190,000, with about three years to run, and by keeping this on foot the Council will in the meantime only have to pay Tls. 135,000 including bargain money. Members confirm their approval of the purchase of the site on the terms stated. With regard to: New Town Hall. - The Chairman states that there is no unanimity on the need for a new Town Hall, since the Administration Building accommodates most of the Council's Departments, and the Drill Hall could be used for Ratepayers' Meetings. In his opinion, the matter requires careful thought, in view of the heavy expenditure which would be involved in acquiring a new site and erecting a Town Hall thereon.

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The Minutes of the meeting of the Chinese Education Committee of October 5 are submitted and confirmed. With regard to: Opening of District Primary Schools. - Mr. Lambe states that the Eastern and Northern District Schools opened on October 8, with about 140 pupils, but that enrolments were continued beyond that date. The Deputy Secretary adds that the number of enrolments increased by about 25% during the ensuing week.

The Minutes of the joint meeting of the Watch and Staff Committees of October 8 are submitted and confirmed, with the following exceptions relating to the Police Force: (1) Captain E. R. Kennedy's Secondment, (2) Cadets, (3) Recruits for Sikh Branch, and (4) Officers' Long Leave. The Chairman states that these proposals are in a large measure dependent on the general question of Police organisation, regarding which certain enquiries were addressed to the Commissioner of Police on October 8, as recorded in the minute of the Special Meeting of October 11. The Chairman states that replies to these questions are not forthcoming; but at his instance the Commissioner of Police and Captain Clarke are now collaborating in the re-organisation of the Force, whereafter it is anticipated that a satisfactory report will be rendered to the Council. Meanwhile he is in favour of deferring consideration of these four items. Regarding Nos. 2 and 3, he has examined evidence submitted by an experienced ex-member of the Force that an ample number of officers is available for present needs and future promotion without the need for engaging cadets, and also that satisfactory arrangements were made in 1925 to ensure a regular supply of Sikh recruits from India, from which it appears that the proposed recruiting tour of Captain Wahl would be a useless expense. The Chairman expresses the view that promotions from the non-commissioned ranks have in the main proved satisfactory, and is also of opinion that the Council's existing machinery for obtaining recruits from India is adequate.

After discussion, it is directed that consideration of these four recommendations be deferred, pending receipt of a further report to be submitted by the Commissioner after he has conferred with Captain Clarke. With regard to: Police Force - Future of Japanese Branch. - The Acting Secretary quotes a comment by Mr. Fukushima, stating that in his opinion the Commissioner of Police opposed the

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placing of a Japanese officer in charge of a district only because of the difficulty of finding properly qualified men. Members concur in this view, but consider that the Commissioner's reason is sufficiently indicated in the minute, which states that he is not at present in favour of such appointment, and Mr. Fukushima acquiesces. The Chairman states that some misapprehension regarding the Council's policy appears to have arisen; he believes that in an International Settlement there should be no segregation of nationalities in the Police, which would moreover imply a sectional responsibility for political disturbances. Mr. Fukushima concurs. He states that Japanese residents wish to have some senior officers in the Force, but no segregation. He is of the opinion that the pay of the Japanese Branch has not hitherto been commensurate with the responsibility attaching to it, or sufficient to attract the services of properly educated and capable men. He hopes that this matter will be brought up again at a later date. Mr. Paterson intimates the Committee's concurrence in the desirability of having Japanese officers in responsible positions in certain areas where there are large Japanese interests.

Japanese Coronation Celebrations. - A letter is submitted from the Japanese Consul-General, conveying a request from the Japanese community for permission to illuminate the Garden Bridge for the Imperial Coronation Celebrations on November 10.

The Chairman states that, after friendly discussion of the matter with the Japanese members and the Japanese Consul-General, he has come to the conclusion that, while there would be no objection to illuminating the entrance to Hongkew Park, which has been engaged for the occasion, permission to illuminate the Garden Bridge or to hold torch-light processions would be an act of discrimination against the Chinese for whom no such facilities have been granted. He also apprehends communistic disturbances in connexion with such processions. Mr. Fukushima states that only a minority of Japanese residents desire to hold a procession, and the Chairman adds that he gathered the same impression from the Consul-General. The formal application transmitted by the Japanese Consul-General is then disapproved.

Electricity Department - Mr. C. S. Taylor's Long Leave. - In a report submitted, the Secretary of the Electricity Department states that the Engineer-in-Chief & Manager has endorsed and the Electricity Committee

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has approved the application of Mr. C. S. Taylor, Deputy Engineer-in-Chief & Manager, for permission to proceed on long leave about January next, in accordance with the Committee's provisional approval in June, 1927, of his taking such leave in 1929. The Treasurer & Comptroller has no comment to offer. Mr. Lambé states that Mr. Taylor now wishes to go on December 20 next. After a brief review of the circumstances, it is decided to grant long leave to Mr. Taylor from that date.

Chinese Government Bureaux in the Settlement. - With reference to the minute of September 19, the Chairman states that the question of the establishment of Chinese Government Bureaux at 25 Jinkee Road and other places in the Settlement was referred by the Consular Body to the Diplomatic Body in Peking, and he has been shown the relative despatches. The Ministers are in accord with the principle of requiring compliance with diplomatic procedure whenever the Chinese Government desires to establish bureaux in the Settlement. They have, no doubt in the interests of the Chinese, requested that the despatches be not made public for at least six months. He understands that the Consular Body requested the Ministers in Peking not to take any adverse action in the matter. With regard to the Bureau at 25 Jinkee Road, he believes that it is still open but not functioning. He has ascertained that many Chinese agree that the Chinese Government should make application through the usual diplomatic channels when they desire to establish bureaux in the Settlement, and that no exception could be taken to the observance of this rule.

The meeting adjourns at 6.15 p.m.

Stirling Sisson
Chairman.

J. M. McKee
Acting Secretary.

At the meeting of the Council held on Wednesday, October 31, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
K. Fukushima	
T. Funatsu	
B. C. M. Johnston	
W. P. Lambe	
V. G. Lyman	
J. J. Paterson	
Tsuyee Pei, and	
The Acting Secretary.	

Absent:

Messrs. L. T. Yuan
S. U. Zau.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Electricity Committee of October 12 are

submitted and confirmed. Appointment of Chief Assistant Engineer. -

With regard to the Council's decision indefinitely deferring consideration of the appointment of a Chief Assistant Engineer it is noted that the Committee unanimously desire that this appointment be sanctioned. Members are informed that Mr. Taylor considers it might be possible to obtain a suitable man for this post at a salary of Tls. 800 to 900 per mensem, and that possibly having acquired the necessary experience he could be regarded as eligible for promotion to the rank of No. 2 of the department in the absence, amongst the staff, of other suitable candidates for this position, thus obviating the filling of this post from outside. In view of the fact that at present there is but one member of the staff who could possibly be regarded as suitable for promotion to the position of No. 2, it is decided that Mr. Taylor be authorised whilst in England to appoint a Chief Assistant Engineer with pay not exceeding Tls. 900 per mensem. In the event of it not being possible to obtain a suitable man at this rate of pay the matter to be again referred to the Council.

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2769 Maximum Pay for Engineer-in-Chief & Manager. - In connexion with the Committee's opinion that the future maximum pay of Tls. 2,000 per mensem laid down by the Council for this post is insufficient, the Chairman details the special circumstances which influenced the Council in raising such maximum to Tls. 2,500 in the particular case of Mr. Aldridge. It was, however, definitely laid down at that time that the maximum rate for Mr. Aldridge's successor should conform to the scale applicable to other departments, namely Tls. 2,000. Mr. Lamb points out that the Committee has recommended that Mr. Taylor's agreement be renewed as No. 2 of the department with pay at Tls. 1,600 per mensem and the Committee feels it will be difficult to retain the services of the future head of the department if the present maximum rate of pay is reduced. A member proposes that further consideration of the question of revision or otherwise of the present maximum rate of pay for this post should be deferred until decision is reached in the matter of the recommendations regarding Terms of Service put forward by the Economy Committee. After brief discussion this proposal is adopted.

2770 Appointment of Consulting Engineer. - Alluding to the discussion at the last meeting, Mr. Arnhold states that Mr. Taylor is strongly in favour of the appointment of Mr. Aldridge upon his retirement as Consulting Engineer on the ground that the saving which would be effected on the purchase of the annual supplies of the department justifies the appointment. Mr. Arnhold also gathers that the terms suggested by him at the last meeting would be accepted by Mr. Aldridge if appointed. He regards it as desirable that the question of this appointment should be settled before Mr. Taylor's departure on long leave. It is accordingly decided to place this matter on the agenda for consideration prior to that date.

2771 Renewal of Agreement - Mr. C. S. Taylor - Deputy Engineer-in-Chief & Manager. - The Committee's recommendation that Mr. Taylor's agreement be renewed with pay at Tls. 1,600 per mensem is unanimously endorsed.

The Minutes of the meeting of the Works Committee of October 16 are submitted and confirmed.

2772 The Minutes of the meeting of the Traffic Committee of October 19 are submitted and confirmed with the exception of the recommendation that informal negotiations be opened with the Yellow Taxicab Co., with a view to inducing it to abandon its taxicab scheme. This recommendation

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was recorded prior to these vehicles being fitted with taximeters but as these have since been fitted therewith no action will be taken on the lines recommended by the Committee.

Police Force - Recruitment of Sikhs from India. - Alluding to the discussion

at the last meeting, the Chairman informs members of the tenor of correspondence between the Commissioner of Police and himself regarding the proposal that Captain Wahl should proceed to India for the purpose of obtaining recruits for the Sikh Branch. Although it would appear that this proposal was put forward primarily with the object of enabling Captain Wahl to obtain leave of absence, the Commissioner of Police states in the correspondence submitted that this officer is not desirous of proceeding to India but that he wishes to apply for special leave on private grounds. Following the exchange of correspondence referred to, the Chairman has called for comparative statistics covering a period of ten years which show that the wastage in the recruits selected in India by the officers of the Municipal Police is considerably higher than amongst those who are obtained under the arrangement made in 1925 for ensuring a regular supply of recruits. In the circumstances members agree that the expenditure involved in sending an officer to India for this purpose is not justified and in disapproving the proposal put forward by the Commissioner it is decided to inform the Police Department that recruits should be obtained in accordance with the arrangements concluded in 1925.

The Municipal Gazette for Friday, November 2, is submitted in proof and authorized for publication.

The meeting adjourns at 6 p.m.

Stirling Jessenden
Chairman.

J. M. McKee
Acting Secretary.

At the meeting of the Council held on Wednesday, November 14, 1928,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. V. Zau and
 The Acting Secretary.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Foreign Education Committee of October 30, are submitted and confirmed.

Chinese Government Bureaux - Stamp Tax Bureau. - The Chairman submits a letter addressed to him by Mr. J. W. Kwok of the Office of the Special Commissioner of Foreign Affairs for Kiangsu, requesting permission to establish a branch office of the Stamp Tax Bureau within the Settlement. The Chairman states that from conversations with Mr. Kwan Chun, formerly Senior Magistrate of the Mixed Court, he understands that this office is merely for the sale of stamps, which, under Chinese law, are required to be affixed to commercial documents, such as Bills of Lading, Receipts, Contracts, etc. These stamps are already being sold within the Settlement although no official establishment for their sale exists. The Chairman explained to Mr. Kwan that the question of the recent closure by the Council of the Bureau established by the Nationalist Authorities in Jinkee Road had been referred to the Consular Body, who in turn have taken the matter up with the Diplomatic Body. He therefore advised Mr. Kwan that application for permission to establish Chinese Government Bureaux in the Settlement should be made to the Consular Body in accordance with the recognised procedure. Although Mr. Kwok emphasized that the proposed bureau would be entirely non-political in character, and

whilst as such the Council might have no objection to the establishment of an office in the Settlement for the sale of these stamps, the Chairman feels strongly that it would be inadvisable to permit the functioning of any Government bureau in the Settlement in the absence of permission therefor being obtained through the usual channels. In this view members concur.

Cotton Testing Bureau. - The Chairman then reads a further letter received from Mr. Kwok stating that the Ministry of Agriculture and Mines proposes to take over from the existing organisation the control of the testing of cotton for export, and that the testing house will shortly be moved to more spacious quarters at No. 22 Kiukiang Road. The Chairman regards this application as an excellent illustration of the disabilities under which the Council labours in being called upon to sanction or refuse the functioning of Chinese Government Offices in the Settlement. As transfer of control may involve the interests of merchants of various nationalities, he considers that decision is essentially a matter for the Consular Body.

Mr. Paterson outlines the arrangements at present in force for the testing of cotton, a system which, up to the present, has worked satisfactorily, and he adds that the statement contained in the letter from Mr. Kwok that negotiations for taking over the present testing house have been successful, is incorrect, since although the Association which owns the Testing House is willing to transfer its control to the Chinese upon certain conditions, the Chinese Authorities are unwilling to agree to these conditions in their entirety. Members support his view that before the existing organisation relinquishes its functions adequate assurance should be forthcoming in the interests of the merchants concerned that the proposed new organisation will effectively discharge its duties.

After discussion, it is decided to inform Mr. Kwok that the applications for the establishment of the Stamp Tax Bureau and the Cotton Testing Bureau must be made through the Consular Body. It is also decided that until approval has been obtained through the usual channels the proposed testing house in Kiukiang Road will not be permitted to function, it being understood that the existing organisation for cotton testing is in a position to continue its operations until its functions are assumed by the Chinese Government Bureau. The Chairman

undertakes to write to Mr. Kwok explaining the Council's position in this matter and the reasons actuating its decision that this question must be taken up with the Consular Body.

Town Hall Site. - A letter from the China Realty Company enquiring whether the Council would consider the purchase of an area of Mow 21.234 on the North-West corner of Bubbling Well and Medhurst Roads at a price of Tls. 30,000 per mow as a site for a new Town Hall, is submitted. A reply is directed that the Council does not desire to avail itself of this offer.

Police Force - Resignation of Mr. W. G. Clarke, D.C.P. - The Chairman informs members that subsequent to his conversations with Mr. Clarke regarding certain differences which had arisen between the latter and the Commissioner of Police respecting the administration of the Force, etc., Mr. Clarke, on Monday last, handed in his resignation. Since these discussions were of a friendly nature Mr. Clarke's decision came to him as a surprise. He (the Chairman) has been informed by Dr. Bryson that Mr. Clarke is suffering from the strain of the position in which he has found himself recently, and has advised that a rest and absence from duty was imperative. For this reason, and in view of the fact that Mr. Clarke is an excellent Police Officer, he is of the opinion that the matter of his resignation should remain in abeyance in the hope that, if Mr. Clarke is granted leave of absence, he may be restored to his normal health; see the position in a different light and reconsider his resignation.

After discussion, members endorse this view, and the Chairman undertakes to suggest to Mr. Clarke the advisability of his taking leave of absence, whereafter he will report any further developments to the Council.

Electricity Department - Appointment of Mr. Aldridge as Consulting Engineer. -

3157 With reference to the minute of the last meeting, Mr. Arnhold reads a memorandum which he has drawn up advocating the appointment of Mr. Aldridge, upon his retirement, as Consulting Engineer. Members note that the proposals therein outlined are endorsed both by Mr. Aldridge and Mr. Taylor, and that the suggested remuneration of £750 per annum is acceptable to Mr. Aldridge. Alluding to the Treasurer's comment on these proposals, Mr. Arnhold states that the points made by him do not go beyond those contained in his earlier comment in August last. He


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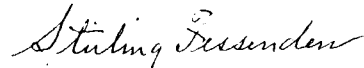
maintains that if the Treasurer's proposal is adopted whereunder Mr. Aldridge would be paid a moderate fixed retainer and the customary commission for work actually undertaken in the capacity of Consultant the cost to the Council in certain years when extensive plant extensions are undertaken would be very much more than under the proposal outlined in his memorandum. He points out that under his proposals Mr. Aldridge is willing to leave for the Council's consideration the question of increased remuneration during such years. With regard to the concluding paragraph of his report emphasizing the advisability of manufacturers sending shipping documents direct or through their agents and payment being made in the same way, thus saving the commission now paid to the Council's Shipping Agents, Mr. Arnhold states that, as Mr. Aldridge is remaining in the service for another year, ample time remains for the necessary notice to be given to the London Agents for the termination of that part of their agreement with the Council relating to Electricity shipments. In conclusion Mr. Arnhold states that he has not overlooked the necessity for the exercise of strict economy in the administration of the department and that after full consideration he is convinced that the proposals now put forward would be advantageous to the Council.

After general discussion, it is unanimously agreed to appoint Mr. Aldridge, upon his retirement, as Consulting Engineer upon the terms and conditions detailed in the memorandum submitted by Mr. Arnhold and attached to these minutes.

The Municipal Gazette for Friday, November 16, is submitted in proof and authorised for publication.

The meeting adjourns at 5.45 p.m.

 J. M. Kee
Acting Secretary.

 Stirling Fessenden
Chairman.

Memorandum

Electricity Department - Appointment of Mr. Aldridge as Consulting Engineer. -

When the question of appointing Mr. Aldridge consulting engineer in London came up for consideration a few months ago, it was decided to defer taking a decision for the time being.

The chief reason given in favour of the appointment was the very considerable savings which he would be able to make when placing orders for the very large extensions which would probably have to be undertaken in the near future. The Council were of the opinion that owing to the uncertain political situation, it would be necessary to defer any large extensions for some time, in which case the salary of £1500 p.a. could not be justified.

In the meantime I have discussed the matter both with Mr. Aldridge and Mr. Taylor. The latter is of the opinion that it is not good for the Electricity Department for the manager to be frequently absent from Shanghai for long periods, he therefore is still in favour of the appointment, provided satisfactory terms can be arranged, and thinks that the savings made on the Electricity Department's annual requirements would justify the payment of £750 p.a. suggested in my previous memorandum. Mr. Aldridge has informed me that this would be acceptable to him, but that in any year when large extensions are undertaken, the placing of which would take up a lot of his time, he hopes that the Council would see its way to somewhat increase his remuneration. As Mr. Aldridge has signed on for one year only and as Mr. Taylor is going home shortly they would both like to have the matter decided. As regards the points raised in my previous memorandum, Mr. Aldridge assured me that if he got the appointment it was understood he would have no direct communication with the Council or the Electricity Committee and that all his communications would be made to the manager of the Electricity Department and that he would make no important staff changes during Mr. Taylor's absence. Subject to these conditions I am prepared to recommend the appointment.

I would once more emphasize the advisability of manufacturers sending shipping documents direct or through their agents and payments being made in the same way, thus saving the commission now paid to the Council's shipping agents.

At the meeting of the Council held on Wednesday, November 28, 1928, at 4.30 p.m.,

there are:

Present:

Messrs. S. Fessenden (Chairman)

A. D. Bell

H. E. Arnhold

K. Fukushima

T. Funatsu

B. C. M. Johnston

W. P. Lambe

V. G. Lyman

Tsuyee Pei

L. T. Yuan

S. V. Zau and

The Acting Secretary.

Absent:

Mr. J. J. Paterson.

The Minutes of the last meeting are confirmed and signed. With regard to:

Chinese Government Bureaux. - In comment on this minute Messrs. Yuan and Zau suggest that in order to avoid misunderstanding and trouble the Council should re-consider its decision that applications for the establishment of these Bureaux in the Settlement should be made through the usual channels, on the ground that this decision is not consistent with the terms of the "Yangkingpang" Regulations. The Chairman states that no reference was made to the Land Regulations during the discussion at the last meeting and these in his opinion have no bearing on the subject under consideration, but that there is no objection to these observations being placed on record if the Chinese members so desire. Messrs. Yuan and Zau state that they will be satisfied if their expressions of view are included in the minutes of to-day's meeting and likewise Mr. Pei desires his opinion recorded that so long as the functioning of Government Bureaux, according to the merits of each case, does not affect the peace and good order of the Settlement, permission therefor should not be withheld.

The Minutes of the meeting of the Staff Committee of November 12, are submitted and confirmed.

The Minutes of the meeting of the Chinese Education Committee of November 19,

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are submitted and confirmed.

Police Department - Administration. - The Chairman states that he has conferred with Mr. Pei and explained to him the Council's views as to the desirability of an investigation being held into the differences which have arisen between the Commissioner of Police and Mr. Clarke, Deputy Commissioner of Police. The suggestion has been made that a Committee consisting of the Vice-Chairman of the Council, the Chairman of the Watch Committee and himself should be appointed to ascertain the precise causes of the friction which exists between these two officers. This investigation would be in the nature of a preliminary enquiry with the object of this question being cleared up prior to a more extensive investigation being undertaken as to the administration of the Force generally. Up to the present the only information available to the Council has been obtained from statements made to him personally by the Commissioner of Police and Mr. Clarke. In the event of a formal Committee being appointed as now suggested, additional evidence could be obtained from other Police officers which might facilitate a decision being reached in this matter. After hearing the Chairman, members unanimously endorse the proposal as to the appointment of this Committee.

The Municipal Gazette for Friday, November 30, is submitted in draft. With regard to: Municipal Notifications Nos. 3781 and 3784 calling for applications for the posts of Foreign Assistant Masters in two of the Municipal Public Schools for Chinese, Mr. Zau refers to a letter addressed to the Chairman by Mr. K. H. Ling and himself as members of the Chinese Education Committee. In this letter attention is drawn to the fact that these notifications were published without reference to the Committee, and that under the terms thereof Chinese are excluded from applying for these posts. He is of the opinion that the vacancy at the Nieh Chih Kuei Public School for Chinese would be suitably filled by a well qualified Chinese and that taking into consideration the smaller amount of salary to be paid and the linguistic facilities he would undoubtedly possess it would be in the interest both of the Council and the School that this and future similar vacancies should be filled by Chinese.

The Chairman informs members that when this letter reached him he investigated this matter and also the procedure adopted for the filling of such vacancies. He then reads a memorandum furnished by the Acting Secretary, outlining the authorised procedure adopted by the Secretariat in this case to the effect briefly that since the Council

has not authorised any change in the administration of this School, the action taken in advertising these vacancies followed the usual routine practice. The Chairman agrees that the course followed conforms to the system established many years ago, but whether or not the retention of this system is justified is a question which he suggests might be considered. Had the question of the filling of these vacancies been referred either to himself or to one of the Council's Committees it is not unlikely that departure might have been made from the existing procedure.

Mr. Pei states that he desires to associate himself with the views expressed by Messrs. Ling and Zau, and he favours the suggestion that revision of the existing procedure should be considered. He adds that the Chinese members of Council are placed in a difficult position, vis-a-vis the Chinese community who look to them to ensure that the Chinese should be given greater opportunities in all departments of the Council's service. In the case of the Municipal Chinese Schools surprise has been expressed that more Chinese have not been appointed on the teaching staff although Chinese members were elected to the Council nine months ago. Mr. Zau is unable to regard the filling of vacancies in these schools as a routine matter as in his opinion such questions are essentially matters for the consideration of the Chinese Education Committee.

The Chairman desires the Chinese members to realise that in taking steps to fill these vacancies there was no intention to discriminate against the Chinese. He is prepared to support the suggestion that revision of the existing procedure should be considered with a view to reference of such matters to the Committee concerned. In supporting this view the Vice-Chairman suggests that publication of the two notifications be withdrawn from the Gazette until a decision is reached on this point.

The Acting Secretary informs members that in view of the Treasurer's proposal to defer the filling of the vacancy at the Nih Chih Kuei Public School for Chinese pending the receipt of the Report of the Municipal Economy Committee, this matter was circulated both to the Chinese Education and Staff Committees and the majority of the members favoured steps being taken to fill the appointment without delay; no suggestion being put forward at that time that a Chinese Assistant Master should be appointed.

In agreeing that the action taken is in accordance with the recognized procedure, members record the view that consideration

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as to revision of such procedure is desirable. It is accordingly directed that the two notifications be withdrawn from the Gazette and that the matter be referred to the Chinese Education Committee for its recommendation as to the filling of these vacancies.

Subject to the above the Gazette is authorized for publication.

The meeting adjourns at 5.20 p.m.

Stirling Sisson
Chairman.

J. M. Kee
Acting Secretary.

At the meeting of the Council held on Wednesday, December 12, 1928, at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Acting Secretary.

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are confirmed and signed.

The Minutes of the meeting of the Electricity Committee of November 22, are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of December 3, are submitted and confirmed.

The Minutes of the meeting of the Works Committee of December 4, are submitted and confirmed.

Volunteer Corps. - The Chairman informs members that he has received a confidential letter from Major-General Wardrop, Commanding North China Command, regarding the strength of the Volunteer Corps which in his opinion is insufficient to protect the Settlement in the event of external or internal disturbances. He states that he has placed this matter on the agenda of to-day's meeting not with a view to general discussion so much as to apprise members of General Wardrop's views thereon. In this connexion it should be observed that with the exception of an increase in the Russian Units the strength of the Corps has remained stationary since December 1927. With regard to the suggestions put forward by General Wardrop for materially increasing the strength of the Corps, the Chairman states that appeals to the National Chambers of Commerce and business firms have been made from time to time with

negligible results, and as regards the further suggestion that the Council should introduce compulsory service such procedure is of course impracticable. He requests members to give due consideration to the opinion of General Wardrop who acts as the Council's senior Military Adviser. He himself feels strongly that unless more attractive conditions of service can be devised with the object of inducing men to join the Volunteers, little progress will be made. Any suggestions by members to this end will, therefore, be welcomed when this matter is again considered.

Appointment of Chinese to Senior Executive Positions. - The Chairman reads a letter received yesterday from the three Chinese members of Council alluding to the interchange of correspondence in March last between the Council and the Chinese Ratepayers Association relative to the appointment of Chinese to senior positions in the Municipal service, and requesting that a definite policy be formulated with a view to meeting the wishes of the Chinese community in this matter.

He recalls that when negotiations were proceeding for the election of Chinese members to the Council the Chinese Ratepayers Association required the appointment of Chinese to senior positions in the Council's service as a quid pro quo for the Chinese members taking their seats on the Council. Upon an assurance being given that this matter would receive consideration by the Council at a later date this stipulation was withdrawn. Mr. Tsuyee Pei suggests that in view of the importance of this question from the point of view of the Chinese community a special committee should be set up for its full consideration.

The Chairman states that when this question was raised in the first instance by the Chinese community the request was put forward in a general way that Chinese employes be appointed to senior posts in the service. The letter now received, however, requires that Chinese be engaged to fill senior executive posts in the various departments. Mr. Pei explains that this designation would comprise such posts as that of Assistant Commissioner of Police and positions of similar responsibility in other departments which would enable the holders to obtain the necessary training and experience to qualify them for future promotion. With this end in view and in the future interests of the Chinese and Foreign communities of Shanghai he suggests that Heads of Departments be instructed that, while they will be held responsible for the executive work, a number of qualified Chinese should be engaged and trained in

order that in later years they will be able to undertake the responsibilities of executive posts now held by Foreign employes.

In endorsing Mr. Pei's view, Mr. Zau states that the Chinese members of Council are placed in a most delicate position vis-a-vis the Chinese community. Members will recollect that in the first instance the Chinese community demanded additional seats on the Council; after negotiation, however, agreement was reached that for the time being three Chinese members only should be elected. He and his colleagues decided not to broach this question until they had had the benefit of some months experience of Municipal administration and other cognate matters. The Chinese members are, however, being continually pressed as to how this matter, which they regard of the utmost importance, is progressing. In the view of the Chinese community the satisfactory settlement of this question will go far to promote amicable sino-foreign relations and tend towards the peace and prosperity of the Settlement. The Chinese community welcomed the recent appointment of a Chinese Assistant Commissioner of Police and require that the appointment of Chinese to posts of similar responsibility be extended to other departments.

Upon Mr. Lyman observing that senior posts could be filled only by men of experience, Mr. Pei agrees that if the Council accepts the demand of the Chinese community in principle and engages qualified Chinese, their promotion to senior executive posts would have to be contingent upon their acquiring the necessary experience and demonstrating their ability for promotion thereto.

The Chairman states that in his recollection of the earlier discussions of this question between the Chinese Ratepayers Association, the Commissioner General and himself, emphasis was not laid on the appointment of Chinese to senior posts so much as the extended employment of Chinese generally. Mr. Pei is unable to agree with this view and reiterates that a change in policy is called for to ensure that qualified Chinese are given equal opportunity with foreign employes to rise to senior posts.

The Vice-Chairman concurs with the Chinese members as to the desirability of the engagement of educated Chinese with a view to their qualifying for senior posts in the course of time, but he feels that for some years such Chinese would be in the position of learners rather than that of executive officers. So far as he is aware there is

no class of Chinese Municipal experts from which employes could be drawn capable of taking an executive lead in Municipal government. At the same time there would appear to be no objection to engaging Chinese of the right type to enable them to acquire the necessary experience to qualify ultimately for promotion to senior posts.

The Chinese members agree that any qualified Chinese engaged would, for a considerable period, have to be in the position of learners, but that if, after such probationary period, they proved their ability and attained promotion to the senior posts, they could do much to promote a better understanding between the Foreign and Chinese members and further the interests of the Settlement.

In this connexion Mr. Arnhold deprecates undue haste in the matter of the appointment of Chinese to senior executive posts on the ground that experience elsewhere has shown that the holders of such posts are susceptible to outside political pressure to the detriment of the successful conduct of a Municipality.

Mr. Pei emphasises that whilst the Chinese community desire that Chinese be immediately appointed to senior executive posts, the Chinese members of Council realise the impossibility of compliance with such a demand; they do, however, require a revision of the Council's existing policy to enable Chinese in the course of time to qualify for the higher posts in the service. He contends that there are now in Shanghai a number of Chinese holding degrees of American and European Universities who could, with the necessary experience, qualify for the position of Deputy in the several departments.

Mr. Lyman considers that if the Council adopts the proposal put forward, members of the Chinese staff should be treated in the same way as the Foreign staff, i.e., that with regard to promotion each case should be treated on its merits.

In advocating that any change in the existing policy, if considered necessary, should be effected gradually, Mr. Paterson alludes to the inability of Chinese officials to administer the ex-British Concession at Hankow and instances breaches on their part of certain stipulations of the Chen-O'Malley agreement. Mr. Pei states that at the time of the rendition of the British Concession at Hankow there were few Chinese with experience of Municipal government, a factor which influences the Chinese members in their desire that the Chinese should be given an opportunity gradually to acquire such knowledge in Shanghai.

Mr. Lambe is not convinced that a change of policy is called for. Under the present system Chinese are eligible to apply for vacancies and provided they possess the necessary qualifications he considers that they could be given equal treatment with other nationals in the matter of selection and subsequent promotion. Mr. Bell is unable to agree with this view on the ground that if two candidates apply for any vacancy, one Chinese and one Foreign, under the existing system and their qualifications being equal, the Foreign candidate would be given the preference, whereas in his opinion other things being equal, preference, if any, should be given to the Chinese. He suggests that Heads of Departments should be notified of the desirability of training Chinese to qualify for senior posts and that if necessary provision for this purpose should be made in the forthcoming Budget. The Chairman replies that Heads of Departments have already been requested to engage Chinese for any posts which they are capable of filling, and he favours a member's suggestion that enquiries should be made as to what extent this request has been complied with.

From his own experience Mr. Pei considers that it is quite impossible to regard the majority of the Chinese now in the Municipal service as potential holders of senior posts, and he emphasises the necessity of engaging educated men who, with the exception of experience, possess the necessary qualifications. Such men would necessarily have to work under supervision for a period sufficient to demonstrate their ability to take over a senior post in the event of a vacancy occurring.

Mr. Fukushima supports the proposal that greater consideration should be given to the claims of the Chinese to qualify for the senior posts of the service. The majority of these positions have hitherto been held by British nationals, and whilst they have discharged their duties efficiently and faithfully, he considers that in view of the international character of the Settlement, all nationals should in future be accorded equal treatment in this respect.

Reverting to the verbal request made by himself to Heads of Departments in this connection, the Chairman doubts whether this has been strictly complied with. His proposal is therefore endorsed that information on this subject be obtained, and that the members of the Staff Committee together with Mr. Tsuyee Pei confer with Heads of Departments and thereafter submit recommendations as to what steps could be taken to meet the wishes of the Chinese community.

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The Municipal Gazette for Friday, December 15, is submitted in proof and
authorised for publication.

The meeting adjourns at 6.10 p.m.

Stirling Forrester
Chairman.

S. M. Silvan

~~Acting~~ Secretary.

At the meeting of the Council held on Wednesday, January 9, 1929,
at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Secretary.

Absent:

Messrs. K. Fukushima
 T. Funatsu.

The Minutes of the last meeting are read and confirmed, and signed by the Chairman. With regard to: ⁴⁵³⁴ Volunteer Corps, - The Chairman states that the Commandant is giving consideration to the points raised in the letter received from Major-General Wardrop regarding the strength of the Volunteer Corps and that he will forward a report to the Council.

The Minutes of the meeting of the Public Utilities Committee of December 10, are submitted and confirmed.

The Minutes of the meeting of the Chinese Education Committee of December 13, are submitted, and subject to reference to the Finance Committee of the section relating to the Annual Estimates for 1929, are confirmed.

The Minutes of the meeting of the Electricity Committee of December 14, are submitted, and subject to the following exceptions, are confirmed. With regard to: ¹⁹⁰⁸ Supply of Water to Swimming Bath at Riverside Power Station, - In connexion with the Committee's recommendation that the charge for water supplied to this Swimming Bath should be borne by the Department and the Treasurer's adverse comment on this proposal, members consider that in order to avoid the impression that the staff of one Department is receiving preferential treatment, in future those members of the staff availing themselves of this facility should be

required to pay a small fee for the privilege of using the bath. It is accordingly decided to refer this matter back to the Committee with the suggestion that such members should be called upon to pay a nominal sum of say \$2.00 per season when the bath is in use.

1887 Russian Staff - Mental Ward Fees. - The recommendation of the Committee that the Department's liability in the case of a Russian workman who has become an inmate of the Mental Ward should be confined to payment of \$1.75 per diem for a period of six weeks in accordance with the terms of employment, is considered. After discussion, members record the view that since the Department guarantees payment of third class hospital fees of Russian employes for a period of six weeks, and since there is no third class accommodation in the Mental Ward, the Department, under its terms of employment, becomes liable for the minimum (pauper) charge of Fla. 3.00 per diem. It is accordingly decided that the Department should be called upon to pay this charge for six weeks after which the maintenance of this patient in the Mental Ward will become a charge on public funds.

The Minutes of the meeting of the Foreign Education Committee of December 28, are submitted and confirmed.

1888 The Minutes of the meeting of the Works Committee of December 31, are submitted and confirmed. Banking Road Widening - Cad. Lot 31. - A member states that he regards the rate of interest (i.e. 6 $\frac{1}{2}$ %) proposed to be paid on the capital sum in respect of the road land surrendered from this property as somewhat high. In view of the fact that this case may be referred to the Land Commission in which event it is not unlikely that that body might assess interest at a higher rate than that now proposed, and having regard to the interest borne by recent issues of Municipal Debentures, the rate proposed is regarded as satisfactory from the Council's point of view, and the Committee's recommendation is accordingly endorsed.

1889 Council 1929/30 - Date of Election. - It is directed that a letter be addressed to the Senior Consul requesting that a date be fixed for the election of Councillors for the Municipal Year 1929, and suggesting that Monday and Tuesday, March 4 and 5, would be convenient for this purpose.

1890 Land Commission - Membership. - It is decided to invite Mr. C. H. French to continue to act as the Council's nominee on the Land Commission for the forthcoming Municipal year.

1891 Bicycle Licence Fee. - A letter from the French Municipal Administration re-

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questing the Council's views on its proposal to increase the annual fee for bicycles from \$2. to \$4. with Departmental comment thereon, is submitted. It is noted that on two occasions in the past the Council has rejected proposals to increase this fee, but having regard to the increased number of cycles now on the streets, the resultant traffic congestion caused thereby and the purposes for which they are used, certain members regard an increase in the licence fee as desirable. After discussion, however, members generally are unable to accord approval to the suggested increase, but in order that the fee may remain identical in each Settlement, it is decided that should the French Municipal Authorities insist on an increased licence fee, to suggest that this should be increased to \$3.00 per annum.

Suggested Abolition of Municipal Orchestra. - A letter from the Chairman of the Shanghai General Chamber of Commerce suggesting the abolition of the Orchestra and advocating a Municipal Grant-in-aid to an orchestra maintained by public subscription, is submitted. The Chairman recalls that when the abolition of the orchestra was suggested in the past, the Council adhered to its policy of leaving decision to the Ratepayers. He therefore requests members views as to whether such policy should be maintained or whether they consider the time has now arrived when the Council should take the initiative for the abolition of the orchestra. The Vice-Chairman considers that with the disposal of the Town Hall and the apparent difficulty of obtaining suitable alternative accommodation for the orchestra, the Council would be justified in taking the initiative for its abolition. As a first step to this end he suggests that the additional cost of the orchestra entailed by having to obtain new accommodation should be ascertained, and also the views of the Band Committee sought on the possibility of obtaining suitable alternative accommodation as well as on the proposal put forward by the Shanghai General Chamber of Commerce that the orchestra should be maintained by public subscription. If this information is available the Council could then define its policy regarding the continuance of the orchestra or otherwise and could take the necessary steps to have this matter finally settled at the forthcoming annual meeting of Ratepayers. After discussion this proposal is approved and the Secretary undertakes to refer this matter to the Band Committee for its recommendations prior to the next meeting of the Council.

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Secretariat Staff - Accelerated Leave. - Consideration of the recommendation by the Secretary that, as permission has been given to Mr. J. R. Jones to proceed on leave in the Spring of 1930, Mr. McKee be permitted to take his long leave this year, which proposal involves an acceleration of the latter's leave by a period of one year, is deferred until the next meeting of the Council.

The Municipal Gazette for Friday, January 11, 1929, is submitted in proof and authorized for publication.

The meeting adjourns at 6 p.m.

Wm. L. ...

Stirling Jessenden
Chairman.

Secretary.

At the meeting of the Council held on Wednesday, January 23, 1929,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
K. Fukushima	
T. Funatsu	
B. C. M. Johnson	
W. P. Lambe	
J. J. Paterson	
Tsuyee Pei	
L. T. Yuan	
S. U. Zau, and	
The Secretary.	

Absent:

Mr. V. G. Lyman.

The Minutes of the last meeting are read and confirmed, and signed by the Chairman. With regard to: Nanking Road Widening - Cadastral Lot 31. - The Chairman states that he understands from the Treasurer & Comptroller that upon an offer being made to pay forthwith a substantial portion of the compensation in this case, the claim for payment of interest on the capital sum has been waived. The Secretary is requested to ascertain whether any definite agreement has been reached as to this.

3889 Licensing of Bicycles. - Members are informed that the French Municipal Administration has agreed that the licence fee in respect of bicycles shall not be changed during the current year, but that they propose to increase the annual fee to \$3. in 1930.

The Minutes of the meeting of the Foreign Education Committee of January 10, are submitted and, subject to reference to the Finance Committee, are confirmed.

The Minutes of the meeting of the Watch Committee of January 11, are submitted and confirmed.

The Minutes of the meeting of the Works Committee of January 15, are submitted and, subject to reference to the Finance Committee of the section relating to the annual estimates, are confirmed. Regarding the recommendation of the Committee as to the purchase of seven motor trucks and four motor

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motor cars, provision for which is included in the preliminary estimates, in order to avoid payment of the increased Customs duties which come into force on February 1, members authorise the placing of necessary orders prior to that date. It is also decided that orders for the purchase of all motor vehicles which are sanctioned in the preliminary estimates of the various Departments be placed before that date.

Disposal of House Refuse. - Referring to the increasing difficulties encountered and the resulting high cost incurred in connection with the satisfactory disposal of house refuse owing to the attitude taken up by the authorities of the neighbouring Chinese territory and the Committee's recommendation that the assistance of the Chinese members of Council might be solicited for the purpose of reaching an amicable agreement with such authorities, the Chairman gives a resume of the negotiations in this matter which have already been conducted with the Chinese authorities. Mr. Pei is of the opinion that good results might be achieved if, in the first place, this question is taken up unofficially by Mr. Zau or himself with the relative Chinese officials in order to elicit clearly their views, and ascertain whether the difficulties hitherto encountered could not be overcome. If, in the light of the information gained, it appeared that negotiations could be successfully conducted by the Chinese members of Council, he suggests that the matter could then be taken up by them officially. Members unanimously approve this proposal, and at Mr. Pei's request the relative files on this subject will be circulated to him for perusal.

The Minutes of the meeting of the Staff Committee of January 16, are submitted and confirmed.

The Minutes of the meeting of the Orchestra and Band Committee of January 16 are submitted, and subject to reference to the Finance Committee of the section relating to the annual estimates, are confirmed. With regard to: Suggested abolition of the Orchestra. - Mr. Arnhold states that subsequent to the meeting of the Committee the Conductor forwarded a memorandum submitting alternative suggestions for the retention of the Orchestra whereunder it could be maintained at a reduced cost to the Council. His proposals are (1) that the Orchestra should be maintained in Shanghai for a period of seven months only each year and that during the remaining five months it be permitted to accept guaranteed engagements in such places as Japan, Manila or Harbin, in which case he estimates an annual

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saving of Tls. 40,000 and (2) that a subsidy of say Tls. 75,000 per annum be made to a responsible concert-impresario or Committee who would guarantee Orchestral concerts being held for seven months in each year in Shanghai and that for the remaining five months the Impresario or Committee be allowed to give concerts of any kind and in any place selected

With regard to proposal (1) it is recalled that in 1924 M. Paci concluded an arrangement with the Management of the Imperial Theatre in Tokyo for a series of concerts to be given there, but since this was done without the Council's consent and as at that time the Council did not favour the absence of the orchestra from Shanghai, the arrangement was not sanctioned. From M. Paci's memorandum it would appear that he is optimistic as to the financial success of a series of concerts being given in Japan and in order to procure definite information as to this he suggests that he be permitted to proceed to Japan forthwith when he could possibly arrange a trial tour for the Orchestra in that country prior to the annual meeting of Ratepayers. After discussion and in order that the Council may be in a position to put forward concrete proposals at the Ratepayers' Meeting, it is decided that M. Paci be permitted to proceed to Japan as early as possible and that his travelling expenses be borne by the Council.

Sunday Concerts. - A member suggests that from the public point of view, 5.30 p.m. would be a more convenient time than 5 p.m. for the holding of Sunday concerts, and this suggestion will be referred to the Band Committee for its views.

Kidnapping Law - Proposed Municipal Proclamation. - Reports from the Commissioner of Police forwarding a copy of the new Kidnapping Law which came into force on December 8 and advocating the early issue of a Municipal proclamation drawing attention to the new law and affording it as much publicity as possible in the Settlement, are submitted. The Chairman states that whilst he regards the endeavour on the part of the Nationalist Government to suppress kidnapping as most satisfactory and whilst the Council would be only too willing to co-operate for the purpose of enabling the new law to become effective, he considers that it would be impracticable for the existing staff of the Police Department to undertake the duties entailed by Sections 5 and 6 of the new Regulations dealing with the registration of all householders, etc. He therefore desires members' views as to the advisability of the Council publishing this

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Proclamation in extenso in the knowledge of its inability to fulfil its requirements. In reply to a member's enquiry the Chairman states that the Council has no practical means of compelling all Chinese householders to register. If facilities were afforded by the Police for the voluntary registration of Chinese householders it is unlikely that those against whom the new law is aimed would come forward for voluntary registration. In order, however, to avoid the possibility of any such residents informing the Provisional Court that the Police refused to accept their registration he sees no reason why facilities should not be provided at all Police Stations for this purpose. Mr. Pei is of the view that all law abiding Chinese will be willing to undertake voluntary registration although he agrees that voluntary registration does not meet the needs of the situation if the new law is published in full by the Council. Mr. Yuan states that he understands that the new law is in operation in the Chinese City although he is not aware whether its entire provisions are being strictly enforced. Upon Mr. Pei suggesting that the new law should be published in the Settlement by the Provisional Court, and that any person failing to comply with its requirements regarding registration should be dealt with by the Court, the Chairman points out that whilst it would be a comparatively simple matter for the Court to deal with such cases this proposal does not, so far as the Council is concerned, overcome the requirements of the new law for the compulsory registration of the vast number of Chinese householders in the Settlement.

After considerable discussion members unanimously agree that the Council should co-operate as fully as possible to give effect to the new Kidnapping law; they realise, however, the impossibility of complying with the requirements of Sections 5 and 6 with the existing police machinery at its disposal. Finally the Chairman's proposal is endorsed that steps be taken to ascertain whether this proclamation is posted publicly in Greater Shanghai after which he will confer with the Deputy Secretary as to the best means to be adopted by the Council for meeting the requirements of the new law and as to the framing of a proclamation for publication, the terms of which can be strictly enforced within the Settlement.

Proposed "Law and Order Secret Society". - In connexion with a proposal put forward by a Mr. Siow to form a Secret Society to be known as the "Law and Order Secret Society", the Commissioner of Police forwards a report on

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the rules and objects of the Society. Therein he expresses the view that whilst co-operation on the part of the Chinese in the campaign against armed robbery and kidnapping should be encouraged he does not overlook the possibility that the Organization might later become controlled by undesirable elements. After discussion, in the course of which the Chinese members agree that although the intentions of the promoter may be beyond suspicion the activities of the Society later might be most difficult to control, it is unanimously decided that the application for recognition of this Society be not entertained.

Poor Relief - The Beggar Problem.- An application from the Women's Christian Temperance Union requesting the Council to appoint a Committee to investigate the beggar problem and establish its own beggar institution or assist non-Municipal institutions, with adverse Police Department comment thereon, is submitted. In view of the Council's established policy and its contention that the care of beggars is a matter for private benevolence and inasmuch as any relief provided might have the effect of attracting to Shanghai large numbers of beggars from the neighbouring districts, it is decided that the application now under consideration be refused. Mr. Yuan states that certain Chinese organisations are making serious efforts to solve the beggar problem and that they would appreciate the Council's assistance. In this connexion he states that in Soochow an institution was established to which beggars and vagrants were taken and those physically fit were required to undertake a certain amount of labour each day. This system proved such a strong deterrent to certain classes of beggars that there are none now to be found in Soochow. It is agreed that if Mr. Yuan can put forward details of such a scheme with the object of ridding the Settlement of the beggar nuisance the Council will, as an earnest of its desire to co-operate with the Chinese authorities, give the same its fullest consideration and this Mr. Yuan undertakes to do.

Secretariat Staff - Accelerated Leave.- With reference to the Minute of the last meeting permission is granted to Mr. J. M. McKee, Deputy Secretary, to proceed on long leave during the current year, which permission involves acceleration of his home leave by a period of twelve months.

The Municipal Gazette for Friday, January 25, is submitted in proof and authorised for publication.

The Meeting terminates at 7.15 p.m.

Wm. P. ...

Secretary.

Atkins ...
Chairman.

At the meeting of the Council held on Wednesday, February 6, 1929, at 4.30 p.m.

there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
K. Fukushima	
T. Funatsu	
B. C. M. Johnston	
W. P. Lumbe	
V. G. Lyman	
J. J. Paterson	
Tsuyee Pei	
S. U. Zau, and	
The Secretary.	

Absent:

Mr. L. T. Yuan.

The Minutes of the last meeting are read, and confirmed, and signed by the Chairman. With regard to: Nanking Road Widening - Cadastral Lot 31. -¹¹⁴⁵ The Secretary refers to correspondence which has passed between Messrs. Palmer & Turner and the Council as to the payment of interest on the amount of compensation outstanding in respect of the land surrendered for this road widening. He states that a part payment of Tls. 200,000 was made by the Council on the distinct understanding that the claim for interest would be waived as from December 1; Messrs. Palmer & Turner now, however, require payment of interest on the balance of the amount as from February 1. A letter has been addressed to Messrs. Palmer & Turner pointing out that this claim is contrary to the Council's interpretation of the arrangement made and their reply to this letter is awaited.

¹¹⁹³ Suggested Abolition of Orchestra. - The Chairman informs members that he received a call yesterday from Mr. O. M. Green and that he was apparently under the impression that the Council had decided to move a resolution for the abolition of the Orchestra at the forthcoming annual meeting. The Chairman informed him that no such decision had been reached by the Council and explained to him the outcome of its discussions in this matter. The Chairman's view is endorsed

that if this question is accorded publicity in the press and the views of the public elicited, decision on this question by the Ratepayers will be facilitated.

Kidnapping Law - Proposed Municipal Proclamation. -

The Deputy Secretary states that he has ascertained from the Commissioner of Police that a Proclamation has been posted in Chinese territory drawing attention to the new Kidnapping Law to which a notice is attached stating that it is for the information of the inhabitants, and whilst facilities for voluntary registration of householders are provided, they are referred to the Bureau of Public Safety for directions. It would appear therefore that the provisions of this law are not being strictly enforced by the Chinese authorities.

Mr. Pei states that he is informed that the authorities of the Chinese districts have petitioned the Nationalist Government that Sections 5 and 6 of the new law be rescinded owing to the difficulty of their enforcement, and he suggests that it might be desirable for the Council to take similar action.

The Chairman's suggestion is then endorsed that since the Chinese Authorities themselves realise the impossibility of complying with these Sections of the new law, further action should not be taken by the Council pending developments which may result following the representations made to the Nationalist Government; in the meanwhile the Municipal Police are prepared to accept voluntary registration of Chinese householders.

The Minutes of the meeting of the Electricity Committee of January 25 are submitted, and subject to the following observations, are confirmed.

102] Irregular reconnection of Electricity Supply by Mr. W. F. Hamlin at 43 Jessfield Road. - In this case the Committee unanimously recommends that legal proceedings should be instituted against the above householder for having illegally caused these premises to be reconnected to the Department's mains after disconnection had been effected for non-payment of both Electricity accounts and Municipal Rates.

The Chairman states that Mr. Hamlin called on him in December and explained that he was out of employment and therefore not in a position to pay his electricity charges or Municipal Rates. Later when the question of the institution of legal proceedings arose the Chairman agreed that such were warranted, but in view of the fact that such action might ruin Hamlin's chances of obtaining employment, he was

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reluctant to agree to this proposal; at the same time he explained to the Chairman of the Electricity Committee that he did not press this point.

At the outset the majority of members are disinclined to sanction the institution of legal proceedings, but ultimately in view of the undesirable precedent which would be established if this offence was condoned, and since in view of the nature of the offence committed the institution of a civil action for the recovery of the amount due is impracticable, the Committee's recommendation that a criminal action be brought against Hamlin is endorsed.

Return from Long Leave ³⁷³⁹ before due date, General Order 10313, and Deferred Leave Pay etc. - Engineer-in-Chief & Manager. - As decision in these two matters would be applicable to all Departments of the service, this is deferred pending reference thereof to the Staff Committee for its recommendations.

The Minutes of the meetings of the Watch Committee of January 18 and 25 are submitted, and subject to reference to the Finance Committee, are confirmed.

The Minutes of the meeting of the Library Committee of January 23, are submitted, and subject to reference to the Finance Committee of the section relating to the Annual Estimates and to the following observations, are confirmed.

Reading Room. - The Committee's recommendation that to prevent the theft of magazines and papers from the Reading Room by loafers, restrictions should be imposed similar to those in force in Public Parks, is considered. Members are adverse to the proposal that a fee should be charged for admission to the Reading Room and consider that the co-operation of the Police stationed in the vicinity of the Library should be solicited in order to prevent the theft of magazines and papers.

Supply of Chinese Books. - A member's suggestion that some Chinese books should be acquired for the Library and funds provided therefor in the current year's Budget, the selection of such books to be left to the Chinese Education Committee, will be referred to the Library Committee for its views.

The Minutes of the meetings of the Staff Committee of January 29 and February 1, are submitted and confirmed.

Race Course Road - Cadastral Lot 1587 - ^{4133/2} and Proposed New Market Site - Peking and Soochow Roads - Cadastral Lots 298 and 299. - ⁴¹¹¹ The Vice-Chairman refers to two recommendations which were recorded by the Works Committee at its meeting yesterday as to (1) acceptance of an offer to sell Cadastral Lot 1587,

part of which is required for the Race Course Road Extension for a sum of Tls. 160,000, and (2) an offer of Tls. 400,000 being made for the purchase of Cadastral Lots 298 and 299, the major portion of which is required for a new Market Site. He details the views of the Committee regarding these purchases and states that the options held call for immediate action. As a matter of urgency the Committee's recommendations in both cases are unanimously endorsed.

Boy Scouts Association - Assistance from Municipal Funds. - An application on behalf of the Boy Scouts Association for a financial grant from the Council in aid of their Movement, is approved, and it is decided that a grant of Tls. 2,000 be included in the Annual Estimates. It will, however, be made clear that a grant of similar amount will not necessarily be made in succeeding years.

Publication of Report of Municipal Economy Committee. - Members approve publication of the Municipal Economy Committee's report in the form of a special Gazette to be issued on Saturday next, February 9.

The Chairman withdraws and Mr. Bell takes the chair.

Appointment of Chief Executive Officer. - The Vice-Chairman states that members are aware that Mr. Fessenden does not intend to seek re-election on the Council, and that at present as Chairman he is in receipt of an honorarium equivalent to two-thirds of the salary drawn by the late Commissioner-General. When this arrangement was made last year it was clearly understood to be of a temporary nature only and the Ratepayers were informed that the Council had no intention of retaining a paid Chairman. Mr. Fessenden accordingly considers that he should not continue as Chairman on these terms. Members with whom he (the Vice-Chairman) has discussed this question agree that the Council cannot afford to lose the valuable services rendered by the Chairman. He has accordingly proposed to Mr. Fessenden that following the forthcoming Ratepayers Meeting he should accept the position of Chief Executive Officer on the Municipal staff under the designation of Commissioner-General or Director General and upon the same terms and conditions as those upon which Major Milton-Johnson held the former post. If this proposal is approved Mr. Fessenden has undertaken to give up his private practice, devote his whole time to the Council, and sign the usual agreement for a period of three years. In this position he would undertake the political work of

the Council and also would investigate the means by which economies in the administration can be effected.

The proposal put forward by the Vice-Chairman is carried unanimously.

Upon Mr. Fessenden re-attending, the Vice-Chairman expresses the Council's gratification at his willingness to accept the position of Chief Executive Officer of the Council which members have agreed should be upon the same terms and conditions as those of the appointment of the late Commissioner-General. In voicing his appreciation, Mr. Fessenden states that his law practice has suffered since he has devoted so much of his time to Council business and unless he accepts the position now offered him he would be reluctantly compelled to relinquish much of the present work he undertakes, in order to retrieve his law practice.

Staff Supervision. - Mr. Arnhold states that the fact that the Chairman has ^{intimated} his willingness to accept the post of Chief Executive Officer to the Council should simplify the problem of reducing expenditure by means advocated by the Municipal Economy Committee. Before the Council went into recess last year a preliminary report was furnished to the Staff Committee for its consideration and recommendations, but as no action was taken he addressed a letter to the Chairman in November last suggesting that certain proposals made by the Economy Committee should be adopted forthwith. Since that time the complete report of the Economy Committee has been received. As there is only a short time before the election he urges that some action be taken on the recommendations of the Municipal Economy Committee forthwith which, if done, will also facilitate the further problem of the employment of Chinese.

With regard to the procedure adopted by the Staff Committee in the matter of the renewal of staff agreements, Mr. Arnhold considers that whilst the Committee frames its recommendations to the best of its ability, it is placed in a false position for the reason that under the existing procedure they have to be guided almost solely by the various heads of departments since there is no official who can co-ordinate the many recommendations put forward and supply the Committee with comparative data which in his view is most essential. He considers that the appointment of a senior officer to act in this capacity would result in very considerable economies being effected.

The Chairman doubts whether the Chief Executive Officer

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of the Council would have sufficient time to undertake the detailed work involved in co-ordinating staff matters and he therefore suggests that this should be deputed to some senior official, who, under himself, would be responsible for this work. It is recalled that when Major Hilton-Johnson was appointed to the post of Commissioner-General, the Council's intention was that he should, to some extent, act in the capacity of business manager, but it was found that his time was too fully occupied in dealing with various political questions to permit this. In this connexion he endorses a member's proposal that the duties of the Chief Executive Officer should be clearly defined. He states that he has already discussed this question with Mr. Jones, Deputy Secretary, and that after further consultation with him he will submit a definite recommendation to the Council as to this and also outline his proposals for the co-ordination of various staff questions to be undertaken by a senior officer of the service.

The Municipal Gazette for Friday, February 8, is submitted in proof and authorised for publication.

The meeting terminates at 6 p.m.

W. J. P. ...

W. J. P. ...
Chairman.

Secretary.

At the meeting of the Council held on Wednesday, February 20, 1929,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Secretary.

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are read, confirmed, and signed by the Chairman.

The Minutes of the meetings of the Watch Committee of January 30 and February

8 are submitted and confirmed. With regard to: Escape of Prisoners from Bubbling Well Station. - The Chairman states that he has instructed the Prosecuting Solicitor to suggest a practical method of dealing with cases of default by Police Officers, as proposed at the meeting of February 8, when the constitution of Boards of Enquiry was under discussion. In confirming the Committee's recommendations regarding Inspector Foley, members recognize that the case presents unusual difficulties, some of which might have been avoided if the procedure had been regularized.

The Minutes of the meeting of the Health Committee of February 4 are submitted and confirmed.

The Minutes of the meeting of the Foreign Education Committee of February 4

are submitted and confirmed, subject to the following reservations: Salaries of Educational Staff. - It is agreed that the question of revising the salaries of the educational staff and of making such revision retrospective should be referred in the first place to the Staff Committee for its recommendation. With regard to: Administration. -

The Secretary informs members that the question of creating an inspectorate is related to the recommendation of the Municipal Economy Committee regarding the appointment of a Superintendent of Education. After short discussion it is agreed to defer the matter until that part of the Report is submitted for discussion.

The Minutes of the meeting of the Works Committee of February 5 are submitted and confirmed, except with regard to: Road Widening and Extension Plans 1929. - The Chairman of the Works Committee remarks that, if it is proposed to abandon a number of schedulings, as recommended by the Municipal Economy Committee, the forthcoming Municipal Notification on Road Plans for 1929 is incomplete and misleading, inasmuch as it does not mention abandonments, and he is of the opinion that in such case the Council should amend the Notification so as to safeguard itself from loss arising from the claims of landowners. Replying to a question by the Chairman, Mr. Jones, Deputy Secretary, says that it is quite possible that the claims upon abandonment might equal or exceed the amount saved by the suggested economy. It is also pointed out that the Notification deals only with those cases where an opportunity for protest is provided by the Land Regulations. Members agree that it would be best to avoid the possibility of having to meet such claims, and further express the opinion that abandonments in themselves are unwise in the long run. It is, accordingly, decided not to accept the Economy Committee's recommendation as a whole, or to amend the draft Notification, but to refer back to the Commissioner of Public Works the question of retaining the scheduled extensions and widenings proposed for abandonment, or of abandoning any particular scheduling in the interests of economy.

Appreciation of Prosecuting Solicitor's Department. - The Chairman reads a letter from the Senior Consul, forwarding and endorsing a communication to himself from the Consular Deputies, commending in the highest terms the work performed in the Provisional Court by Mr. R. T. Bryan, Jr., Prosecuting Solicitor, and his staff, since Mr. Bryan assumed office on June 1 last. The Chairman states that, since he was given a somewhat free hand in the matter of reconstituting the Prosecuting Solicitor's office, he is gratified to learn from the Senior Consul's report of its successful outcome, and with this members concur.

Annual Ratepayers' Meeting. - It is decided to hold the Annual Meeting of Ratepayers on April 17.

Electricity Department - Proposed Sale. - The Chairman states that he has been approached by two groups of persons who contemplated making an offer to purchase the Electricity Department as a going concern and wished to ascertain the terms on which the Council would be prepared to grant a franchise. He informed them that he was not himself in a position to give the desired information, and now suggests that the Council should consider the matter in its broadest aspect, adding that in the meantime he has asked the Engineer-in-Chief for a memorandum covering the points at issue. In his own view the prospective purchasers should first meet Mr. Aldridge and Mr. Ford in the matter, and afterwards their proposals should be examined by a small honorary committee of outside men who would see the question from a somewhat different angle, and would act as business advisers to the Council. He suggests that the Committee should consist of two British residents, two American and one Japanese. Further, in conversation with the Treasurer, he arrived at the conclusion that the latter would need the assistance of two outside men when the financial position is investigated, owing to the extra work and responsibility involved. Mr. R. C. B. Fennell and Mr. E. F. Hardman, if found not to be engaged by the other parties, would no doubt be suitable for this purpose. Members endorse these proposals, and the Chairman is authorised to take the necessary action therein.

Municipal Economy Committee's Report. - Referring to the second and final instalment of the Economy Committee's report, the Chairman states that some sort of extra machinery will be required, as suggested by the Committee itself, to assist the Council in examining and giving effect to the recommendations. This will require a certain amount of outside assistance. In view, however, of the approaching end of the present Council's term of office, he suggests that, with the exception of such few reforms as can be adopted without further assistance, the recommendations be left to the consideration of the new Council, and with this members agree.

Police Organization. - The Chairman states that a small Committee, consisting of Mr. Bell, Mr. Lyman and himself, appointed to investigate the causes of the recent differences between Captain Barrett and Mr. Clarke, has concluded that the state of affairs calls for the appointment of a competent outside man to enquire into the working of the Force and to

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advise the Council in the matter of organization and discipline. The British Foreign Office has recommended a Mr. Gerrard, with experience in Bombay, for this position, and if members approve he suggests that it be arranged to have Mr. Gerrard seconded to Shanghai for the necessary period which he anticipates will be one year. He proposes that the Council should undertake the payment of his present salary, together with the cost of pension contributions and all allowances, and to add thereto a bonus at the rate of £1,000 per annum. Members agree to this course. The Municipal Gazette for Friday, February 22, is submitted in proof and authorised for publication.

The meeting adjourns at 6.10 p.m.

H. H. H. H.
Chairman.

J. M. K. C.
Deputy Secretary.

At the meeting of the Council held on Wednesday, March 6, 1929, at 4.30 p.m.,
there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 L. T. Yuan
 S. U. Zau, and
 The Deputy Secretary.

Absent:

Mr. Tsuyee Fei.

The Minutes of the last meeting are read, confirmed, and signed by the
 Chairman.

The Minutes of the meeting of the Watch Committee of February 22 are submitted
 3696 and confirmed. With regard to: Salt Smuggling Suppression. - The
 Chairman states that the Consular Body has urged that the Council should
 take all possible steps for the suppression of salt smuggling. He has
 therefore impressed upon the Commissioner of Police the necessity of
 effective action being taken in this matter and he will advise the
 Council in due course as to what measures it is proposed to adopt to
 achieve the desired result.

The Minutes of the meeting of the Chinese Education Committee of February 22,
 3707 are submitted and, subject to reference to the Finance Committee, are
 confirmed. With regard to the reduction which has been made in the
 estimates for the proposed Western Primary School for the reason that
 it is not anticipated that a suitable building will be obtainable until
 after the summer holidays, a letter has been received from the Chinese
 members of Council recommending that the estimates as originally drawn
 be retained. The Deputy Secretary states that he has taken up this
 matter with the Finance Department who assured him that there would be
 no difficulty in proceeding with the new school as soon as a suitable

building can be obtained. Provided that the reduction in the estimates will not prejudice the opening and functioning of this school as soon as a suitable building is available, the Chinese members agree to the modified provision included in the estimates.

The Minutes of the meeting of the Staff Committee of February 28, are submitted, and, subject to the following exception, are confirmed.

Medical Attendance - Eye Examinations. - Members take the view that the additional charge for complete examinations of the eyes should be borne by the employees concerned. The Secretary is accordingly directed to obtain the view of the Commissioner of Public Health as to whether such examinations should not rightly be excluded from the Medical treatment of employees for which the Council accepts liability, and the Staff Committee is requested to reconsider its recommendation in order to meet the Council's view in this matter.

Proposed New Market Site - Peking and Soochow Roads - Cad. Lots 298 and 299. -

Mr. Bell refers to the recommendation of the Works Committee, recorded at its meeting yesterday, that the Council's offer for the purchase of the above property be increased to Tls. 510,000. He details the reasons which actuated the Committee's recommendation and states that the increased offer, if approved by the Council, must be forwarded to Messrs. Hansons without delay. Members unanimously agree as to the advisability of acquiring this property and the Committee's recommendation is accordingly endorsed.

Sale of Arms to Chinese Residents. - A letter from the Chinese members of the Watch Committee forwarding a communication from the Shanghai Native Banks' Association in which they advocate the sale by the Council of fire-arms to responsible Chinese for the purpose of self defence, is submitted. The Chairman states that after full discussion of this matter with the Commissioner of Police he has reached the conclusion that it would be impolitic for the Council to undertake the sale of fire-arms to the community. Under the existing procedure and in special cases the Council issues permits to Chinese to carry fire-arms and has on occasions loaned fire-arms, but, in spite of all possible precautions taken by the Police Department, these have got into the possession of the criminal classes. A further objection to adoption of the proposal submitted is that the use of fire-arms by persons not thoroughly acquainted with them would constitute a menace to the public who might

happen to be in the vicinity at the time such weapons were made use of.

Mr. Yuan agrees that permission to carry fire-arms should not be given until the person concerned has become proficient in their use. He points out that, whilst at present it is a comparatively easy matter for robbers and kidnapers to obtain fire-arms, persons who require them for the legitimate purpose of self-defence are unable to do so. Mr. Zau states that he does not think the applicants desire that fire-arms be issued or sold by the Council on an extensive scale but only in those cases where the applicant can satisfy the Council as to his bona fides. The Chairman reiterates that this policy is already in force. He then alludes to the increase in crimes of violence in other large cities, but he knows of no city wherein the situation is dealt with by arming the civilian population. He therefore regards any extension of the present system under which permits are issued for the carrying of fire-arms as most undesirable and in the nature of a retrograde measure.

After discussion members endorse the Chairman's view, and it is decided to adhere to the present procedure under which permits for the carrying of fire-arms are issued in special cases; the proposal put forward by the Native Banks' Association is therefore, not adopted.

Future of the Public Library. - The Chairman submits a letter which he has received from Dr. D. McGillivray regarding the housing of the Public Library when the Town Hall is demolished. Dr. McGillivray is of opinion that more extensive accommodation should be provided than hitherto, and suggests that, as the Royal Asiatic Society is seeking improved accommodation for its library, both libraries might be housed in the same building; in which case the public might be prepared to subscribe the cost of the necessary land if the Council would erect the building.

Members are inclined to endorse the views expressed in Dr. McGillivray's letter, and are in favour of the proposal that, if possible, joint action should be taken by the Royal Asiatic Society and the Council with a view to obtaining improved accommodation for the two libraries in one building. It is, accordingly, decided to refer this question to the Library Committee for its recommendation, upon receipt of which the matter will receive further consideration.

Advertising on Public Ricksha Pullers' Coats. - With regard to the question

of permitting advertising on Public Ricksha Pullers' Coats and the proposed adoption of a similar measure by the French Municipal Authorities, members, upon reconsideration, endorse the view recorded by Mr. Tsuyee Pei that, on humanitarian and other grounds, such form of advertising would be most objectionable. It is, therefore, decided to rescind the decision already taken, and to notify the French Municipal Authorities accordingly.

The Municipal Gazette for Friday, March 8, 1929, is submitted in proof and ~~authorities~~ for publication.

The meeting terminates at 5.40 p.m.

Arthur Sessindorf
Chairman.

J. M. McClellan
Deputy Secretary.

At the meeting of the Council held on Wednesday, March 20, 1929.

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Deputy Secretary.

The Minutes of the last meeting are read, confirmed, and signed by the Chairman.

The Minutes of the meeting of the Works Committee of March 5, are submitted and confirmed. With regard to: Parking Space - Peking Road - Cad. Lot 77B. - Members direct that it be clearly laid down that the Council accepts no liability for the safe custody of meter vehicles which may utilise this parking space, and that owners be advised as to this, either by a notice being posted on this space or being printed on the tickets issued to users.

The Minutes of the meeting of the Watch Committee of March 8, are submitted, and, subject to reference to the Finance Committee of the section relating to the annual estimates of the Russian Detachment of the Volunteer Corps, are confirmed. With regard to: Gaol Staff. - In view of the contemplated extension of the Gaol and the rapid and consistent increase in the number of prisoners, certain members favour the proposal recently put forward by the Commissioner of Police that the administration of the Gaol should be divorced from the Police Force. Mr. Lambe further suggests that the Reformatory should be administered quite independently of the Gaol, and states that he understands that a report will shortly be submitted by the Commissioner of Public Works as to the feasibility of this. In agreeing that adoption of the above proposals would conform to the procedure in

force in other large cities, members express the view that they merit further consideration at a later date.

Agreement with the Shanghai Waterworks Company - Retrospective Application of Meter Tariff.

- The Vice-Chairman states that at its meeting on Monday last, the Public Utilities Committee endorsed the application of the Waterworks Company that the proposed reduced rates for the supply of large quantities of water by meter should be put into force as from January 1, last. Although under Clause 13 of the agreement the revised rates would ordinarily have effect as from July 1, next, the Committee considers that as the reduced rates will confer a benefit on consumers, the proviso in the Clause above referred to should be waived. Members unanimously agree that the reduced rates should be given retrospective effect as proposed by the Company.

Future of the Municipal Orchestra.

- A full report by the Conductor setting forth the reasons for the failure of his endeavours in Japan to arrange for a series of concerts in that country has been circulated to members. The Chairman, therefore, requests members' views as to whether, at the forthcoming annual meeting of Ratepayers, the Council should take the initiative for its abolition.

After discussion, and upon a member stating that he understands certain Ratepayers are arranging to put forward a proposal whereunder the Orchestra could be maintained at a reduced cost to the Council, it is decided to adhere to the existing policy under which decision in the matter of retention or otherwise of the Orchestra is left to the ratepayers.

Wharfage Dues.

- The Chairman reads a letter which he has received from the Commissioner of Customs in which it is stated that the Inspector-General of Customs regards the remuneration of H.K.Tael 3,590 per quarter paid for the collection of wharfage dues as insufficient, and in which the suggestion is made that, as from January 1, last, such remuneration should be increased to 5% of the gross collection. The Chairman points out that the wharfage dues are imposed by the Council under the authority of Land Regulation IX, and that, under an arrangement made in 1899, the Customs Authorities have from that date undertaken collection of such dues on behalf of the Council. At the time the agreement was entered into the amount of wharfage dues collected was extremely small compared with that of the present time. Land Regulation IX lays down that the amount of such dues shall in no case

exceed 1/10th of 1% on the value of goods passed, landed, shipped or trans-shipped, and the increased customs dues which came into force on February 1, last, have necessitated the Customs Authorities keeping a complete record of separate revenue figures solely for the purpose of calculating such dues, a system which diverts a considerable portion of the staff's time from their proper customs work. The Council could, if it so desired, undertake the collection of wharfage dues, but, after discussion of this question with the Commissioner of Revenue, it is obvious that the cost of the additional staff which would be required renders such a system impracticable. After full consideration he is, therefore, of the view that there is no alternative but to agree to the increased remuneration suggested by the Customs Authorities.

After hearing the Chairman, it is unanimously decided to approve the application received from the Commissioner of Customs.

Police Force - Engagement of two Cadet Officers. - A report by the Commissioner of Police recommending the early appointment of two Cadet Officers who would ultimately become eligible for promotion to the post of Assistant Commissioner is submitted. After brief discussion, consideration of this recommendation is deferred until the advice of the Police expert, whose services the Council is endeavouring to secure, is available.

Stationery Supplies. - A letter from Mr. K. Begdon, Advertising and Printing Consultant, offering to place at the Council's disposal a comprehensive scheme covering both the standardization and centralization of stationery and his part time services as a specialist is submitted. Since the question of stationery supplies has been dealt with by the Municipal Economy Committee, and as its recommendations have not yet received the detailed consideration of the Council, it is directed that the offer put forward by Mr. Begdon be not accepted.

Nanking Road - House Numeration. - A recommendation by the Commissioner of Revenue that advantage be taken of the extensive rebuilding in Nanking Road, in the section between Szechuen and Kiangse Roads, to revise the house numeration of the whole of the road from the Bund to Thibet Road is submitted. Under the Commissioner's proposal, odd and even numbers would be allocated to the left and right sides of Nanking Road respectively as from July 1, next, and the cost of the enamel plates necessary for this improvement would approximate Tls. 80.

This proposal is unanimously endorsed and the necessary notification is authorised for publication in the next issue of the Gazette.

Ratepayers Meeting - Chairmanship. - The Chairman invites suggestions as to the nomination of a prominent ratepayer to take the chair at the forthcoming annual meeting of Ratepayers. He recalls that Mr. A. W. Burkill occupied the chair at the last meeting, but as he recently acted as Chairman of the Special Electricity Committee (1929) and may wish to refer to this question at the annual meeting, he may not be prepared, on this occasion, to act in this capacity.

After discussion, it is directed that Mr. Burkill be invited to take the chair, and, in the event of his being unwilling to do so, that the nomination of another prominent ratepayer be left to the Chairman's discretion.

Race Club and Greyhound Race Tracks. - The Chairman informs members that a cheque for \$67,000 has been received from the Race Club as a contribution to public funds, and this has been accepted subject to the Council's approval. It is unanimously decided that this contribution be accepted.

The Chairman adds that he is informed by Mr. McBain that the Management of the Luna Park Greyhound Race Track has reserved an amount of \$100,000 which they are prepared to hand over to the Council as a contribution to public funds, or alternatively in consideration of the issue of a Municipal licence which would enable them to conduct cash sweeps in the same manner as when this Race Track commenced to function. He recalls that a modified system of cash sweeps has been adopted by this organization much on the same lines as those conducted by the Race Club, on account of the fact that as originally conducted they were contrary to British law. He therefore desires an expression of view from members as to whether any change in the Council's existing policy regarding the operation of gambling on Greyhound Race Tracks is desirable. He points out that this organization does not operate under a Municipal licence, and even if one was issued and its requirements with regard to gambling were not complied with the penalty under the Municipal Bye-law for such an offence does not exceed \$100; on the other hand if public gambling is indulged in in the absence of a licence the Council could not sustain an action in the British Court unless that particular form of gambling is contrary to British law.

Since under British law (to which the Luna Park Authorities are subject) the holding of public cash sweeps on Greyhound Race Tracks is prohibited, members agree that it would be impolitic to accept any contribution or to issue a licence in respect of such tracks as it is not unlikely that such action by the Council might be construed as its tacit approval of this form of gambling. It is therefore decided that the offer made by the Luna Park Authorities be not accepted.

In connexion with this question the Chairman states that the opening of Greyhound Race Tracks has greatly increased the difficulties of the Police in suppressing roulette establishments as certain Consuls have pointed out that the Council's policy is not consistent inasmuch as it permits greyhound race tracks to function but endeavours to suppress roulette. In his view it is obvious that certain of the Consuls desire to place the responsibility for continuation of roulette on the Council, a responsibility which is definitely that of the Consuls of the nationals concerned. A member's suggestion is, therefore, adopted that a reference to gambling generally should be included in the Chairman's speech at the Ratepayers meeting, stating clearly where the responsibility lies in this matter and pointing out the difficulties which have been encountered by the Council in its campaign of suppression.

The Municipal Gazette. for Friday, March 22, is submitted in proof and authorised for publication. With regard to Municipal Notification No. 3622 requiring that no procession be held in the Settlement without permission first obtained from the Commissioner of Police, the Chinese members consider that this formality should not be insisted upon so far as small processions, notably those connected with weddings and funerals, are concerned. The Chairman states there is no desire to impose a restriction which would bear hardly on law abiding citizens, but that in traffic and other interests, it is essential that the Police Department should be advised of such processions in advance. He considers that a number of small unauthorised processions in close proximity would prove far more detrimental to other road users than one of a larger size officially authorised by the Police, and further that although a procession might be small at the outset, there is nothing to prevent its numbers being added to during its progress. He will, how-

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ever, prior to the next meeting of the Council, discuss this question with the Commissioner of Police with a view to obtaining an assurance from him that the proposed regulation will not inflict undue hardship on residents desiring to form small processions for the purposes referred to by the Chinese members.

The meeting terminates at 6 p.m.

Shi Duwan

Deputy Secretary.

Stirling Freeman
Chairman.

At the Special Meeting of the Council held on Tuesday, March 26, 1929,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan
 S. U. Zau, and
 The Deputy Secretary.

Messrs. A. W. Burkill	}	Members of the Electricity Special Com- mittee (1929).
Arthur Bassett		
F. N. Mathews		
O. G. Steen		
T. Saito.		

The Engineer-in-Chief and Manager and the Secretary
 of the Electricity Department, and the Treasurer and
 Comptroller also attend.

Proposed Sale of Electricity Undertaking. - The Chairman states that
 as the report of the Electricity Special Committee (1929) does not
 set forth the reasons which actuated its recommendation for the sale
 of the Electricity Department, and in order to enable members of
 Council to obtain any information they may desire from the Special
 Committee, he has invited its members to meet the Council at to-day's
 special meeting. He then requests Mr. Burkill, Chairman of the
 Special Committee, to give a general outline of the reasons which
 governed the Committee in putting forward its recommendation that
 the Electricity undertaking should be sold outright.

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Mr. Burkill states that the period which has elapsed since the tenders were opened was not sufficient to enable the Special Committee to put in a full and comprehensive report. A further report is now being presented to the Council for publication, but for reasons of policy the Committee do not consider it advisable to set forth therein all the factors which led the Committee to make its recommendation. At the commencement of its deliberations the Committee considered the question as to whether in the interests of the community and consumers it was desirable to sell, lease or to allow the undertaking to remain on its present basis. In this connexion the Committee was impressed by the fact that the relationship of the Department to the community of Shanghai could not be gauged solely by the amount of money invested or the profits made. In the Committee's view the prosperity of Shanghai is closely bound up in the efficient administration of the Electricity Department; the rapidity of its development in the past and the favourable rates at which it has been able to supply electricity is to a large extent responsible for the enormous development of industrial undertakings. The Special Committee realised how important it was that continuity of efficient running of the Department should be maintained, a continuity which can only be possible if the undertaking is regarded purely as an industrial concern and beyond the scope of political influences. The Committee was not unduly impressed by the financial aspect of maintaining the Department as a Municipal undertaking, but in view of possible future changes in the status of the Settlement, it was strongly of the view that it should be safeguarded from all possibility of interference. The Department is not regarded in the same position as any of the other Municipal departments for the reason that this is a revenue producing department on a very large scale. The Committee therefore desires the Council to realise that its underlying motive in recommending the sale outright was that it considered it to be in the best interests of the Council and the community that the Department should be placed in such a position as to enable it to function independently of political and other influences which might impair its efficiency. In the Committee's view the best means to achieve this end is to place its control in the hands of an international group, a group sufficiently strong and well acquainted with the operation of electricity undertakings. He assures the Council, however, that had the Committee not been satisfied that the

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offer put forward for its purchase was financially advantageous to the Council, it would not have recommended the sale of the undertaking. The offer is in fact higher than the Committee anticipated would be obtainable. At the same time the Committee has no reason to believe that the community or consumer will suffer on account of the high price the prospective purchasers are willing to pay.

In reply to the Chairman's enquiry as to whether the relative merits of sale and leasing of the Department were given full consideration, Mr. Burkill states that, if anything, more detailed consideration was given to the question of the leasing of the Department than for its sale. The Committee, however, reached the conclusion that leasing the undertaking would not relieve the Council of responsibility for its maintenance and indebtedness, and for this and the other reasons set forth above, it was not able to recommend that this course be adopted. He agrees that the leasing scheme on paper looks attractive, more so, perhaps, than that for its purchase. The undertaking has always been most successfully conducted by the Council and the Committee is unable to see any reason, if its physical assets and liabilities are still to be retained by the Council, for entrusting its management to an outside group. The Committee does not overlook the fact that leasing the Department would relieve the Council of raising further capital; on the other hand, if the Ratepayers do not favour its sale outright, the Committee take the view that the department itself would not have any difficulty in raising the additional funds required. The Committee is therefore strongly of the view that unless the undertaking is sold outright it should remain on its present basis. The Committee also took into consideration the fact that if the undertaking is sold the Council will continue to benefit financially, in an increasing degree with the development of the undertaking.

In endorsing Mr. Burkill's remarks, Mr. Mathews states that he favours outright sale of the undertaking purely for political reasons, and that he is not in favour of it being leased on any terms. The offer recommended for acceptance is in his view most attractive, and in the absence of a feeling of security regarding the future of the undertaking, he could not imagine that an important group would offer to acquire it at the price proposed. He has endeavoured to work out from a financial aspect the relative merits of the offer put forward for the purchase of the undertaking and that received for its leasing, but his calculations led him to believe that for many years the Council would be better off under the former scheme.

Upon the Vice-Chairman enquiring as to why the Special Committee was of opinion that from a political point of view the undertaking would be in a stronger position if sold than if leased, Mr. Burkill replies that if sold outright the entire assets would be transferred to an international group whereas in the case of a lease the Council would retain the physical assets subject to such lease; in such a case it would always have to face the risk of the undertaking being inefficiently conducted by the party to whom it was leased which might lead to most serious results.

In reply to the Vice-Chairman's enquiry, Mr. Burkill states that the scheme for leasing put forward by Mr. Denman was considered on two distinct occasions by the Committee. It was, if anything, given more extensive consideration than the offers put forward for the purchase of the undertaking. Should, however, the Ratepayers decide to lease the undertaking, then, in his view, competitive tenders on a different basis should be called for. He reiterates, however, that the Special Committee is opposed to any form of leasing. In reply to a further enquiry, Mr. Burkill states that the Special Committee have no information other than that in the Council's possession regarding the constitution of the group whose offer it has recommended for acceptance; in its dealings up to the present with its representatives, the Committee has, however, no reason to doubt its bona fides. Mr. Burkill also states in reply to an enquiry that he understands an undertaking by this group has been given to the British Government that, all things being equal, the group will purchase its supplies from the cheapest markets in the world.

Asked for an expression of his views, Mr. Aldridge states that since the future status of Shanghai is somewhat obscure, he is of opinion that it would be calamitous if the management and control of the Electricity undertaking were materially altered. By handing over the undertaking to a Company the Council would be assured that the interests of the ratepayers and the consumers would be safeguarded. The Council could also rest assured that in view of keen competition the group to whom the undertaking was handed over would not be in a position to exploit the consumer. He is of the view that if this were attempted the undertaking would run the risk of losing the big industrial business which has been built up in Shanghai. In fact it is not unlikely that a group of the magnitude of that making the offer

would be able with the extension of its plant to sell electricity at a cheaper rate than at present obtains.

Upon Mr. Pei querying whether the outlay of such a very heavy capital expenditure would permit the Company to reduce the charges to consumers, Mr. Aldridge is of opinion that the fact that it possesses such enormous financial resources would enable them for the time being to set off a comparatively low rate of interest on their capital in Shanghai by their profits derived from industrial undertakings in other parts of the world.

Upon Mr. Fukushima enquiring whether in the event of the sale of the undertaking being approved, the Council would be in a position to vary the terms of the franchise drawn up by the Special Committee, the Chairman points out that it is made clear that the memorandum of the Special Committee is subject to amendment at the discretion of the Council. Mr. Burkill states that whilst the various clauses of the memorandum issued by the Special Committee have been the subject of close discussion between the Committee and the potential purchaser, it was fully appreciated by both sides that further detailed consideration and revision would be necessary prior to the final franchise being drawn up.

The Treasurer and Comptroller states that one of the main advantages of the outright sale to the purchaser recommended by the Committee is the fact that the purchase price can be obtained in any manner desired by the Council. Although the Group has stated its willingness to pay the purchase price in a lump sum, he does not consider it would be to the Council's interest to take advantage of this offer owing to the difficulty of obtaining an economic return on such a large sum. In his view payments by the purchaser should synchronise with the repayment by the Council of its various debenture issues. In the meantime the Council would receive interest at the rate of 7% per annum ^{up to June 30 next} on the amount of the purchase price outstanding. The various factors to be considered in connexion with the method of payment of the purchase price will be fully dealt with in a report to be submitted to the Council.

On behalf of the Council, the Chairman then thanks members of the Special Committee for the valuable services they have rendered not only to the Council but to the entire community and expresses appreciation of the pains taken by them to assist the Council in this matter. On behalf of the Committee Mr. Burkill states that he desires

to take this opportunity of expressing the Committee's appreciation of the services rendered to its members by the Treasurer and Comptroller and the Engineer-in-Chief and Manager and the Secretary of the Electricity Department. He particularly desires to extend the Committee's thanks to Mr. Gordon Wright, who, despite the fact that he was fully occupied with his departmental duties, gave a great deal of time in assisting the Special Committee. One of the Stenographers of the Department, Miss Fielding, was also called upon to undertake considerable additional work and the Committee desire to recommend that in recognition thereof an honorarium should be granted to her by the Council.

The Special Committee and Messrs. Aldridge, Ford and Gordon Wright withdraw.

The Chairman then suggests that, if it is the Council's intention to move a resolution at the forthcoming ratepayers meeting for the sale of the Department, it would be advisable to prepare a statement for publication in order that the ratepayers may be aware of the views of the Special Electricity Committee and the Council as early as possible. If such a statement is available for the ratepayers and all possible publicity given to this question prior to the date of the ratepayers meeting, it will obviate the necessity of a lengthy statement being made at the meeting. Although he was not aware until to-day's meeting of the reasons which led the Electricity Special Committee to disapprove of the offer to lease the undertaking he cannot but strongly support the Committee's contention that such a scheme would not safeguard the undertaking in the same manner as its outright sale. In endorsing this view, members decide that the offer to purchase the Department be put before the ratepayers for their approval and the Chairman undertakes to prepare and submit to the Council as soon as possible the necessary statement for publication.

Whilst not opposing this proposal, Mr. Tauyee Pei states that the position of the Chinese members of the Council vis-a-vis the Chinese Ratepayers Association is the same as that of the foreign members of Council vis-a-vis the foreign Ratepayers. Members are aware of the attitude of the Chinese Ratepayers Association towards the proposed sale of the Electricity Department. The Chinese Members of Council have already been approached by various Chinese organisations and asked for their views on the proposal. As a member of Council he agrees that from the Council's point of view ^{the} ~~it~~ ^{view of}

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sale of the undertaking is advantageous. At the same time he considers that the Chinese community is entitled to an explanation of the reasons which actuate the Council in proposing this sale. The Chinese members are also of opinion that some indication should be given to the Chinese community as to how it is proposed to expend the surplus proceeds of the sale; in their view, they should be utilised in such a manner as will benefit equally the whole community. The Chairman remarks that it is hardly possible at the present time to decide as to how the surplus proceeds of the sale would be utilised; he has received a letter from the Chinese Ratepayers Association regarding this proposed sale, and he states his willingness to discuss this matter with the Chinese members of Council with a view to a statement being furnished to the Association.

Finally it is directed that, in the statement to be prepared for publication to the ratepayers, it be clearly indicated that the relative merits of the scheme for leasing and for the sale outright have been most carefully considered, and that the reasons why the resolution for its sale is moved by the Council be clearly set forth. It will also be made clear that the memorandum is drafted on broad lines and that amendments thereto may be necessary prior to its being drawn in final form. The Ratepayers will in effect be asked to authorise the Council to conclude this sale in the same manner as authority was sought within the past few years to revise the agreements with the Waterworks and Telephone Companies. In those cases only the broad outlines of the required revisions were submitted to the Ratepayers, detailed discussions taking place and agreement being reached between the two parties at a subsequent date. The Chairman then requests that any members who consider that there is any point which is not covered by the memorandum and which should be inserted therein prior to a resolution being moved at the Ratepayers meeting will kindly forward their suggestions to him in writing.

The meeting terminates at 5.40 p.m.

Shi Den and.

Deputy Secretary.

Arthur Henderson
Chairman.

At the meeting of the Council held on Wednesday, April 3, 1929,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)
 A. D. Bell (Vice-Chairman)
 H. E. Arnhold
 K. Fukushima
 T. Funatsu
 B. C. M. Johnston
 W. P. Lambe
 V. G. Lyman
 J. J. Paterson
 Tsuyee Pei
 L. T. Yuan, and
 The Secretary.

Absent:

Mr. S. U. Zau.

The Minutes of the last meeting are read, confirmed, and signed by the

Chairman. Ratepayers Meeting - Chairmanship. - The Chairman states that as Mr. Burkill proposes to speak at the forthcoming annual meeting, supporting the proposed sale of the Electricity Department, he prefers not to act as Chairman of the meeting. Mr. R. E. S. Gregson has been approached and has intimated his willingness to act in this capacity.

3909 Suppression of Public Gambling. - The Chairman states that upon re-consideration and after discussion with the Commissioner of Police and Mr. Aiers, who is temporarily in charge of the Criminal Investigation Department, he considers it would be inopportune to include in his speech at the forthcoming annual meeting a reference to public gambling in the Settlement. In his opinion little would be gained by the Council announcing publicly that the responsibility for the continuance of Roulette establishments rests with certain Consuls, moreover such a pronouncement might cause friction between the Council and the Consular Body. The Commissioner of Police has requested authority to raid certain of these houses without a warrant, but Mr. Aiers is opposed to this policy. The Chairman requested the Commissioner of Police to submit definite recommendations for the suppression of roulette establish-

ments and these will be available at the next Council meeting. Having regard to the active interest taken by a section of the Chinese community in the suppression of public gambling in the Settlement, the Chairman is reluctant to advocate any steps being taken which might, by reason of the Council's inability to take effective action, place the administration in an embarrassing position. His proposal is therefore endorsed that final decision in this matter be deferred until the Council meeting to be held next week, when members will then have the benefit of the views of the Police Department.

(67) Processions. - A report by the Commissioner of Police dealing with the points raised by the Chinese members at the last meeting has been received and will be circulated to members for their information.

The Engineer-in-Chief & Manager of the
Electricity Department attends.

Electricity Plant Extensions and Proposed Sale of Electricity Department. -

A comprehensive report by the Engineer-in-Chief & Manager dealing with the proposed plant extensions for the period 1930 - 1940, with comment thereon by the Treasurer & Comptroller, has been circulated to members. Since approval by the Council of the proposals put forward for this extension scheme will necessitate a resolution being moved at the forthcoming annual meeting in order to obtain the ratepayers authority to raise the necessary funds, consideration is given to the question as to whether this resolution should be brought before the ratepayers prior to that dealing with the sale of the Electricity Department. Mr. Lambe states that the Electricity Committee regards it as essential that the ratepayers should be in possession of the fullest information regarding the magnitude and cost of the plant extensions which will become necessary during the next ten years. The Chairman suggests that if the recommendation of the Electricity Committee regarding the plant extension scheme is approved by the Council the necessary resolution should be put to the ratepayers by the Chairman of the Electricity Committee when dealing with the Electricity Department section of the Budget, in accordance with the usual procedure. If this course is followed the ratepayers will have the benefit of this information prior to recording their decision as to the sale, or otherwise, of the Department.

The Vice-Chairman is of the view that the resolution moving the sale of the undertaking should be put before the ratepayers prior to the Budget speech being delivered as, in his opinion, the sale of the undertaking will have a determining influence on the Budget as a whole. The Chairman is strongly in favour of the existing procedure being adhered to, whereunder the accounts for the past year and the Budget for the current year are submitted to the ratepayers for their approval prior to the other resolutions being moved. He points out that if the sale of the Electricity undertaking is authorised, its effect on the Budget for this year will not be very material owing to the uncertainty as to what amount of the purchase money will be paid over during the current year. For this reason he is unable to support a member's suggestion that the Council should seek authority at the forthcoming annual meeting for a reduction this year in the General Municipal Rate. In his view a further disadvantage of moving the resolution for the sale of the undertaking prior to dealing with the Budget is that it is not unlikely that a demand might be made by the Ratepayers for an amended Budget, which demand, if successful, would place the Council in a most embarrassing position if the negotiations for the carrying out of the sale were to be protracted or ultimately failed to be consummated.

In support of his suggestion that the resolution for the sale of the Electricity undertaking be moved at the commencement of the meeting, Mr. Bell states that if its sale is approved the necessity for moving the resolution for the plant extension scheme disappears; he therefore regards it as unnecessary to take up the time of the ratepayers and obtain their approval of the extension scheme which is solely contingent upon the undertaking remaining under the control of the Council.

In view of the considerable period which may elapse before negotiations for the transfer of the undertaking are concluded, Mr. Arnhold is of the opinion that in the interests of the consumer, the necessary authority should be sought from the ratepayers to proceed with the extension scheme, as unless this is done, and in the event of the undertaking still remaining under the control of the Council, another year must elapse before the ratepayers' authority to proceed with the scheme could be obtained. If the sale of the under-

taking is authorised he considers it is incumbent upon the Council to take steps to ensure that the extension scheme is not delayed and any liabilities incurred by the Council in this respect could, by negotiation, be transferred to the purchasers of the undertaking. Mr. Arnhold adds that if the sale of the undertaking is authorised it is not impossible, through some unforeseen circumstance, that the sale would not be consummated, in which event it would be imperative that the Council should be in a position to proceed with the proposed extensions as soon as possible.

Asked for his views Mr. Aldridge states that his object in putting forward his proposals for plant extension is to enable the Council to proceed with this scheme in the event of the sale of the undertaking not being authorised. If, however, sale is approved, extension of the plant, in his opinion, ceases to be a matter for the Council. In this connexion he states that the interests of the consumer are covered by the terms of the memorandum which stipulate that the purchasers should provide and maintain an adequate plant. There is no reason, however, why the preliminary work connected with the extension scheme, such as the preparation of plans, calling for tenders, etc., should be not proceeded with during the period negotiations are being conducted for the completion of this transaction, and any obligations thus incurred could, by arrangement, be taken over by the purchasing Company. Mr. Arnhold agrees that the fact that the Council obtains the ratepayers authority to proceed with the extension scheme does not necessarily commit the Council to any financial liability; he is, however, strongly of the opinion that such authority should be sought to enable the Council to proceed with the extension scheme in the event of any possible breakdown in the negotiations with the purchasing Company. In reply to a question, Mr. Aldridge states that the prospective purchasers are well aware of the extensions which will be necessary during the next ten years, as also the cost thereof. He adds that in the event of the Council undertaking the preliminary arrangements for the extension scheme, it is unlikely that any actual contracts would be placed before the end of this year.

If the resolution for the sale of the Electricity undertaking is moved at the commencement of the meeting and is approved by the ratepayers, the Secretary doubts whether it would be in order

for the Council to move a subsequent resolution seeking authority for proceeding with the plant extension scheme. If, however, the resolution dealing with the plant extension was moved first and the sale of the undertaking subsequently authorized, it would be possible to negotiate with the purchasers to take over from the Council any liabilities it had incurred in connection with the extensions scheme. Such a course would thus safeguard the Council in the event of the negotiations for the sale breaking down subsequently.

After further discussion, the Vice-Chairman then formally moves that the resolution proposing the sale of the Electricity Department be placed on the agenda at the annual meeting prior to the Accounts and Budget being dealt with. As a divergence of opinion obtains as to the advisability of adopting this procedure, the proposal is finally put to the vote and carried by a majority of two members.

With regard to moving the resolution to obtain authority for proceeding with the extension scheme as proposed by the Engineer-in-Chief and Manager and endorsed by the Electricity Committee, the Vice-Chairman suggests that if the resolution for the sale of the Department is not approved by the ratepayers the resolution dealing with the extension scheme be put forward by the Chairman of the Electricity Committee in the usual manner. If, however, the sale of the Department is authorised by the ratepayers then he suggests that no resolution dealing with the extension scheme be put forward. After brief discussion this proposal is adopted.

The Engineer-in-Chief & Manager of the
Electricity Department withdraws.

The Chairman then states that at his request the Chairman of the Electricity Special Committee (1929) has forwarded to him a report outlining the Committee's reasons for recommending the outright sale of the Department. He reads this report together with an introductory statement which he has prepared setting out briefly the history of the negotiations from the time that the question of the disposal of the undertaking came under the Council's consideration. In order that the public may be in possession of the fullest possible information on this subject prior to the discussion of this question at the ratepayers meeting, he suggests that these statements be published in the press and the Municipal Gazette forthwith. This proposal is

unanimously endorsed.

The Chairman adds that he is engaged in the preparation of his speech regarding the proposed sale of the Electricity Department, and this will be submitted to members at the next Council meeting. He desires members views as to the desirability of informing the ratepayers that if the sale of the Department is authorized the Council favours a reduction in the General Municipal Rate. He suggests that it might be intimated that the present Council is in favour of this and that at the next Council meeting the incoming members be invited to attend in order to obtain their views as to this prior to any statement being made to the ratepayers. Members consider that such a statement would influence the decision of the ratepayers regarding the sale of the Department, and it is unanimously agreed that a general reference to this effect should be included in the Chairman's speech, no specific statement, however, to be made regarding the amount of such reduction or the date from which such reduced taxation would become effective.

The formal resolution moving the sale of the Department is then read by the Chairman and unanimously approved.

The Minutes of the meetings of the Electricity Committee of March 22 and 27, are then submitted and confirmed.

The Minutes of the Special Meeting of Council of March 26 are confirmed and signed.

The Minutes of the meeting of the Public Utilities Committee of March 18 are submitted and confirmed.

The Minutes of the meeting of the Library Committee of March 19, are submitted and confirmed. In endorsing the Committee's recommendation that the "China Section" of the Hankow Club Library be acquired for the Municipal Library, it is decided that this be purchased upon the most favourable terms obtainable.

The Minutes of the meeting of the Staff Committee of March 21, are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of March 22, are submitted and confirmed.

Budget - Contribution from Race Club. - A member suggests that the amount which is included in the current Budget as representing a voluntary contribution by the Race Club to public funds, should be excised. Since this contribution is in the nature of an ex-gratia payment and as its inclusion in the Budget might place the Council in a difficult position

in the event of an enquiry being made as to the basis of this amount, it is decided that if the Budget has not already been finally printed that this item be deleted.

Chinese Membership of Council. - In alluding to the fact that the forthcoming annual meeting of ratepayers will be the first of such meetings to be held since the Chinese members have served on the Council, Mr. Tsuyee Pei proposes that such members and also the Chinese Committee members should be permitted to attend and vote on the various questions coming before the meeting on the same basis as foreigners. The Chairman points out that under the Land Regulations voting powers are specifically limited to foreign ratepayers, such a proposal therefore is impracticable in the absence of an amendment of the Land Regulations. Mr. Pei thereupon withdraws his proposal in regard to the Chinese Committee Members and suggests that only the three Chinese Members should attend the Ratepayers meeting. The Chairman agrees, that the existing position of the Chinese members of Council is anomalous and states that when the invitation to three Chinese Members to sit on the Council was originally submitted to Peking it was undoubtedly an oversight that no provision was made at that time to enable the Chinese members of Council to enjoy the same privileges in respect of attendance and voting as the foreign Councillors, but this matter could be adjusted at a later date.

The Municipal Gazette for Friday, April 5, is submitted in proof and authorised for publication.

The meeting terminates at 7.15 p.m.

Secretary

Secretary.

Chairman

Chairman.

At the Special Meeting of the Council held on Friday, April 12, 1929,

at 4.30 p.m., there are:

Present:

Messrs. S. Fessenden (Chairman)

H. E. Arnhold

K. Fukushima

T. Funatsu

B. C. H. Johnston

W. P. Lambe

V. G. Lyman

Tsuyee Pei

L. T. Yuan

S. U. Lau, and

The Secretary.

Messrs. A. D. Bell

C. H. French

P. W. Massey

E. B. Macnaghten

G. W. Sheppard.

Councillors elect for
the ~~current~~ ^{present} Municipal
year attend.

Annual Ratesayers Meeting - Chairman's Speeches. - The Chairman states

that in accordance with the practice which was established some years ago, the Councillors elect for the ~~current~~ ^{present} Municipal year have been invited to attend to-day's meeting in order that they may become acquainted with the speeches to be delivered in connexion with the moving of the various resolutions at the forthcoming annual meeting and their approval obtained to statements contained therein which have a bearing on the future policy of the Council. There are this year two important matters which will be referred to in the speeches to be delivered at the annual meeting which to some extent will commit the incoming Council to a definite course of action, i.e. that of the Municipal Economy Committee's Report and the proposed sale of the Electricity Department. The Chairman thereupon reads, in the order in which they will be delivered at the Annual Meeting, the speeches he has prepared relative to the various resolutions.

He states that in a brief reference to the political situation he has dealt specifically with two questions, i.e., the

position of extra-settlement roads and the Provisional Court. In connexion with the Provisional Court he states that it appeared probable at one time that a resolution might be moved by a ratepayer regarding this. He has taken all possible steps to prevent a resolution being moved which might place the Council in an embarrassing position and he regards it as satisfactory that up to the present no notice has been received by the Secretary that such a resolution will be brought forward.

With regard to the reference to the Municipal Economy Committee's report, he is of the opinion it would be unwise for the Council to adopt an apologetic attitude regarding alleged extraneous expenses which may have occurred in the past particularly so as the Economy Committee was instituted by the Council itself and members of Council served on the Committee and its various sub-Committees. For this reason he considers that the Council's position vis-a-vis that of the Committee is somewhat different than would have been the case had the Committee been set up at the instigation of the ratepayers.

With regard to the speech on the proposed sale of the Electricity Department, members of the incoming Council approve that it should be intimated therein that if this sale is consummated they are in favour of a reduction in the General Municipal Rate and that this question will be a matter for consideration during their term of office.

In connexion with the reference to the political situation, Mr. Moon states that a translation of this speech will be published in the Chinese press and that the Chinese community may receive the impression that certain statements therein have the full approval and support of the Chinese Councillors. As in some instances the Chinese members have dissociated themselves from certain decisions, he suggests that to safeguard them with the Chinese community, this fact should be clearly stated. The Chairman states that the resolutions to be moved and the views to be expressed in the various speeches have the approval of the majority of the Council and have been prepared for delivery to the foreign ratepayers; it would not therefore be practicable to advise them of all cases in which a minority view obtains. In order, however, to meet the wishes of the Chinese members he undertakes to amplify the reference in his speech which reviews the

relationship between the Chinese and foreign members of Council during the period the former have served thereon.

The draft of the speech to be delivered by the Chairman of the Electricity Committee in regard to the Department's report for this year, as also a draft of his speech concerning the resolution on the question of the proposed extensions are submitted to members.

The various speeches read by the Chairman are then formally approved.


Messrs. Bell, French, Massey, Macnaughten
and Sheppard, withdraw.

Election of Vice-Chairman. - Alluding to the discussion which took place at the last Council meeting relative to the order in which the resolutions dealing with the Budget and the proposed sale of the Electricity Department should be moved, the Chairman states that following this meeting a letter was received by him signed by seven members of Council rescinding the decision reached on this question. The letter was not, however, signed by Messrs. Bell, Paterson and Yuan, and he accordingly issued instructions that this should be immediately forwarded to these three members, in order to ascertain whether they acquiesced in this majority decision. If this was not the case he intended to call a special meeting in order that the matter could be further considered. Unfortunately, however, this letter did not reach the three members in question before the notice was published in the Gazette which set out the resolutions in the order advocated by the seven members in their letter. As a result of this Mr. Bell and Mr. Paterson sent in their resignations. With the object of inducing these members to withdraw their resignations, the Chairman explained to Mr. Bell personally that there was no intention on the part of the Council or himself to reverse the decision reached at the last meeting without their approval, but despite his efforts, both members are unwilling to withdraw their resignations. In view of the importance of the resolutions to be moved at the forthcoming annual meeting, and as Mr. Bell has signified his unwillingness to rejoin the Council, he regards it as imperative that a Vice-Chairman be appointed at today's meeting in order to ensure that if he himself for any unforeseen reason is unable to be present at the meeting, a Vice-Chairman is available

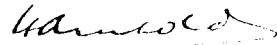
to deliver the speeches and move the various resolutions. He regards it as most regrettable that neither Mr. Bell nor Mr. Paterson is present at this meeting to present their views on the matter of their resignations. Mr. Bell informed the Chairman that the only condition on which he would withdraw his resignation was if an assurance was given that such an incident could not occur again. The Chairman pointed out that to ensure this it would be necessary for the Council to revise its procedure to ensure that any decision taken in meeting could be rescinded only at a subsequent meeting, and that in cases of emergency, rescindment could only be effected if unananimously agreed by members on circular. He states that he will continue his efforts to induce Mr. Bell to take his seat with the Council at the annual meeting, but as unfortunately he feels that his efforts may not be successful, he sees no alternative, as a precautionary measure, than to elect a Vice-Chairman at to-day's meeting. Upon his proposal, seconded by Mr. Lyman, Mr. Lambie is elected Vice-Chairman, the latter member's proposal being endorsed that should Mr. Bell withdraw his resignation he will resume the Vice-Chairmanship.

General Hospital - Board of Governors. - It is decided to nominate Messrs. 1199 French and Sheppard for election to the Board of Governors of this institution for the current municipal year.

The meeting terminates at 5.45 p.m.



Secretary.



Chairman.

At the Special meeting of the Council held on Saturday, April 13, 1929,

at 11.30 p.m., there are:

Present:

Messrs. S. Fessenden	(Chairman)
A. D. Bell	(Vice-Chairman)
H. E. Arnhold	
K. Fukushima	
T. Funatsu	
W. P. Lambe	
V. G. Lyman	
Tsuyee Pei	
L. T. Yuan	
S. U. Zau	
The Treasurer & Comptroller, and	
The Secretary.	

Absent:

Mr. B. C. M. Johnston.

Resignation of Members. - With reference to the discussion which took place at yesterday's meeting regarding the resignation of Messrs. Bell and Paterson, the Chairman states that he has continued his efforts to obtain the withdrawal of these resignations. To effect this and in order to ensure that a position such as that which resulted in the resignation of these two Councillors cannot occur again, he suggests that a resolution on the following lines should be passed.

"A decision of the Council, taken in meeting, shall only be changed by a subsequent meeting: save in matters of - what is in the Chairman's opinion - extreme urgency a change may be made by circular, provided that such circular be initialled by all members present in Shanghai."

The above resolution being unanimously approved,
Mr. Bell resumes his seat on the Council.

Mr. Bell states that he accepts, and he feels sure that Mr. Paterson will also accept, the Chairman's explanation that it was by an oversight that the circular dealing with the reversal of the Council's decision did not reach the three members concerned. He does, however, deprecate the fact that a decision which was reached by the

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Council after very protracted discussion should be reversed by a majority the following day and effect given thereto without even having ascertained the views of the remaining members. In his opinion such action denoted a complete lack of interest in their views on a most important subject. Solely for this reason both Mr. Paterson and himself felt that they had no other alternative than to tender their resignations.

Proposed Sale of the Electricity Department. - The Treasurer & Comptroller submits for the Council's confirmation a memorandum outlining the terms of a tentative agreement which has been reached between representatives of the International Group and himself relative to the application of the purchase price for the Electricity undertaking. Summarizing the terms of the memorandum the Treasurer states that the purchasing Company agrees to undertake service on all Municipal loans as can be redeemed on or before December 31, 1933, which amount to Tls. 36,348,200 and payment of the principal either at the maturity of such loans or, by agreement with the Council, at such earlier date as they can be redeemed under the conditions of the issue thereof. The balance of the purchase price, i.e., Tls. 44,651,800 will be paid by instalments commencing this year, the final payment being made on December 31, 1933; interest on the balance unpaid being at the rate of 5% per annum. The average rate of interest payable by the Company on the whole of the purchase price is approximately 5½ per cent. Under the conditions of the memorandum payment of the principal will be made in such a manner as not to disturb the local exchange markets. In consideration of the Company undertaking to pay the actual rates of interest on the loans which can be redeemed up to 1933, they have requested that such loans be redeemed by the Council upon the prescribed notice being given by the Company. This request is regarded as reasonable and the terms of the memorandum provide that in the event of the Council not agreeing to this the Company shall upon payment to the Council of the amount thereof be freed from any further responsibility both as to capital and interest.

After further amplification by the Treasurer and Comptroller the terms and conditions of the memorandum submitted by him are unanimously endorsed.

The Treasurer & Comptroller then submits a further report furnishing particulars of the proposed sale and the application of the purchase money, which he suggests should be published forthwith.

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Mr. Lambe refers to a letter he has received from Mr. Burkill regarding the advisability of the early redemption of debentures. In endorsing Mr. Burkill's views he states that there is a feeling prevalent among a certain class of debenture holders that if the sale of the undertaking is authorised the debentures held by them will be redeemed immediately. If, however, this is not the case he considers that this factor may influence the ratepayers in their decision as to sale or otherwise of the Department.

The Treasurer states that he has discussed this question at length with Mr. Burkill and explained to him that in his view the matter is one of policy rather than of finance. The Council holds a vendor's lien on the whole of the assets of the undertaking up to the end of 1933 upon which date the balance of the purchase price becomes payable. He has also discussed this question with Mr. Lawson, who agreed it would be financially unsound for the Council to redeem low rated loan issues if under no obligation to do so. Adoption of such a proposal would necessitate payment by the Company of vast sums at short notice with the inevitable result of disturbing the local money markets. For this reason he submits that the Council should in any event not commit itself to the immediate redemption of debentures beyond those which can be redeemed during the current year and such should only be done if found to be unavoidable. Mr. Lambe states that both Mr. Burkill and himself feel strongly that debenture holders generally should be given an opportunity to redeem their holdings, or alternatively, that trustees should be appointed to protect their interests. The Treasurer states that he has discussed this question with the representatives of the International Group who would raise no objection and he himself is personally in favour of the appointment of Trustees. He expresses the view that the appointment of Trustees would in any event ultimately become necessary. Reverting to the question of redemption he considers the Council would be illadvised to commit future councils in the matter of redemption of debenture issues.

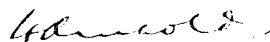
Members consider it is of the utmost importance that it be made clear to the ratepayers that trustees will be appointed to safeguard their interests; by this course they consider and Mr. Lambe concurs that the fears expressed by Mr. Burkill would be disposed of. It is accordingly directed that this intimation be included in the statement for issue to

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the press. Subject to this addition and to the inclusion of two further explanatory statements suggested by the Treasurer in regard to rates of interest on the purchase price, the statement prepared by him is approved for issue to the press on Monday next.

The Treasurer states that he will further discuss the question of the appointment of trustees with the representatives of the International Group in order that definite agreement may be reached as to this.

The meeting terminates at 12.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, April 18, 1922,

at 4.30 p.m., there are:

Present:

Messrs. H. E. Arnhold

A. D. Bell

C. H. French

K. Fukushima

T. Funatsu

V. G. Lyman

Brig-General E. B. Macnaghten

Messrs. P. W. Massey

G. W. Sheppard

Yu Ya Ching

L. T. Yuan

The Director General, and

The Secretary.

Absent:

Mr. S. L. Hsu.

Election of Chairman and Vice-Chairman. - Mr. H. E. Arnhold is elected Chairman and Brig-General E. B. Macnaghten Vice-Chairman for the current Municipal year.

Sale of Electricity Department. - The Director General requests authority formally to accept the offer made by the International Group for the purchase of the Electricity Department upon the terms contained in the memorandum of franchise as submitted to and approved by the ratepayers. Mr. Fessenden is authorised to complete the necessary negotiations for the purpose of definitely accepting this offer.

At 4.55 p.m. the meeting adjourns until 4.30 p.m. tomorrow April 19.

Sam Fessenden

Secretary.

H. E. Arnhold

Chairman.

At the meeting of the Council (adjourned from the previous day) held on Friday, April 19, 1929, at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig-General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 T. Funatsu
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Mr. S. L. Hsu.

Constitution of Committees. - Appointment to membership of the various Committees for the current Municipal year is approved as follows:-
Finance, Rate and Appeal. - Messrs. H. E. Arnhold, T. Funatsu, S. L. Hsu, Z. C. Zing and the Chairmen of the Watch and Works Committees.
Watch and Defence. - Messrs. K. Fukushima, V. G. Lyman, E. B. Macnaghten and Yu Ya Ching.
Works. - Messrs. A. D. Bell, C. H. French, P. W. Massey and L. T. Yuan.
Health. - Messrs. L. C. Chien, C. H. French, S. L. Hsu and E. B. Macnaghten, Drs. E. L. Marsh and F. M. Neild and Mr. Sakurazawa.
Staff. - Messrs. V. G. Lyman, P. W. Massey, Li Ming and G. W. Sheppard.
Public Utilities. - Messrs. A. D. Bell, C. H. French, K. H. Ling, E. B. Macnaghten, Okamoto and Tsuyee Pei.
Traffic. - Messrs. D. S. Chen, A. J. Hughes, G. W. Sheppard and Saito.
Orchestra & Band. - Messrs. L. de Luca and J. McNeill.

Library. - Messrs. C. M. Bain, A. M. Cannan, Dr. H. Chatley and Mr. E. Gordon Lowder.

Electricity. - Messrs. A. W. Burkill, K. Kuroda, V. G. Lyman, P. W. Massey and C. A. Peel.

Foreign Education. - Messrs. C. H. French, R. E. S. Gregson, S. C. Miskin and Mrs. H. Martin Little and Mrs. E. E. Parsons.

Chinese Education. - Mr. C. M. Bain, Rev. T. Darlington, Messrs. W. P. Lambe, K. H. Ling, Chicheh Nieh and Tsuyce Pei.

Land Commission. - Messrs. J. T. W. Brocke, W. P. Lambe and H. G. Robinson.

Public Recreation Ground. - Messrs. A. W. Burkill, A. M. Diniz, M. H. Logan and H. P. McMeekin.

The Treasurer and Comptroller attends.

Shanghai Waterworks Company, Ltd. - Application for Shares by the Council. -

1988 In a report submitted the Treasurer and Comptroller recommends that application be made to the above Company for 50,000 "C" Class Shares at £1. each which carry a cumulative dividend of 8% per annum without participation in the Shipping and Extra Agreement profits. He states that by virtue of its present holdings in the Company the Council is entitled to subscribe for 26,605 new shares and that the terms of the new issue further provide that existing shareholders may apply for shares in excess of the number to which their existing holdings entitle them, any such allotment to be at the discretion of the Directors. In reply to members enquiries, the Treasurer adds that in his opinion it may be difficult to obtain a satisfactory return on the monies which will be forthcoming from the sale of the Electricity Department; that the investment now proposed is in the nature of a gilt edged security and the return to be derived therefrom can be regarded as satisfactory. He is of opinion that it may be necessary to invest a portion of the future proceeds of the sale of the Electricity Department in gold securities.

After brief discussion, the Treasurer's recommendation as to application being made for 50,000 of the above shares, is ⁴⁰⁷ ~~unanimously~~ approved.

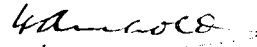
1901 Municipal Investment Bank - Temporary Closure. - In view of the ratepayers' decision to dispose of the Electricity Department which relieves the

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Council of the necessity of floating loan issues in the immediate future, the Treasurer and Comptroller recommends that the operation of the Municipal Investment Bank be suspended until further notice, and that a notification to this effect be published forthwith in the public press and the Municipal Gazette. In explanation he states that the Municipal Investment Bank was inaugurated as a medium for the placing of Municipal loans but since its function in this capacity is no longer required, he considers that no purpose would be served by retaining approximately 1,000 small accounts and paying interest thereon. For the reason that the Bank may be again required in future years, he has suggested that its operation be suspended; under this arrangement its functions could be resumed if required by the Council.

After hearing the Treasurer, members approve the issue of the necessary Municipal notification as drafted by him.

The meeting terminates at 5.45 p.m.


Chairman.



Secretary.

At the meeting of the Council held on Wednesday, May 1, 1929, at 4.30 P.M.,

there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig-General E. E. Maonaghten (Vice-Chairman)
 Messrs. A. D. Bell
 G. H. French
 K. Fukushima
 V. G. Lyman
 F. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director-General, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 H. L. Hsu.

The Minutes of the meeting of April 3, and of the Special Meetings of April 12 and 13, are confirmed and signed.

The Minutes of the meetings of April 18 and 19, are read and confirmed and signed by the Chairman.

The Minutes of the meeting of the Finance Committee of March 27, are submitted and confirmed.

The Minutes of the meeting of the Works Committee of April 2, are submitted and confirmed.

The Minutes of the meetings of the Staff Committee of April 8 and 11 are submitted and confirmed.

The Minutes of the meeting of the Chinese Education Committee of April 8, are submitted and confirmed.

Chief Executive Officer. - The Chairman reads a letter which he has addressed
 5161/ to the Heads of all Departments notifying the appointment of a senior executive official under the title of Director-General, whose general powers and duties are those of Executive Head of the permanent staff and Deputy to the Chairman of Council. The Chairman's action is unanimously approved.

Sung-Hu Reformatory - Application for Grant-in-aid. - A letter from the
5027 Shanghai Chinese Ratepayers' Association requesting the Council to
make a monthly grant towards the above institution, with departmental
comment thereon, is submitted. In conformity with the Council's
established policy to decline responsibility for poor relief and as this
particular reformatory is not situated within the Settlement, it is
decided that this application be not entertained.

Mr. Yuan states that this institution houses beggars
and is the one referred to by him at a previous meeting when the beggar
problem was under discussion. He strongly advocates that, with a view
to abating the beggar nuisance, assistance should be afforded by the
Council to the existing organisations which are endeavouring to deal
with the problem. To this end the Director-General undertakes to study
this question and at a later meeting to submit a report and recommenda-
tions for the Council's consideration.

Constitution of Public Recreation Ground Committee. - Members are advised
1502 that Messrs. A. W. Burkill, A. M. Diniz and H. W. P. McMeekin have
consented to serve on the above Committee for the current Municipal
Year. Owing to his imminent departure from Shanghai Colonel Logan is
unable to accept a seat on the Committee and it is decided to invite
Mr. C. M. Bain to serve in this capacity. Mr. V. G. Lyman is re-elected
to the Committee as the Council's representative.

Municipal Economy Committee's Report. - With regard to the undertaking
9919/15 given at the Ratepayers' Meeting that the incoming Council would give
effect to the recommendations of the Municipal Economy Committee so far
as possible and in order to avoid the misapprehension that no definite
action to this end has been taken by the outgoing Council, a memorandum
has been furnished to members detailing the recommendations of the
Committee to which effect has already been given.

The Chairman considers that the section of the Committee's
report dealing with Staff Salaries, allowances, etc. requires immediate
attention and in his view the most expeditious means by which the re-
commendations under this heading can be given effect is the appointment
of a Committee of five or six persons who have knowledge of the adminis-
tration of large business concerns and are thoroughly conversant with
local conditions, to study this question and submit definite recommenda-
tions to the Council.

A member suggests that it might be desirable to re-establish the Municipal Economy Committee, particularly in view of the fact that certain of its recommendations which conflict with the views of Heads of Departments may have to be referred back to that body. Members, however, generally agree that a small commission as suggested by the Chairman for the purpose of dealing with Staff matters is likely to make more rapid progress so far as this particular section of the report is concerned. The Chairman alludes to the difficulties which were experienced by the Council last year in dealing with staff questions on account of the fact that the Municipal Economy Committee's recommendations were not available for comprehensive consideration. He therefore regards it as imperative that a policy should be formulated with regard to the staff question without delay. The Director-General states that at the request of the Chairman he has drawn up a list of gentlemen whose services on such a Committee would be most valuable. The following names are subject to the Council's approval and to the willingness of these gentlemen to serve on the Committee:-

Messrs. C. M. G. Burnie, A. C. Clear, P. S. Hopkins,
W. P. Lambe, P. W. Massey and V. Meyer.

After brief discussion and in agreeing that the appointment of paid experts to deal with this section of the report is unnecessary, members approve of the above gentlemen being invited to serve on this Committee, and in the event of any of them not being willing to do so, the Director-General will submit alternative names for the Council's approval.

Upon a member enquiring whether the above Committee will be in the nature of a permanent institution, the Chairman is of the view, and members concur, that when such Committee has completed its investigations and submitted its recommendations to the Council, its functions should cease.

In reply to General Maonaghten's enquiry as to whether an early investigation will be made as to the staffing of the various Departments, the Director-General states that this question is closely allied to that of basis of salaries etc. but will require to be dealt with independently. He will report further as to this at the next meeting.

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In reply to a member's enquiry as to the necessity for the continuation of the Maternity Block of the Victoria Nursing Home which is dealing with very few cases, the Director-General states that he anticipates that all such future cases can be accommodated in the Country Hospital which will enable closure of the Maternity Block at the Victoria Nursing Home at the end of the current month.

In reply to a member's proposal that consideration should be given and action taken on the section of the Committee's report dealing with the Medical Services, the Chairman states that the Commissioner of Public Health is already taking up with the authorities of the Country Hospital questions relative to the Nursing Staff. At a member's request the scale of fees in force at the Mokanshan Sanatorium which was recently revised will be submitted at the next meeting.

It is decided to publish the memorandum above referred to in the Municipal Gazette, but since, as pointed out by Mr. French, the views of the members of the Committee are in some cases at variance with those of the Heads of Departments, it is decided to delete any references therein which are of a controversial nature; the memorandum as amended will be submitted to members for their approval prior to publication.

Circulation of Documents. - The Director-General states that since he has assumed office he has studied the system under which files are circulated to members of Council and its Committees for their consideration and/or approval or otherwise. From his enquiries he has reached the conclusion that members' time is taken up unnecessarily and the routine work of the departments duplicated by the circulation of relatively minor matters. He is not aware of any other Municipality which adopts this system, a system which in Shanghai is merely the survival of an old custom. With the Council's approval he will therefore endeavour to reduce the circulation of files to members to a minimum, but as this procedure will for some time be in the nature of an experiment, he asks members to take this fact into consideration if on any occasion they consider any file should have been circulated prior to its being submitted in meeting. In agreeing that the circulation of files in the past has been on an unnecessary ^{at} large scale, members authorize the Director-General, at his discretion, to modify the existing system. It is laid down, however, that if any one member of the Council or a

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Committee desires any matter to be discussed in meeting, this course will be followed if such desire is indicated on the circular.

Circulation of Departmental Requisition and Payments Books. - A member

1927 suggests that the circulation of Departmental Requisition Books to members of Council and Committees is a waste of time and since they are signed by a responsible official of the Department concerned and checked and countersigned by the Finance Department, he regards their circulation to members for signature as unnecessary. Members agree that the present system is cumbersome and unnecessary. It is accordingly decided that in future requisition and payments books which are signed by an official of the department concerned and countersigned by the Finance Department be not circulated to members for signature.

Waterworks Committee - Council's Representative on Board of Directors. -

1985 The Chairman states that he has received a request from the Chairman of the Board of Directors of this Company that Mr. Fessenden be re-elected to the Board as the Council's representative. Since continuity of service in this capacity is regarded as highly desirable, the nomination of Mr. Lyman and Mr. Fessenden for re-election to the Board is unanimously approved.

Country Hospital - Board of Governors. - Mr. Fessenden is re-elected as

128878 the Council's representative to the Board of Governors of this Institution.

The Municipal Gazette for Friday, May 3, is submitted in proof and authorized for publication.

The meeting terminates at 5.30 p.m.

Chas. Edward

Secretary.

Admiral

Chairman.

At the meeting of the Council held on Wednesday, May 15, 1929, at 4.30 p.m.,

there were:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig.General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 T. Funatsu
 V. G. Lyman
 F. W. Massey
 G. W. Sheppard
 S. L. Hsu
 The Director General, and
 The Secretary.

Absent:

Messrs. L. T. Yunn
 Yu Ya Ching.

The Minutes of the last meeting are read and confirmed and signed by the
 3719/28 Chairman. Municipal Economy Committee's Report. - With regard
 to the decision recorded at the last meeting to publish a memorandum
 on this question, the Chairman states that this has now been edited
 but that the Director General, on further consideration, is of the
 opinion that it might be unwise to give the memorandum publicity at
 the present time. The Director General states that the memorandum
 was prepared primarily for the information of the Council and he is
 of the opinion that if the public is advised in a piecemeal manner
 of the progress which is being made on the recommendations of the
 Economy Committee, it might lead to newspaper controversy and
 criticism from outside sources of both the Council and Economy Committee.
 As an undertaking has been given to the Ratepayers that so far as
 possible the Council will put into effect the recommendations of the
 Economy Committee, he considers that further progress should be made
 in this matter prior to any notification being given to the public
 as otherwise such a course might be construed as a sign of weakness
 and give rise to acrimonious public discussions. So far as he is
 aware the public criticism which was at one time in evidence has sub-

sided, and he considers that it would be impolitic to take any action which might cause such criticism to be revived.

The Vice-Chairman points out that the Council at its last meeting definitely decided to publish this memorandum and he expresses doubt as to the wisdom of reversing this decision. The Director General states that his present proposal is put forward as a suggestion only; during the period he has been on the Council, he is not aware of any occasion on which the Council has reported piecemeal to the public on a matter of this nature. Finally, his suggestion is adopted that the revised memorandum be circulated to members prior to the next Council meeting when further consideration will be given as to the advisability or otherwise of its publication.

The Minutes of the meeting of the Electricity Committee of April 30, are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of May 2, are submitted and confirmed.

The Minutes of the meeting of the Foreign Education Committee of May 10, are submitted and confirmed.

Banking Road Widening - Cad. Lot 31. - As a matter of urgency Mr. Bell refers ¹¹⁴⁵ to a discussion which took place at the Works Committee Meeting yesterday when the unanimous recommendation was recorded that as against the Council's offer of Tls. 400,000, the counter-offer of Messrs. E. D. Sassoon & Co. Ltd. of Tls. 500,000 as compensation for the land surrendered from the above lot should be accepted. He then details the reasons which actuated the Committee's recommendation. In concurring in the Committee's view that it would be inadvisable to refer this case to the Land Commission, members unanimously endorse the Committee's recommendation.

Public Parks - Admission Fee. - Mr. Bell states that at its meeting yesterday, ¹¹³⁷ the Works Committee also considered the question of admission to the Parks without payment of groups of children from schools and charitable institutions and recommended that such groups, if accompanied by adults, be admitted free of charge except on Saturday afternoons and Sundays. This recommendation is approved.

As a result of the complaints which have been received as to the admission of undesirable persons to the Parks, the Committee also recommended that the admission charge for casual visitors be increased from 10 coppers to 20 cents silver. As the Committee desires the increased charge to become effective as early as possible,

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he requests the Council's approval of this recommendation. Certain members take the view that the increase proposed is somewhat excessive and may bear hardly on certain classes, but since the annual charge of \$1 for Season Tickets is not increased, and as it was realised last year that the charge then imposed might require revision, members agree, as an experimental measure, that the increased charge for casual visitors as recommended by the Works Committee be given effect forthwith.

Commendation of Police Officers' Services. - The Secretary reads a letter which has been addressed to the Chairman by the British Acting Consul-General which gives the substance of a letter forwarded to him by Colonel W. F. Blaker, D.S.O., O.B.E., who, for the past two years, has been in charge of the Intelligence Section of the British Forces at Shanghai. Colonel Blaker refers in the highest terms to the valuable assistance rendered him by the Municipal Police and in particular mentions Deputy Commissioner W. G. Clarke, M.B.E., and Assistant Commissioner T. P. Givens.

In view of the investigation into the Police Department administration to be undertaken by Mr. Gerrard, whom the Chairman states is expected to arrive in Shanghai towards the end of this month, and as the Acting British Consul-General is bringing Colonel Blaker's recommendation to the notice of his Majesty's Minister at Peking, it is decided that no action by the Council in this matter is called for at the present time.

Salaries Commission. - The Chairman reports that Messrs. C. H. G. Burnie, R. S. Hopkins, W. P. Lambé and P. W. Massey have accepted the Council's invitation to serve on the proposed Salaries Commission. Mr. V. Meyer is also willing to serve on the understanding that there will be attached to the Commission a paid member who will give his whole time to the detailed investigation in connexion with the Commission's work; if this is not the case, he regrets that lack of time will prevent him from accepting the Council's invitation.

At the time the Economy Committee's report was published, an application was received from Mr. A. C. Clear for this post and the Chairman states that he understands that the qualification in Mr. Meyer's letter has reference to the engagement of Mr. Clear in this capacity. Mr. Clear has had experience in dealing with a large staff, both foreign and Chinese, and in the course of an interview with the Director General and himself, Mr. Clear stated his willingness to accept this position on payment of £5,000 per quarter, and, subject to satisfactory service,

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to a bonus on completion of his labours of Tls. 25,000. The Director General states that Mr. Clear estimates that some eighteen months will be required for the desired investigation and that he is willing to accept the engagement on the terms mentioned by the Chairman and subject to three months notice of termination of his services in this capacity on either side. Mr. Clear does not desire that any formal agreement should be entered into but that the terms of the engagement be embodied by the Council in a letter. If Mr. Clear's offer is accepted, he desires to spend the month of June in making a preliminary survey of the working of the various Departments, then to take a holiday from Shanghai during July and August without pay, and to resume duty on September 1.

After brief discussion, members agree that the appointment of Mr. Clear would facilitate the progress of the Salaries Commission and it is decided to appoint him to this post on the terms above set forth.

Mr. Bell's suggestion is adopted that members of the Commission be advised as to the terms upon which Mr. Clear will serve in this special capacity.

The Vice-Chairman suggests that certain recommendations put forward by the Economy Committee, which, in his opinion do not come within the scope of the Salaries Commission, should be given immediate effect by the Council. At the Chairman's request, General Macnaghten undertakes to furnish a memorandum embodying such recommendations for the Council's consideration.

Closure of Maternity Block at the Victoria Nursing Home. - The Director General reports that as a result of his representations to the Board of Governors of the Country Hospital, they have made arrangements to accommodate all maternity cases as from June 1 which will permit closure of the Maternity Block at the Victoria Nursing Home on May 31, next.

Nurses Home. - With regard to the recommendation recently submitted by the Commissioner of Public Health as to the erection of a Nurses' Home on land adjoining the Country Hospital, the Director General states that he has also taken up this question with the Board of Governors. Dr. Davis' proposal made provision for a building to accommodate 100 nurses; Drs. Birt and Marshall, however, are of the view, that to ensure adequate provision for the future, the proposed home should provide accommodation for 125 nurses. The Deputy Commissioner of Public Works states that a

home to accommodate the latter number of nurses could be erected provided the grave land adjoining the site already acquired could be obtained. It is recalled that the Council's previous efforts to obtain this additional land have proved unsuccessful. Mr. Needham now informs him that the owners of this land will submit a firm offer for its purchase by Monday next and although it is to be anticipated that the price demanded will be exorbitant, and as the Council in the past has appreciated the absolute necessity of obtaining this site, he requests authority for this purchase to be completed provided the price asked is not too excessive. As a matter of expediency, members approve this proposal.

Country Hospital - Board of Governors. - In connexion with his re-election as the Council's representative on the Board of Governors of the Country Hospital, the Director General states that on reference to the Deed of Gift he finds that as he is no longer a member of the Council he is disqualified from acting in this capacity. It is therefore necessary for the Council to nominate one of its members for this purpose. After brief discussion, the Chairman is nominated and undertakes to act as the Council's representative on the Board of Governors.

"Bamboo Fair" on Bubbling Well Road. - Mr. Massey refers to the increasing proportions of the annual fair which is held in the vicinity of the Bubbling Well, and its encroachment on the pavements to the apparent detriment of shopkeepers. Since the stallholders do not contribute to Municipal revenue, he suggests that action should be taken to prevent future extensive encroachment on the footways. The Deputy Secretary states that he has taken up this question with the Police Department who are already making investigations, but these will not be completed in time to effect any remedy during the Fair which is now being held. He explains the origin of this annual fair and states that as the Temple Authorities obtain certain contributions from the stallholders they are opposed to any restrictive action being taken. So far as the Police are concerned no complaints have been received from the shopkeepers in the vicinity. Pending receipt of the Police report, it is decided to take no action in this matter.

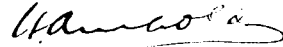
Sale of Electricity Department. - At a member's request, the Director General outlines the progress of the negotiations in respect of the drawing up of the formal documents relative to the sale of the Electricity Department. He states that he anticipates that the drafts of such documents

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will be submitted to the Council within the next few days, whereafter they will be referred to the Council's Legal Advisers.

The Municipal Gazette for Friday, May 17, is submitted in proof and authorised for publication.

The meeting terminates at 5.40 p.m.



Chairman.



Secretary.

At the Special Meeting of the Council held on Tuesday, May 21, 1929.

at 4.30 P.M., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 T. Funatsu
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 S. L. Hsu
 The Director General, and
 The Secretary.

Absent:

Mr. V. G. Lyman.

Suppression of Public Gambling. - The Chairman states that this meeting
 3909 has been convened to consider what steps can be taken to suppress
 3908 public gambling in the form of roulette and also for limiting the
 gambling conducted by the Greyhound Racing Organisations. Members of
 the former Council will recollect that the "Wheel" establishments were
 raided last year on a warrant issued by the Provisional Court but that
 proceedings had to be dropped when the Mexican Consul subsequently
 claimed jurisdiction over the occupants of these premises. Subsequent-
 ly the question of roulette establishments became involved with that
 of betting on greyhound racing tracks upon which the Council abandoned
 its efforts to close the former establishments.

The Secretary then reads a report submitted by the
 Acting Commissioner of Police regarding the roulette establishments in
 Bubbling Well and Yates Roads and from the correspondence between the
 Mexican Consul and the Director of Criminal Investigation forwarded
 therewith, it would appear that this particular Consul is unwilling to
 assist the Council in the suppression of "Wheels" unless similar preven-
 tive measures are taken in respect of public gambling on horse and dog
 racing tracks.

For the information of the new members of Council, the Director General outlines the position which arose last year when Greyhound Racing Tracks were instituted in Shanghai. Although enquiry was made of the British Crown Advocate as to whether this form of gambling was permissible under British law, the British Consul-General was not willing to inform the Council officially as to this, although the Director General was assured unofficially by the British Crown Advocate that public gambling as conducted on the greyhound racing tracks was entirely illegal under British law. For this reason the application by the Luna Park Authorities to take out a Municipal licence, the fee for which would be based on a percentage of ^{its} profits earned, was not accepted by the Council. About this time a meeting of the Consular Body was convened to consider what measures could be taken to close roulette establishments. At this meeting each Consul, including the Mexican Consul, denied that the "Wheel" at the house No. 151C Bubbling Well Road was operated by his nationals. As stated by the Chairman this house was raided on a warrant issued by the Provisional Court but as subsequently the Mexican Consul claimed jurisdiction, the Police on the advice of its Legal Adviser and Mr. Clarke head of the C.I.D. abandoned the proceedings. The British Consul expressed his strong disapproval of the action in allowing this case to be dropped and again insisted that Dog racing tracks should be licensed by the Council. Mr. Fessenden replied that during the past fifty years the Council had consistently refused to licence public gambling of any kind with the object of allowing it to continue under licence. He also suggested that if the British Consul General would address a formal letter to the Council that the gambling conducted on greyhound racing tracks was illegal under British law, and requesting the Council to withdraw police protection and prevent access to the Tracks from the Municipal roads he would recommend the Council to do so. Sir Sidney Barton, however, was not willing to comply with this suggestion. Following exchange of correspondence between the British Consul-General and the British Foreign Office, there is no doubt that the former still maintains that the responsibility for the continuation of public gambling on greyhound racing tracks lies primarily with the Council; as a result of this attitude certain Consuls are unwilling to assist the Council in its efforts to suppress roulette establishments. He has repeatedly discussed this matter with the Commissioner of Police and advised him that no raid should be made without a warrant unless specially sanctioned by the Council. As experience has shown

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that information of contemplated raids invariably reached interested parties which rendered such raids abortive, he suggests that if future suppressive action is deemed desirable such should be left to the discretion of the Chairman of Council, the Commissioner of Police and himself. By adoption of this method the risk of leakage of such information would be diminished.

With regard to public gambling on greyhound racing tracks, in his view public opinion demands that some action should be taken by the Council to limit the activities of these organizations. He has accordingly drafted a letter stating that unless these meetings, which in the Council's view constitute a public nuisance, are reduced to one night each a week, the Council will withdraw police protection and prevent access from the Municipal Roads. Although such a course might result in an action being brought against the Council in the Court of Consuls, he has no doubt that in such a case the Council would receive the support of public opinion and of the Consular Body. In his view gambling on greyhound racing tracks constitutes a greater public evil than roulette establishments by reason of the greater number and class of persons who indulge in the former type of gambling. The Chairman explains that the Greyhound Racing Organizations claim to function as Clubs and the restriction of their meetings to one night per week would not, from the Council's point of view, be inconsistent with such a presumption.

Reverting to the question of roulette establishments, a member states that it would appear that effective action which the Council has attempted to take in the past has invariably been frustrated by certain of the Consuls; in view of this he considers it should be made clear that responsibility for its continuation rests with the Consular Body. The Director General points out that each country represented here by the various Consuls has different laws regarding gambling, and a further difficulty is presented by the fact that there is no Municipal law prohibiting public gambling; to obtain such a law involves an alteration to the Land Regulations, an amendment which it would be practically impossible to effect at the present time.

After further discussion, members unanimously endorse the proposal put forward that action be taken against roulette establishments as the Chairman, the Director General and the Commissioner of Police in their discretion deem desirable. On the recommendation of the Acting

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Commissioner of Police it is also decided that the correspondence exchanged between the Mexican Consul and the D. C. I. be published in the Municipal Gazette.

With regard to the letter which it is proposed to address to the Greyhound Racing Organizations, it is decided that this be amended to the effect that the limitation of meetings to one night each per week is a step towards the abatement of what from the Council's view is a public nuisance, the inference being that the Council has a right to take further restrictive action should it so desire.

Unlawful Detention by the Police of two Chinese. - The Director General states that a memorandum is in the course of circulation dealing with the unlawful detention and the alleged ill-treatment of two Chinese who reported to the Central Police Station the fact of the kidnapping of the Comrades of the American Club. Included with the memorandum are the findings of the Board of Enquiry convened to investigate this incident. He had intended to seek the Council's authority for the payment as compensation of \$100 to each of the American Club boys who were detained at the Police Station for a night. Subsequently, however, Mr. Fischer of Musso & Fischer, lawyers, informed him that unless a sum of \$500 is paid to each of these boys, an action will be brought against the Council claiming compensation in the sum of \$1,500 to each boy. The Director General is of the opinion that compensation of \$100 each would be adequate and in this view the Vice President of the American Club concurs. He therefore desires the Council's view as to whether Mr. Fischer's application be acceded to or whether members are of the opinion that the case should be allowed to proceed in the knowledge that Mr. Fischer will undoubtedly exploit the opportunity of giving as much publicity as possible to the methods adopted by the Police in this case.

After brief discussion, members unanimously take the view that the compensation claimed by Mr. Fischer is exorbitant and savours of blackmail, and that compliance therewith would create a most undesirable precedent. It is accordingly decided that unless the Council's offer of \$100 each in this case is accepted, that the proposed action be allowed to proceed.

The meeting terminates at 5.45 p.m.

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Secretary.

G. H. ...

Chairman.

At the meeting of the Council held on Wednesday, May 29, 1929, at 4.30 p.m.,

there are:

Present:

- Mr. H. E. Arnhold (Chairman)
- Brig. General E. B. Macnaghten (Vice-Chairman)
- Messrs. A. D. Bell
- C. H. French
- K. Fukushima
- T. Funatsu
- V. G. Lyman
- P. W. Massey
- G. W. Sheppard
- Yu Ya Ching
- L. T. Yuan
- S. L. Hsu
- The Director General, and
- The Secretary.

The Minutes of the meeting of May 15 are read and confirmed and signed by the Chairman. With regard to: Municipal Economy Report - Upon further consideration and in view of the fact that a statement has already appeared in the Gazette regarding the steps which have been taken to deal with the recommendations put forward by the Municipal Economy Committee, it is decided not to publish the memorandum furnished to members and referred to at the last meeting.

3714/16

Nurses Home. - The Chairman reports that the owners of the grave land adjoining the Council's property still refuse to make an offer for its sale. The land on the other side of the Council's property belongs to Mr. Anderson and prior to his recent departure for Canada he intimated that he might not return to Shanghai in which case he would be prepared to dispose of this property. The Chairman states that acquisition thereof would enable the Council to erect a Nurses' Home and he suggests that as soon as Mr. Anderson arrives at Vancouver he be communicated with and enquiry made as to whether and upon what terms he would dispose of this land. This proposal is approved.

3758/16

Sale of the Electricity Department. - The Director General states that the draft formal documents for the purchase of the Electricity Department were received a few days after the last Council meeting, and

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that these are being checked by the Treasurer & Comptroller, the Deputy Secretary and himself wherafter they will be submitted to the Council's Legal Advisers.

"Bamboo Fair" on Bubbling Well Road. - A report by the Acting Commissioner of Police is submitted. In agreeing that some measures should be taken to restrict the increasing proportions of this Fair in future years, the Chinese members, as a preliminary step, comply with the Chairman's request to discuss the question with the Bubbling Well Temple Authorities.

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The Minutes of the Special Meeting of May 21 are taken as read, confirmed and signed by the Chairman. Suppression of Public Gambling. - The Director General reports that he has received deputations from the Stadium and Luna Park Greyhound Race Tracks. The representatives of the former organization requested that the limitation of meetings to one night per week should not be enforced for six months, and upon the Director General informing them that in his opinion the Council would not be willing to agree to this proposal, they requested that two nights racing per week be permitted. The Luna Park representatives requested that they be permitted to hold 52 meetings per year, but that they be allowed to select the dates for such meetings. Under this proposal during certain periods of the year two meetings per week would be held, during other periods the meetings would be reduced to one night per week and for a certain portion of the year the track would be closed. The Director General undertook to place these requests before the Council, at the same time he made it clear to the deputations that he did not consider the Council would be willing to agree to these proposals. At the conclusion of these interviews he gained the impression that both organizations would acquiesce in the Council's wishes.

The Vice-Chairman remarks that while he does not doubt the propriety of the Council's decision, he considers that the proposed restriction may bear somewhat hardly on the Luna Park Organization by reason of the fact that when this track commenced to function negotiations were conducted between that organization and the Council and arrangements practically concluded to issue a municipal licence for the holding of such meetings. The Director General explains at length the nature of the negotiations which took place at that time, but which finally broke down owing to the fact that it was realised by the Council the British Crown

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Advocate and the promoters of these courses that the cash sweeps as conducted were entirely illegal under British law. The memorandum which he recently furnished to members sets forth fully the Council's reasons for adhering to its policy not to licence gambling of any kind for the purpose of allowing it to continue. The authorities both of Luna Park and the Stadium were aware as far back as last September that the Council might be compelled to limit their activities if not to prohibit their operations. In his opinion action would have been taken by the Council earlier had the difference of opinion between the British Consul-General and the Council as to the licensing of these tracks not arisen.

In endorsing the Director General's view that the Council's restrictive action cannot have come as a surprise to the Dog Racing Organizations, it is decided that notice be given that the Council's requirements will be enforced as from June 15 next, and requesting them to notify the Council as to which night of the week they propose to hold their meetings.

With regard to the action taken by the Police on Sunday morning last at the Roulette establishment No. 151C Bubbling Well Road, the Chairman states that the question of proceedings being instituted in the various Courts against the people whose names were taken on leaving this house is now under consideration.

The Minutes of the meeting of the Watch Committee of May 13, are submitted and confirmed.

The Minutes of the meeting of the Works Committee of May 14, are submitted and confirmed.

The Minutes of the meeting of the Public Utilities Committee of May 22, are submitted and confirmed.

Arrival of Major Gerrard. - Members are informed that Major Gerrard arrived in Shanghai on Sunday last and that he has commenced his duty of investigating the organisation of the police department. To enable members to meet Major Gerrard he will be invited to attend a tiffin party with the Council at an early date.

Mr. W. G. Clarke, M.B.E., - Retention of Services. - The Director General reports that the Acting Commissioner of Police has recommended that an early decision be reached as to the retention or otherwise of the services of Mr. W. G. Clarke, Deputy Commissioner of Police. As Mr. Clarke has now been absent on sick leave for a period of four months he (the Director

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General) considers that this question should be dealt with as soon as possible. The Director General alludes to the friction which has existed between Mr. Clarke and the Commissioner of Police and which several months ago formed the subject of an investigation by a Special Committee, who found that certain allegations made by Mr. Clarke could not be substantiated. While it is not certain that Captain Barrett will return to the service on the expiry of his long leave, he feels that despite Mr. Clarke's undoubted abilities as a Police Officer, the retention of his services will be detrimental to the harmonious working of the Force. Mr. Clarke is already beyond the normal retiring age and is not serving under an agreement; furthermore before proceeding on long leave he expressed uncertainty as to whether he would return to the service. In view of all the circumstances, he considers that the retention of Mr. Clarke's service is not in the best interests of the Force.

After discussion a member's suggestion is adopted that the opinion of Major Gerrard be taken on this question, and that decision in the matter of the retention or otherwise of Mr. Clarke's services be reached by July 1, next.

Illegal Detention by the Police of two Chinese. - The Director General reports that in accordance with the directions given at the last meeting he has forwarded a cheque for \$200 to the Secretary of the American Club on behalf of the two Club boys who were illegally detained at the Central Police Station, and has expressed the Council's regret at this incident. He previously advised Mr. Fischer as to this and the latter stated that he had no objection, also that had he known the Council's attitude in this case he would not have considered taking the case up on behalf of the two Club boys. The Director General is not certain whether the suit against the Council will now be filed by Mr. Fischer. The Secretary of the American Club has expressed satisfaction at the manner in which this matter has been dealt with by the Council.

A notification has been prepared for signature by the Chairman wherein all ranks of the Police Force are warned that future cases of maltreatment of Chinese will entail summary dismissal or the infliction of other drastic penalties upon the offender.

In approving the findings of the Police Board of Enquiry convened to investigate this incident including its recommendation that Detective Sub-Inspector Tinkler should pay not less than \$25 to each of

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the boys who were detained, it is decided that the exact sum to be contributed by this police officer should be left to the discretion of the Acting Commissioner of Police.

Staff Petitions Regarding Pay. - Further petitions from the Staff of the Public Works Department, the Revenue Office and the Educational Department for revision of pay on account of the increased cost of living, are submitted. The Staff of the Public Works Department also requests that they be permitted to appoint a representative to attend before the Salaries Commission to state their case. The Chairman states that the Salaries Commission is holding its inaugural meeting to-morrow, and he suggests that the staff be informed that the petitions received will be handed over to the Commission and that the request that representatives be permitted to attend before the Commission, ^{will} be transmitted to that body for its sympathetic consideration. This proposal is adopted.

Acquisition of Site adjoining the General Hospital. - A letter from Dr. Marshall advocating the acquisition of a site adjoining the General Hospital for building extension purposes, with favourable comment by the Commissioner of Public Health and the Treasurer & Comptroller, is submitted. The Acting Commissioner of Public Works reports that this site has already been cleared and plans drawn up for its re-development. He estimates the market value of the land as between Tls. 300,000 and Tls. 400,000. Certain members take the view that it would be more economic to obtain land for extension purposes in a locality where land is cheaper; on the other hand it is realised that such a proposal would entail additional cost for staffing etc. Members are generally agreed as to the necessity of extending the existing hospital building. Since, however, this question has not yet been referred to the Health Committee, it is decided, in the first instance, to obtain the Committee's views as to the desirability of extending the site of the existing building and also to authorise the Acting Commissioner of Public Works to ascertain without committing the Council as to whether and upon what terms the site in question can be acquired.

X-Ray Fee for Candidates for Municipal Employ. - With regard to the Council's recent decision that all local candidates for employment, whose commencing salary is Tls. 100 or more per mensem, should be required to have X-ray photographs of their chest taken, which examination the Commissioner of Public Health stated could be undertaken at a trifling cost to the Council

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the Director General reports that the minimum charge incurred for each examination would be Tls. 15 provided the number of examinations did not fall below 100 per annum. Drs. Birt and Marshall are of the opinion that X-ray examinations of the chest alone are of little value from the Council's point of view and do not justify the expense entailed. He therefore suggests that pending further particulars from Dr. Bowen as to the cost involved by X-ray examinations of employes engaged from abroad, the requirement so far as the local employes are concerned should be abandoned. After brief discussion, this proposal is unanimously approved.

Sun Yat-sen's Burial Observance. - In connexion with the interment of the remains of the late Dr. Sun Yat-sen and to conform with the procedure to be observed by the French Municipal Authorities, it is decided that the Municipal offices be closed to public business on Saturday next, and that the flag on the Administration Building be flown at half mast on that day.

Recommendations of the Municipal Economy Committee. - In connexion with the discussion which took place at the last Council meeting, the Vice-Chairman states that he has extracted and forwarded to the Chairman certain recommendations from the report of the Municipal Economy Committee to which he considers effect could be given forthwith. He suggests that a special Council meeting should be held to deal with these recommendations.

The Chairman is of the view that since a Salaries Commission has been appointed, the recommendations referred to by General Macnaghten which directly affect the staff should be referred to that body. The other recommendations are at present under the consideration of the Departments concerned and their reports are awaited. He therefore suggests that little progress could be made by holding a special meeting until such reports are available for consideration. In concurring with this view, General Macnaghten proposes that the Director General should advise the Council from time to time as to the progress which is being made towards giving effect to the recommendations put forward by the Municipal Economy Committee. The Director General undertakes, periodically, to furnish such information.

The Municipal Gazette for Friday, May 31, is submitted in proof and authorized for publication.

The meeting terminates at 6.20 p.m.

Sun Yat-sen

Secretary.

W. H. Macnaghten
Chairman.

At the meeting of the Council held on Wednesday, June 12, 1929, at 4.30 p.m.,

there are:

Present:

Mr. H. E. Arnhold (Chairman)
Brig. General E. B. Macnaghten (Vice-Chairman)
Messrs. A. D. Bell
C. H. French
K. Fukushima
V. G. Lyman
F. W. Massey
G. W. Sheppard
L. T. Yuan
S. L. Hsu
The Director General, and
The Secretary.

Absent:

Messrs. T. Funatsu
Yu Ya Ching.

The Minutes of the last meeting are read and confirmed, and signed by the Chairman.

The Minutes of the meeting of the Electricity Committee of May 31, are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of June 3, are submitted and confirmed.

The Minutes of the meeting of the Traffic Committee of June 4, are submitted and confirmed. With regard to: Horns on Public Motor Vehicles. -

Mr. Massey draws attention to the fact that the decision of the Council requiring that all public motor vehicles should in addition to the electric horn be fitted with a hand operated bulb horn has been reversed by the Traffic Committee and public notification thereof given without further reference to the Council, a procedure which would appear to be somewhat irregular. The Secretary explains that in view of the Committee's recommendation that this requirement be cancelled, he authorised the necessary notification to be published in the Gazette as a matter of urgency as otherwise the car owners concerned might have become involved in considerable expense to comply with the Council's requirement which, by the published notification,

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would become effective from July 1, next. In recording the view that generally speaking public notifications which have been authorized by the Council should not be cancelled without further reference to the Council, members approve the action taken by the Secretary in this case.

The Minutes of the meeting of the Watch Committee of June 7, are submitted and confirmed. With regard to: Use of Settlement Hydrants by the Chapei Fire Brigade. - The recommendation of the Committee that an endeavour be made to recover from the Chinese Fire Brigades the cost of the water taken from hydrants belonging to the Shanghai Waterworks Company for fire fighting purposes, is approved. As the amount involved is relatively small, it is decided to notify the Waterworks Company that the Council will guarantee payment for the water taken from their mains by the Chinese Fire Brigades for the purpose of quelling fires which occur beyond the boundaries of the Settlement or Municipal Roads.

Confirmation of Committee Minutes by the Council. - Mr. French suggests 3198 that the present system of confirmation of Committee Minutes by the Council under which practically all matters dealt with by the various Committees in meeting, many of which are of a minor nature, are explained at length to the full Council takes up the Council's time unnecessarily. He considers that only matters of major importance should be brought before the Council for their confirmation, such matters to be at the discretion of the Director General. As the minutes of all Committees are circulated to the full Council which gives any member an opportunity of indicating his desire to discuss any particular item, the Chairman agrees that consideration in extenso of all matters dealt with by the various Committees is unnecessary. Upon the Secretary stating that it is already laid down that only matters of major importance dealt with by Committees should be alluded to at Council meetings, the Chairman requests members to observe this procedure at future meetings.

Victoria Nurses Home. - With reference to the minute of the last meeting, 3258/80 the Chairman reports that a cable has been received from Mr. Anderson to the effect that he is not prepared to treat for the sale of his property until his return to Shanghai in September. He regards the provision of a Nurses Home as a matter of urgency, and he has ascertained that an area of Mow 17.060 in Great Western Road, immediately

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opposite the Country Hospital is in the market. An option expiring on June 17 has been obtained at Tls. 14,000 per mow, i.e., a total of Tls. 236,840 for the whole area. A verbal option for one week has also been obtained on an adjoining area of Mow 8.377 at the rate of Tls. 16,000 per mow, the total cost of both areas being approximately Tls. 373,000. These areas have been inspected by the Acting Commissioner of Public Works and he reports that their acquisition would provide accommodation not only for a Nurses Home, but also for a Mental Ward and a Western District Market.

The Acting Commissioner of Public Works attends.

Mr. Needham states that he regards the prices asked for the land as reasonable and that he does not anticipate the Council will lose on the re-sale of any surplus pieces. A plan of the areas referred to is submitted, and it is noted that if the Nurses Home is erected on a portion of this land, the house on the Council's property adjoining the Country Hospital could be used as a residence for the Medical Superintendent and his present living quarters in the Hospital could be used for hospital purposes proper. In reply to a member's enquiry, the Acting Commissioner states that the price which would be obtained from the sale of the portion of the Victoria Nursing Home Site not required for other Municipal purposes would more than finance the purchase of the areas now under discussion. In his opinion these areas could be developed in such a manner that the market would not be detrimental or objectionable to the other buildings erected thereon.

After discussion, and for the reason that no other land in the immediate vicinity is available for the erection of a Nurses Home, members unanimously agree as to the desirability of obtaining these two areas and negotiations for their purchase upon the terms stated are authorised.

The Acting Commissioner of Public Works withdraws.

Acquisition of Site adjoining the General Hospital. - With reference to the discussion which took place at the last meeting, as it has now been ascertained that the site on the corner of North Szechuen and North Soochow Roads could not be acquired for less than Tls. 606,365, and as this figure is regarded as prohibitive, it is decided to take no further action in this matter.

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Increased Cost of Living - Staff Petitions. - A further petition from the
 4711/ Staff of the Public Health Department for increased pay owing to the
 increased cost of living, has been received. It is decided that this
 be referred to the Salaries Commission for its consideration.

Greyhound Racing. - The Director General informs members that up to the
 4728
 4909 present no assurance has been received from the Luna Park or the Stadium
 Greyhound Racing Organisations that they will comply with the Council's
 requirement that as from June 15, their meetings will be limited to one
 night each per week. The Police Department has accordingly been
 instructed, if necessary, to enforce this requirement by preventing
 access to the Courses should these organizations attempt to hold more
 than one meeting per week. Since the last Council meeting correspondence
 has been exchanged between the Secretaries of the two Organizations and
 himself and a request was made that the whole of the correspondence
 between the Luna Park Organization and the Council should be published
 in the Gazette. As the latest letter received from this organization
 set out only their own views as to the attitude adopted by the Council
 the Director General replied to them at length recapitulating the
 Council's position viz-a-viz that of the Dog racing organizations from
 the time the latter announced their intention to institute dog racing
 up to the time the Council decided to limit their activities. Following
 the receipt of this letter the Luna Park authorities withdrew their
 request that the correspondence be published.

With regard to the recent action taken by the Police
 at the Roulette Establishment, No. 151C Bubbling Well Road, the institu-
 tion of proceedings against those whose names were taken on leaving the
 building has commenced. The Acting Commissioner of Police informs him
 that following the Council's action the attendance at the various
 roulette establishments has fallen off considerably and that those
 operated exclusively for the Chinese have closed down. The Police
 Department are, however, maintaining a watch on all these houses.

"China Section" of the Hankow Club Library. - With reference to the decision
 5016/ reached at the meeting on April 3 last to purchase the "China Section"
 of the Hankow Club Library, a reply has now been received from the
 Secretary of the Club stating that it is not proposed to dispose of
 this collection at the present time.

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Conditions at Municipal Gaols. - The Vice-Chairman states that during a recent inspection of the Municipal Gaols he ascertained that there are 53 men under sentence of death, some of whom have been awaiting execution for 18 months. Each of these men occupies a separate cell and as the total accommodation is limited to 1,500 cells, which have to provide accommodation for over 4,000 prisoners, some of the cells have to be occupied by three or four prisoners. He regards the congested state of the Gaols as a most serious matter and enquires whether action could be taken, as in the past, to expedite the execution of the prisoners under sentence of death.

The Director General states that this question is repeatedly being brought to the attention of the Consular Body who have made representations to the relevant Chinese Authorities. The delay in the carrying out of death sentences is entirely due to the existing system of appeals, the responsibility for which rests with the National Government. General Macnaghten then enquires whether any progress has been made in the suggestion recently put forward that prisoners serving sentences for certain offences should be granted conditional release; such a system would materially ameliorate the conditions now existing in the Gaols. The Director General replies that adoption of this system is also dependant upon the approval of the Chinese Authorities being obtained. The Vice-Chairman then suggests that the Chinese members of Council might take up this matter with the Commissioner for Foreign Affairs.

General Macnaghten also draws attention to the fact that there is no resident medical officer at the Gaols and as there is at the present time a daily sick list of 150 men, he regards this provision as urgently required.

The Chairman states that the congestion and conditions of the Gaols as outlined by General Macnaghten have been a source of anxiety for some time, but in the absence of co-operation by the Chinese Authorities, little can be done by the Council to remedy the conditions complained of.

With regard to Mr. Sheppard's suggestion that with a view to crime suppression the proceeds from the sale of the Electricity Department should be utilised primarily for the increase of the Police Force to the exclusion of other Municipal activities, the Chairman states

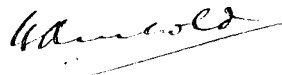
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that he has already had discussions on the increase of the Force with Brigadier Borrett, and that a conference as to this has been arranged for next week with Major Gerrard and the Acting Commissioner of Police. After these discussions he hopes to be in a position to put definite proposals forward for the Council's consideration.

Director General - Leave of Absence. - The Chairman states that the ⁸¹⁰⁵ Director General, for health and family reasons, has requested permission for three months leave of absence as from the end of this month. In anticipation of the Council's approval, the Chairman has granted the Director General's application. The Chairman's action is approved.

The Municipal Gazette for Friday, June 14, is submitted in proof and authorized for publication.

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 26, 1929,
at 4.30 P.M., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 T. Funatsu
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 S. L. Hsu
 The Director General, and
 The Secretary.

Mr. A. C. Clear attends.

Recommendations of the Municipal Economy Committee. - The Chairman states that as Mr. Clear is leaving Shanghai within the next few days, he has asked him to attend this meeting in order to acquaint members with the progress made in the investigation he has been conducting into the Council's educational system.

With regard to the section of the report of the Municipal Economy Committee dealing with the Council's schools, Mr. Clear states that some of the information contained therein is misleading particularly with regard to the per capita cost of pupils attending the Polytechnic Public School for Chinese. The information furnished by the Committee was obtained during the period when the new school building was being utilised by the Defence Forces as a hospital, the pupils at that time being accommodated temporarily elsewhere. On account of the relatively small number of pupils, i.e., 149 attending the school at that time the annual cost per pupil was shown at Tls. 443. The number of pupils now attending the school is 414, and it is anticipated that by September this figure will be increased by fifty. With the maximum attendance of 500 pupils the per capita cost will be reduced to Tls. 166. He has

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held a number of conferences with the Heads of the different schools and definite progress has been made towards giving effect to certain of the recommendations put forward by the Municipal Economy Committee. The question of transferring the Thomas Hanbury School for Girls to the Thomas Hanbury School for Boys is at present under consideration; the building occupied by the girls having been condemned by the Public Works and Health Departments and the Fire brigade. If on further investigation transfer of the Girls School to the Boys Schools is found to be impracticable, it will undoubtedly be necessary to erect a new Thomas Hanbury School for Girls. Various re-organization schemes are at present under consideration, definite recommendations as to which will be forwarded to the Council at a later date. He appreciates, however, that the most careful investigation will be necessary before changes of a drastic nature are recommended. He understands that the Salaries Commission will present a preliminary report to the Council within the next few days. After briefly outlining the proposals now under consideration, Mr. Clear withdraws.

The Minutes of the last meeting are read and confirmed and signed by the Chairman. With regard to: Greyhound Racing. - The Director General reports that since the last Council meeting an assurance has been received from the two Greyhound Racing Organizations that they will comply with the Council's requirement limiting their meetings to one night per week.

Condition of Municipal Gaols. - The Chairman states that the Consular Body have again taken up with the relevant Chinese authorities the question of the unsatisfactory conditions obtaining at the Municipal Gaols, and he requests the Chinese members of Council to assist by making the necessary representations to the Commissioner for Foreign Affairs. At a member's request information will be available at the next meeting as to the extent of the additional accommodation which will be provided by the extensions now being undertaken to the Gaol premises.

The Minutes of the meeting of the Works Committee of June 16, are submitted and confirmed. Disposal of House Refuse. - Mr. Bell informs members that on Sunday last the Contractor was prevented by the Chinese authorities from dumping the house refuse on the site belonging to the Whangpoo Conservancy Board and that it again became necessary to dispose

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of the refuse in the Whangpoo. On Monday, however, disposal of the refuse on the Conservancy Board site was resumed.

Peking Road - Cad. Lot 447. - Mr. Bell states that he is informed by Mr. Yuan that the tenants of the above property have now purchased this site. In endorsing the Committee's recommendation that the surrender deed recently signed by Messrs. Atkinson & Dallas in respect of an area scheduled from this property should not be cancelled, members agree that the fact of this property having changed hands does not affect the Council's position. Mr. Yuan states that he understands the purchasers are prepared to adhere to the terms already agreed for the surrender of the road area when called for by the Council.

The Minutes of the meeting of the Health Committee of June 18, are submitted and confirmed.

The Minutes of the meeting of the Chinese Education Committee of June 20, are submitted and confirmed.

The Minutes of the meeting of the Library Committee of June 21, are submitted and confirmed.

Grant to Sung-hu Reformatory. - With reference to the minute of the meeting of May 1, the Director General reads a memorandum he has prepared on the question of the above Institution being assisted financially by the Council. Briefly, the Director General considers that if a satisfactory arrangement could be made between the Provisional Court and the Council that beggars arrested in the streets of the Settlement would be sent to and kept in this reformatory for a reasonable period, the result might justify a substantial grant to the Reformatory. If, however, the application is merely for a grant on general eleemosynary grounds he would not be in favour of making a grant to institutions outside the Settlement.

In a report submitted the Acting Commissioner of Police states that the majority of beggars sent by the Settlement Police to this institution last October were back on the streets within a month. He recommends that if the Chinese community in Shanghai, both in the Settlement and outside, shows an inclination to take this form of social service seriously, the Institution should be given every encouragement, but he considers that it would be well to wait at least until the end of the year before the Council should offer to contribute to its expenses.

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After brief discussion, members agree that if an assurance can be obtained from the Reformatory that beggars would be kept there for a reasonable period and taught a trade, a grant by the Council is justified. Mr. Yuen states that he will endeavour to obtain this assurance whereafter the proposal put forward by the Director General that an arrangement should be made with the Provisional Court will be further considered.

"Historic Shanghai". - A further application by Mr. Montalto de Jesus that the Council purchase 1,000 copies of his book "Historic Shanghai" at a cost of \$5 per copy, is submitted. On the ground that the utilization of public funds for this purpose would not be justified, members affirm the decision previously recorded by the Council that this application be not entertained.

Mr. W. G. Clarke - Retention of Services. - With reference to the minute of May 29, the Director General states that Major Gerrard is of the opinion that it would not be in the best interests of the Force to retain Mr. Clarke's services. In concurring with the views put forward by Mr. Gerrard, it is decided that a cable be despatched to the London Agents forthwith instructing them to notify Mr. Clarke that his services will be terminated at the expiry of his long leave in September. Upon the Secretary pointing out that reasonable notice of termination of an employe's services is necessary, the Director General is of the view that since Mr. Clarke is not serving under an agreement the proposed notice of three months is reasonable. In this view members concur and the necessary cable will be despatched to the London Agents forthwith.

Sale of the Electricity Department. - The Chairman reports that the draft agreements for the sale of the Electricity Department, together with a memorandum thereon from the Council's Legal Adviser, are now available, and copies thereof are distributed to members. Copies of a further memorandum prepared by the Deputy Secretary commenting upon the memorandum furnished by the Council's Legal Adviser will be circulated to members to-morrow. The Chairman then reads a letter which he has to-day received from Mr. S. W. Murphy, on behalf of the purchasing Company, setting out the main points of difference at issue between the two parties. These points may roughly be grouped under three headings. Copies of this letter will be furnished to members tomorrow, and the Chairman requests that members will give the various draft documents

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their most careful consideration particularly the points raised in Mr. Murphy's letter with a view to discussion at a special meeting to be called prior to the Director General's departure. Upon Mr. Bell suggesting the advisability of consulting the Electricity Committee on the points at issue, the Deputy Secretary states that the Committee, through Mr. Aldridge, have been kept in close touch with the Council's Legal Adviser during the time the agreements have been in the course of preparation. The Chairman then proposes, and members concur, that the Electricity Committee should be invited to attend the Special meeting when the points of difference will be considered. In view of the importance of the provisions of these agreements, and the desirability of agreement being reached by both parties as early as possible, the Director General requests members to make a note of any point which they desire discussed at the Special meeting. It is decided to convene a special meeting on Friday next, at 5.30 p.m.

Circulation of Documents. - The Chairman states that Mr. Fessenden, during the period he has acted as Director General, has introduced a system whereunder many matters of minor importance have been dealt with by him at his discretion thus obviating the necessity of circulating them to the Council and its Committees for instructions. With Mr. Fessenden's departure on leave he himself is taking over certain of the duties now undertaken by Mr. Fessenden, but it will be necessary to revert to some extent to the former system under which various matters are referred to members for decision.

Leakage of Official Information. - The Chairman states that decisions reached at recent Council meetings have become public knowledge within a few hours of such decisions being taken. He therefore requests the permanent officials to observe the strictest secrecy regarding matters which are discussed in the Council Chamber.

The Municipal Gazette for Friday, June 28, is submitted in proof and authorised for publication.

The meeting terminates at 6 p.m.

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Chairman.

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Secretary.

At the Special meeting of the Council held on Friday, June 28, 1929.

at 5.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 S. L. Hsu
 The Director General, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 L. T. Yuan.

Messrs. K. Kuroda } Members of the Electricity
 G. A. Peel } Committee and the
 Engineer-in-Chief & Manager and the Secretary of the
 Electricity Department also attend.

Sale of the Electricity Department. - The Chairman reads a letter he has received from Mr. A. W. Burkill, Chairman of the Electricity Committee expressing regret at his inability to attend this meeting and setting forth his views on the points of difference at issue between Mr. Murphy and the Council as contained in the letter of June 26 addressed by Mr. Murphy to the Chairman.

With regard to the Clauses contained in the agreement affecting the staff, Mr. French enquires whether due provision is made therein to ensure that the staff will receive the same protection as they now possess under the terms of service with the Council. The Deputy Secretary states that the relevant clauses have been carefully studied by Mr. Aldridge, Mr. Wright and himself, and they are satisfied that the interests of the staff are safeguarded so far as possibly can be done in the agreement. He adds, that the main difference is that

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whereas the Council can be sued in the Court of Consuls any employee having a claim against the Shanghai Power Company would have to seek redress in the United States Court for China.

Dealing then with the view advanced by Mr. Murphy regarding the re-purchase clause, members regard Mr. Murphy's contention as reasonable that in the event of the re-purchase of the undertaking by the Council after forty years, or subsequently, the purchase price should be such as would reimburse the Company to the extent of the monies invested therein. The Chairman suggests that if a provision is inserted in this clause that the undertaking, if re-purchased, would be upon terms to be mutually agreed, such provision should prove satisfactory to both parties. Mr. Fukushima points out that it is open to the parties at any time to agree upon re-purchase by mutual consent. Mr. Bell is of the opinion that the amount of the re-purchase price might be left to arbitration. The Deputy Secretary considers that in the absence of any basis being laid down in advance the assessment of an award by arbitrators would be a matter of difficulty. He points out that the re-purchase clause as it stands appears to be much more favourable to the purchasers than the provisions of the memorandum of the Electricity Special Committee which states that re-purchase should be made on the basis of the tender's purchase offer and in gold currency.

Upon Mr. Sheppard enquiring whether the Shanghai Power Company is empowered to assign the franchise to another party, the Deputy Secretary states that the agreements do not contain any provision for this although Mr. Murphy was anxious to provide for its assignability. The Director General points out that in any event the franchise could only be assigned upon the same terms as the purchasing Company has secured the franchise from the Council, the Council retaining the same rights over the assignees. He suggests that this point might be covered by the insertion of a clause that the undertaking could be assigned only with the consent of the Council, such consent not to be unreasonably withheld. The Deputy Secretary undertakes to take up this matter again with Mr. Murphy with the object of safeguarding the Council by the insertion of a clause as above outlined. Members agree that the introduction of such a safeguard is essential and in supporting in principle Mr. Murphy's contention that in the event of repurchase the Company should be entitled to reimbursement

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of all monies which it has invested in the undertaking, it is decided to accept the repurchase clause as drafted subject to acceptance by Mr. Murphy of the proposed clause regarding the terms of assignability of the undertaking.

In view of the purchasing Company's compliance with the Council's request not to receive the purchase money in a lump sum, Mr. Murphy's objection to the proposal that a guarantee be provided by the American & Foreign Power Company, is upheld, it being agreed that the mortgage which is provided on all the assets of the undertaking, including all additions and improvements, furnishes adequate security.

With regard to the Legal Adviser's opinion that the Council should stipulate that the title deeds for the land, which forms a fair part of the security, should remain in its name until the full purchase price has been paid, the Deputy Secretary states that Mr. Murphy is adverse to this proposal for the reason that the title deeds may be required by the Company in order to raise a second mortgage on the assets of the undertaking. He states that although it would be contrary to the customary practice to hand over the title deeds to the purchasers until the purchase money is paid in full, the Council could safeguard itself by causing the title deeds to be endorsed, the endorsement to be cancelled only when the total purchase price is paid. After discussion and in realising that compliance with Mr. Murphy's request in this respect would be in the nature of a special concession and having regard to the fact that the purchasing Company desired to pay the purchase price in a lump sum, and also taking into consideration the unique position of land tenure in the Foreign Settlement, the majority of members agree that should Mr. Murphy press this point that this request be complied with.

Mr. Murphy objects to the proposal that the Council should be the judge as to certain facts of operation such as whether the Company is operating efficiently, extending its services properly etc, and desires that any difference of opinion between the two parties in this respect should be submitted to arbitration. As ample provision is made in the franchise agreement for satisfactory supply and service subject to cancellation of the franchise upon default after reference to arbitration members agree that the settlement of any dispute by arbitration is reasonable.

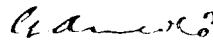
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Mr. Massey then refers to the stipulation contained in Exhibit "D" regarding the royalty to be paid by the Company to the Council in respect of electricity supplied to consumers located on property subject to Settlement taxation on or immediately adjacent to the Municipal Roads so long as such roads are owned by or are under the jurisdiction and control of the Council. Under the provisions of this Clause as drafted the royalty would cease to be payable upon the Council relinquishing its rights of control over extra-Settlement roads. In view of the definite goodwill transferred by the Council to the Company in respect of the supply of electricity he considers that if the Company continues to supply to consumers on such roads, it should continue to pay the royalty to the Council. The Director General points out that the intention of the clause accepts the principle that if the Council loses the control of the extra-Settlement roads and consequently its responsibility for their maintenance and protection, it could not logically expect the royalty in respect of these areas to continue.

With regard to Clause 12 of Exhibit "D" under which the Council undertakes to assist the Company so far as possible by expropriating land for the Company's purposes so far as it legally can, the Director General states that whilst the Council has no power to appropriate land for works owned by the Electricity undertaking, it could possibly assist the Company by expropriating land for road purposes to give access to such works. The object of this clause is undoubtedly to provide for such a contingency.

With a view to agreement being reached on all outstanding questions before the Recess the Chairman then requests members to give further consideration to the documents which have been furnished them with a view to discussion of any further points at a special meeting which will be convened on Friday next, at 4.30 p.m.

The meeting terminates at 6.40 p.m.



Chairman.



Secretary.

At the Special meeting of the Council held on Friday, July 5, 1929,
at 4.30 p.m., there are:

Present:

Messrs. H. E. Arnhold (Chairman)
A. D. Bell
C. H. French
K. Fukushima
V. G. Lyman
P. W. Massey
G. W. Sheppard
Yu Ya Ching
S. L. Hsu, and
The Secretary.

Absent:

Mr. T. Funatsu
Brig. General E. B. Macnaghten
Mr. L. T. Yuan.

Messrs. A. W. Burkill }
K. Kuroda } Members of the Electricity
C. A. Peel } Committee

and the Engineer-in-Chief & Manager and the
Secretary of the Electricity Department attend.

Sole of the Electricity Department. - The Chairman states that agreement has now been reached between the two parties on some of the outstanding questions which were considered at the last meeting. Mr. Murphy has also agreed to Mr. Bell's proposal that no part of the Settlement be dependent on service from a station outside Settlement limits and that Municipal roads outside the Settlement be not dependent on a station outside the area of such roads.

With reference to Clause III (f) of the principal agreement which provides that the execution by the Shanghai Power Company of Exhibits "A", "B", "C" and "D" should be considered as full performance by the American & Foreign Power Company Inc. and the International Group of all obligations arising out of the offer made by them for the purchase of the Electricity undertaking, Mr. Sheppard is strongly adverse to acceptance of this Clause by the Council. The Chairman reminds Mr. Sheppard that the purchasers desired to pay the total purchase price in

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cash and only refrained from doing so at the Council's request; furthermore the Council will obtain a mortgage on the entire assets of the undertaking. Mr. Sheppard however contends that the two parties who made the original offer should either guarantee payment by the Shanghai Power Company, or alternatively, that a substantial cash deposit of say Tls. 20,000,000 should be called for. Mr. Massey states that Brig. General Macnaghten, who is unable to attend this meeting, has advised him that he is also in favour of the introduction of a provision in the agreement whereunder the American & Foreign Power Company guarantee the fulfilment of all obligations by the Shanghai Power Company. Mr. Massey points out that the value of the property of the undertaking falls below the purchase price and he therefore suggests that the mortgage should apply only to the physical assets of the value of say Tls. 50,000,000, and that a guarantee should be required for payment of the balance i.e., Tls. 31,000,000.

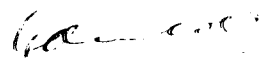
Upon Mr. Bell suggesting that the Council should be in a position to make its own terms regarding payment and stating his inability to appreciate the Company's reluctance to furnish the desired guarantee, Mr. Burkill points out that if the American & Foreign Power Company guarantees the Shanghai Power Company, this liability must be shown on the guarantor Company's balance sheet; it cannot, however, show corresponding assets on the other side of its balance sheet. Under the terms of payment as provided for in the agreement, the mortgage will decrease each year whilst the assets of the undertaking will increase. He understands that additional capital of approximately Tls. 3,000,000 will be invested in the undertaking this year and a still larger amount next year. He is, however, strongly of the opinion that the Council's mortgage on the entire assets of the undertaking should remain until the purchase price is paid in full. The Chairman points out that approximately Tls. 13,000,000 will be paid during the current year, and he enquires whether Mr. Sheppard's objection to the existing clause would be overcome if the Company undertook to make up this figure to Tls. 20,000,000 within the next nine months. Mr. Sheppard, however, adheres to his opinion that unless the Company furnishes Tls. 20,000,000 in cash, which could be regarded as payment in advance, or a security bond to that amount, the Clause should not be accepted by the Council. Mr. Massey then suggests that the National City Bank might be prepared to furnish an irrevocable letter of credit for that amount. Mr. Burkill, however, does not consider that the Bank would be prepared to give this form of guarantee for an indefinite period.

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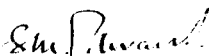
To facilitate agreement being reached on this question, the Chairman then proposes that a small Committee consisting of Messrs. Burkill, Massey and Sheppard should be formed, to confer with Mr. Murphy and that they be authorised to effect a settlement satisfactory to the Council. The members concerned intimate their willingness to serve on a Committee for this purpose. The Chairman adds that apart from the question of security, the other outstanding questions are of a minor nature, settlement of which it may be anticipated which will not present difficulty.

In reply to a question raised by Mr. Bell as to the continued control by the American & Foreign Power Company and its London Associates over the Shanghai Power Company, the Chairman states that 25% of the shares will be held in London and that the Board in America of the Shanghai Power Company will be Anglo-American. The Deputy Secretary states that Mr. Murphy has agreed to an undertaking as to the Board of Directors being given in the form of a supplementary agreement.

The meeting terminates at 5 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, July 10, 1929, at 4.30 p.m.,

there are:

Present:

Mr. H. E. Arnhold (Chairman)
Brig. General E. B. Macnaghten (Vice-Chairman)
Messrs. A. D. Bell
C. H. French
K. Fukushima
S. L. Hsu
V. G. Lyman
P. W. Massey
G. W. Sheppard
Yu Ya Ching
L. T. Yuan, and
The Secretary.

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are read and confirmed and signed by the

1174 Chairman. With regard to: Condition of Municipal Gaols. - The Chairman reads an extract from a letter he has received from the British Consul General to the effect that the Consular Body has communicated with the Diplomatic Body directing their attention to the unsatisfactory conditions obtaining at the Ward Road Gaol with particular reference to the number of condemned prisoners who have been awaiting execution for a considerable period and that the Diplomatic Body had made representations to the Wai Chiao Fu to take up this question with the Kiangsu Provincial authorities.

1063 Mr. W. G. Clarke - Termination of Services. - A cable from Mr. Clarke in reply to the cable sent him by the Council notifying the termination of his services is read. The Chairman states that a further cable has been dispatched to Mr. Clarke confirming the Council's previous decision.

The Minutes of the Special meetings of June 28 and July 5, are confirmed and signed.

The Acting Commissioner of Public Works attends.

1207/4 Erection of Steel Gates on Woosung Road. - Mr. Bell informs members of the tenor of a discussion which took place at a meeting of the Works Committee

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yesterday regarding the obstruction by the Chinese authorities to the erection of a gate on, and the repair of, Woosung Road. Subject to the views of the Council being taken, the Committee recommended that failing a communication being received from the Chinese authorities within one week, the work should be proceeded with under Police protection. As the position of the proposed gate and the strip of road to be repaired are both within Settlement limits, the Acting Commissioner of Public Works strongly advocates that these works as originally planned should be proceeded with. In endorsing this view, and as in the opinion of the Acting Commissioner the argument advanced by the Chinese authorities that the position of the Settlement boundary stones is wrong, cannot be supported, the Chairman suggests that it might be advisable to notify the Senior Consul forthwith of the Council's intention to erect the gate in the position approved of by the Military authorities, and to proceed with the repair of the road. This proposal is adopted.

Upon Mr. Yu Ya Ching undertaking to discuss this question with the Mayor of Greater Shanghai with a view to obtaining withdrawal of the opposition by the Chinese authorities, it is decided not to proceed with these works pending the outcome of Mr. Yu Ya Ching's negotiations. In the meantime a letter on the lines above indicated will be addressed to the Senior Consul, and at Mr. Fukushima's suggestion the Japanese Consul General will be advised when the Council contemplates commencing this work in order that he may be prepared for any emergency which may arise as a result thereof.

The Acting Commissioner of Public Works withdraws.

The Minutes of the meeting of the Electricity Committee of June 28, are submitted and confirmed, it being understood that confirmation of the minute relating to the application of the staff for a bonus upon transfer of the undertaking to Company management does not imply reversal of the Council's confirmation of the Committee's previous recommendation in this matter, which is affirmed.

The Minutes of the meeting of the Watch Committee of July 8, are submitted and confirmed.

Special Relief to Staff to off-set increased cost of living. - A recommendation by the Salaries Commission advocating that special relief be afforded to foreign married employees whose salaries do not exceed Tls. 500 per mensem and to Chinese employees with pay not exceeding \$25 per

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mensem, has been circulated. With regard to the proposed increase to the Chinese staff, Mr. Aldridge reports that in accordance with the arrangement made some years ago, and at Mr. Clear's request, he has forwarded a copy of the proposed increases to the four public utility Companies for their views. The Chairman therefore suggests that consideration of this matter be deferred until the views of the public utility Companies are received which it may be anticipated, will be available prior to the next Council's meeting. This proposal is adopted.

Beggar Huts. - A file relative to the serious menace to public health constituted by the numerous beggar huts in the vicinity of the Wetmore Road Police Station has been circulated, and consideration is given to the recommendation of the Commissioner of Public Health that the Council should cause these to be removed as expeditiously as possible.

The Secretary recalls that in 1927 the Commissioner of Public Works advocated that the Council should erect dwellings of a cheap type of construction over which a certain measure of control could be exercised to replace the existing insanitary beggar huts. Mr. Sheppard states that Messrs. Jardine Matheson & Co. erected dwellings for their workers in close proximity to the Ewo mills but that the workers refused to occupy them apparently for the reason that they resented any form of control. For this reason and also in view of the fact that the land on which the above huts stand does not belong to the Council, members agree that the provision of dwellings by the Council is impracticable. A member suggests that the land on which these huts stand might be fenced round by the Council, or alternatively, that the owners of the land be called upon to demolish the huts and prevent further ones being erected.

Since the larger portion of the land occupied by these huts is unregistered and as legally the Council cannot erect a fence around private property, the Secretary is instructed, with the assistance of the Chinese members of Council, to endeavour to ascertain so far as possible the owners of the unregistered land, in order that they may be notified that the existence of these huts contravenes a Municipal by-law and notice given them that the huts be demolished forthwith.

Trade Flags and Banners. - Representations by the Acting Commissioners of Police and Public Works and the Chief Officer of the Fire Brigade on the public inconvenience resulting from the practice of Chinese shopkeepers in hanging out over the public roads trade flags and banners, are submitted.

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The Secretary states that whilst this practice contravenes bye-law XXXIII, the Council in the past has not exercised its powers thereunder to call for their removal. Owing to the old established custom amongst shopkeepers to display trade flags and banners, the Chairman questions whether the nuisance created thereby is sufficient to call for drastic action by the Council which would undoubtedly meet with strong opposition. He therefore suggests that before any action is taken the Chinese members should approach the Street Unions and request their co-operation to ensure that the flags and banners are placed at such a height above the roads and pavements as not to obstruct the view of road users. The Chinese members undertake to endeavour to obtain the co-operation of the Street Unions in this matter.

Upon Mr. Bell stating that in many cases shop awnings are erected at a height which renders it impossible for pedestrians to use the pavements, it is pointed out that since a permit has to be obtained from the Public Works Department before any awning can be erected, any infringement of the conditions upon which the permit is issued can be dealt with by that Department.

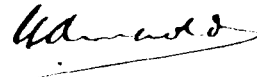
The Municipal Gazette for Friday, July 12, is submitted in proof and authorised for publication.

The Secretary withdraws.

Secretary.

Foreign Staff Association. - A formal application from the foreign ^{5295/}staff to form a Foreign Staff Association is submitted. After consideration, decision in this matter is held in abeyance until the next Council meeting.

The meeting terminates at 5.55 p.m.



Chairman.

At the meeting of the Council held on Wednesday, July 24, 1929, at 4.30 p.m.,

there are:

Present:

Mr. H. E. Arnhold (Chairman)
Brig. General E. B. Macnaghten (Vice-Chairman)
Messrs. A. D. Bell
G. H. French
K. Fukushima
S. L. Hsu
V. G. Lyman
P. W. Massey
G. W. Sheppard
Yu Ya Ching
L. T. Yuan, and
The Deputy Secretary.

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are read and confirmed and signed by the
4681 Chairman. With regard to: Trade Flags and Banners. - Mr. Yuan
states that he has taken up this question with the officials of the
Street Unions and that they have agreed to arrange for trade flags
and banners to be hung at such a height above the roadways and pave-
ments as not to cause inconvenience to road users. The question is
now being considered by the Street Unions who will communicate further
with him in due course.

2511 Beggar Huts. - Mr. Yu Ya Ching states that he has
been unable to ascertain who are the owners of the unregistered land
on which these beggar huts stand, but that he will continue his en-
deavours to obtain this information.

52951/ Foreign Staff Association. - The Chairman states
that he has discussed this question with certain Heads of Departments
and he understands that the primary object of the staff in the for-
mation of this Association is to safeguard the investment of the
superannuation fund. He is also informed that members of the Secre-
tariat and Heads of Departments are unwilling to join the Association.
In the event of the method of investment of the fund being changed it
might, in his opinion, be desirable to have a staff representative
on the Committee by whom such change is considered. His proposal is

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adopted that decision as to approval or otherwise of the formation of this Association be left in abeyance until the next meeting.

1889
The Minutes of the meeting of the Works Committee of July 9, are submitted and confirmed, and the Committee's recommendation that final decision in the matter of the purchasing of the incinerating plant be left to Mr. Harpur is approved, provided that in the first instance he advises the Council as to the cost involved.

1889
Metalling of Hungjiao Road. - In connexion with the Committee's recommendation that the Chinese omnibuses using this road should be required to pay the usual licence fee, members are informed that the owners of these buses pay a licence fee instead of the mileage fee which is imposed on the foreign owned buses. It is agreed that consideration should be given to placing the Chinese and Foreign owned buses upon the same basis for purposes of taxation.

The Minutes of the meeting of the Staff Committee of July 15, are submitted and confirmed.

1889
The Minutes of the meeting of the Watch Committee of July 16, are submitted and confirmed. With regard to: Plain Clothes Search Parties. - In expressing doubt as to the advisability of permitting the plain clothes search parties to function, Mr. Hsu suggests that this question should be referred to Major Gerrard for his views. The Chairman states that it is anticipated that Major Gerrard's report will be available in August and the question will then arise as to whether he should be placed in a position to supervise the carrying out of certain of his recommendations. As the question under discussion would require investigation he considers Mr. Gerrard would be in a better position to advise the Council if this were referred to him when he has completed his general report. In deference, however, to Mr. Hsu's views, it is decided to refer this matter to Major Gerrard without delay.

1889
Defence Gates. - With reference to the discussion at the last meeting, the Chairman states that the efforts of the Chinese members of Council to obtain withdrawal of the obstruction by the Chinese authorities to the erection of the gate in the proposed position on Woosung Road and to the repair of the road have proved unsuccessful. The Chinese authorities apparently desire that Mr. Poon's house should be regarded as being outside Settlement limits, and they also claim that three other houses facing the road are in Chinese territory. A Chapel policeman is at present patrolling the section of the road which it

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is proposed to repair. The Chairman adds that he has discussed this matter with the Senior Consul who agreed to his proposal that unless a settlement is reached with the Chinese officials by the end of this week, these works should be proceeded with. The Chapei Authorities are agitating for the removal of the existing gates and are opposed to the erection of any more on the ground that commerce and communications would be handicapped. Since, however, in normal times these gates would always remain open the argument advanced by the Chinese authorities is untenable. In his view unless the attempt of the Chapei Police to function on Settlement roads is frustrated the Council's position in the matter of extra-settlement roads will be gravely prejudiced. After discussion the Chairman's proposal is adopted that the Acting Commissioner of Public Works be instructed to make the necessary preliminary arrangements for the erection of this gate and the repair of the road and that if Mr. Yu Ya Ching's further negotiations do not result in a satisfactory arrangement being reached with the Chinese authorities by Monday next, the work be proceeded with forthwith.

With regard to the erection of further gates authorised in conformity with the Defence scheme drawn up in 1927, members endorse the Chairman's view that any further delay in the erection of these will only result in further opposition from the Chinese authorities. It is accordingly directed that the work of erecting these gates be proceeded with forthwith.

Country Hospital. - For members' information the Chairman states that last ^{1255/11} week he was notified that the Country Hospital was full and that the fourth floor, now occupied by the nursing staff would be required for the accommodation of patients. A proposal was put forward by the House Committee that the nursing staff should be accommodated either in the Boone Road quarters or in the house purchased from Mr. Dunne and that the Coutts house should be rented for this purpose. With regard to these suggestions he states that there are only four rooms available in the Boone Road Quarters, that possession of the house on the Dunne property cannot be obtained until November and that the Acting Commissioner of Public Works has reported that the Coutts house would require several months and considerable expenditure to adapt it for this purpose. Mr. Needham also reported that some two or three months will be required to adapt the fourth floor of the Country Hospital for

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the accommodation of patients and that on account of the noise connected with such alterations the third floor would have to be vacated whilst the alterations were in progress. He has obtained reports both from the Country and General Hospitals which show that as regards first class accommodation for the period July 1 to 21, the former hospital was only fully occupied for one day during that time and that at the General Hospital on an average seventeen 1st. class rooms were unoccupied on each of these days. He has discussed the question of accommodation with the Commissioner of Public Health, who informed him that in about ten days time the removal of tuberculosis patients to the Sanatorium will release a complete block at the Isolation Hospital containing forty beds which in the case of an epidemic during the hot months would be available as also ten beds at the Maternity Block of the Victoria Nursing Home. In the Chairman's view the increased demand for accommodation at the Country Hospital is to some extent due to the fact that certain doctors prefer to have all their hospital patients in one building with the result that temporarily one of the hospitals may be unable to cope with the demand whilst beds at the other hospital remain unoccupied. He is therefore of the opinion that the alarm felt by the Country Hospital authorities is unjustified and that adoption of their proposal to house the nursing staff in temporary quarters is unnecessary but that erection of the proposed nurses home should be expedited as much as possible.

Chinese Primary Schools. - A letter signed by the Chinese members of Council 3730 advocating the erection in the Northern and Western Districts of two district primary schools at a cost of Tls. 200,000 for each building, has been circulated. The Acting Commissioner of Public Works has reported that the erection of buildings in accordance with the tentative plans submitted by the Chinese members would cost approximately Tls. 300,000. The Chairman recalls that the Council recently endorsed the recommendation of the Chinese Education Committee that a primary school should be built as soon as possible in the Western District, and that consideration should be given to the erection of two further schools in the Northern and Eastern Districts to replace the existing leased premises. The buildings to be erected were however of a less expensive type than those now proposed by the Chinese members. He has accordingly instructed the Acting Commissioner of Public Works during the recess to ascertain whether any sites for these buildings are available and to take into consideration the feasibility of erecting primary schools on land belonging

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to the Municipal Chinese Schools and to prepare designs for the proposed buildings. A member's suggestion that consideration should be given to the possibility of providing buildings with flat roofs which could be utilised as playing spaces and thus reduce the area of land required will be referred to the Acting Commissioner of Public Works for his views.

Chinese Study and Translation Office. - The Chairman states that prior to the Director General's departure a preliminary report was submitted by Mr. C. Kliene, Acting Director of Chinese Studies, on the very unsatisfactory conditions obtaining in the above office both as regards the translation work and the supervision of Chinese studies. A further comprehensive report was received from Mr. Kliene yesterday, and if the allegations made therein can be sustained, it is obvious that Dr. Parker, Director of Chinese Studies, is unfit to remain in charge of this office. Dr. Parker's long leave expires on July 31 next and he has already returned to Shanghai. His agreement ("B" form) expires in December next. The Chairman therefore suggests that pending full consideration of Mr. Kliene's latest report, Dr. Parker should not be permitted to resume charge of this office. This proposal is adopted. Prior to consideration being given to the retention or otherwise of Dr. Parker's services, and the reorganization of this office, it is decided that Dr. Parker be given an opportunity to reply to the charges made by Mr. Kliene. The opinion of Mr. Clear will also be obtained on the views put forward by Mr. Kliene for the reorganization of this office.

Recess. - It is decided that the Council recess shall extend from August 2 to September 10, both dates inclusive. The Chairman states that a Council meeting will be convened for next Wednesday to deal with outstanding questions regarding the Waterworks and Telephone Companies and the agreement for the sale of the Electricity Department.

Special Relief to Staff to off-set cost of living. - With reference to the discussion which took place at the last meeting, the Chairman states that a letter has been received from Mr. Aldridge today detailing the increases which it is proposed to give to the Chinese staff of the Department and which have been agreed to by the Public Utility Companies. As this letter was not received in time to allow for its circulation to members for their consideration, the Chairman proposes

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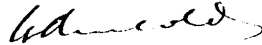
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that decision as to adoption or otherwise of the recommendations put forward by the Salaries Commission be deferred until the next meeting.

This proposal is approved.

The Municipal Gazette for Friday, July 26, is submitted in proof and authorised for publication.

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, July 31, 1929, at 4 p.m.,

there are:

Present:

Mr. H. E. Arnhold (Chairman)
Brig. General E. B. Macnaghten (Vice-Chairman)
Messrs. A. D. Bell
C. H. French
K. Fukushima
S. L. Hsu
V. G. Lyman
P. W. Massey
G. W. Sheppard
Yu Ya Ching
L. T. Yuan, and
The Secretary.

Absent:

Mr. T. Funatsu.

The Minutes of the last meeting are read and confirmed and signed by the

5895/ Chairman. With regard to: Foreign Staff Association. - The Chairman states that he has had further discussions on this subject but that he is not yet in a position to make a definite recommendation to the Council. He, therefore, suggests that decision as to approval or otherwise of the application for the formation of this Association be deferred until after the recess. This proposal is approved.

4201/6 Erection of Gate on Wocsung Road. - In view of possible communist demonstrations which may take place on August 1, the Chapei Authorities have requested the Chairman that the work of erecting this gate be deferred until after that date. The Chairman's action in agreeing to postpone this work for one week from August 1, is approved.

2514 Begger Huts. - Mr. Yu Ya Ching states that he has ascertained who are the owners of a portion of this unregistered land and that he will pursue his enquiries as to the ownership of the remaining area.

4113/7 Special Relief to Staff to offset increased cost of living. - The Chairman informs members that in view of possible labour disturbances on August 1 Mr. Aldridge was anxious to bring into effect prior to that date the increased pay of 10 cents a day to daily labourers. After consultation with Mr. Massey he authorised the increase to be given effect forthwith.

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With regard to the increased pay to the Chinese staff paid by the month, Mr. Aldridge also recommended a slightly different scale from that recommended by the Salaries Commission and since the Electricity Department will shortly pass out of the Council's control the Chairman concurred in this proposal.

With regard to adoption of the recommendations of the Salaries Commission regarding the temporary allowance to be issued to married foreign employees, the Chairman states that there is some misunderstanding amongst the Heads of Departments as to the interpretation of the following recommendation put forward by the Salaries Commission:

5. "The allowance will cease on any new agreement being entered into, the increase in pay of which is equal to or more than the amount of the allowance."

The Heads of Departments contend that under this recommendation an employe in receipt of the temporary allowance if granted a normal increase upon renewal of agreement would be penalised by reason of the fact that the temporary allowance already issued to him would be incorporated therein. He would thus derive little or no benefit from an increase granted upon promotion or for meritorious services. Since the Salaries Commission has admitted in principle that married foreign employees receiving salaries of less than Tls. 500 per mensem are in need of temporary relief the Heads of Departments regard it as inequitable that employees whose salaries on agreement renewal fall below this figure should lose the benefit of the temporary allowance solely for the reason that they receive a normal increase of pay on renewal of agreement. After discussion and in concurring in the views advanced by the Heads of Departments it is decided to adopt the recommendations put forward by the Salaries Commission to be effective as from July 1 last subject to the proviso that in the case of employees the total of whose pay and temporary allowance does not exceed Tls. 499 per mensem upon renewal, agreement shall retain the temporary allowance in addition to the increased pay granted upon renewal of agreement.

Sale of Electricity Department. - Mr. Sheppard, Chairman of the Special Committee appointed to negotiate the final stages of the agreement for the sale of the Electricity Department, reports that the principal agreement

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made between the Council and the American & Foreign Power Co., Inc., and the agreements referred to as Exhibits "A", "B", "C" and "D" were finally approved at a meeting held on Monday. Exhibit "E" being the formal conveyance of the physical assets of the Electricity Department has now been agreed upon by all parties and returned to the Council with the signatures of the Legal Advisers of both the Council and the purchasers.

As a matter of interest he alludes to the salient features of the agreements. As a guarantee for payment of the purchase price the American & Foreign Power Co., Inc., have supplied an irrevocable letter of credit for Tls. 30,000,000 on the National City Bank of New York expiring on June 30, 1930. A satisfactory arrangement has been reached regarding the basis of taxation under which the Shanghai Power Company will enjoy the same privileges in this respect as the Municipal Electricity Undertaking and will not be called upon to pay additional taxation solely for the reason that it functions as a Public Utility Company. The purchasers have agreed to inclusion of a stipulation that all plant required for the supply of power to the Settlement shall be situated within Settlement limits. A limitation has been placed on the assignability of the franchise and a clause safeguarding the Council's interests has been inserted in Exhibit "E" being the formal conveyance of the title to the physical assets.

He, therefore, recommends that the Council approves and accepts the terms of the agreements as now agreed.

The Chairman then moves adoption of the following resolution and this is seconded by Mr. Massey and carried unanimously.

That the agreements between the Council and the American & Foreign Power Co., Inc., on behalf of itself and its associates referred to as the International Group and the Exhibits "A", "B", "C", "D" and "E" thereto being the agreements between the Council and the Shanghai Power Company entered into by virtue of the resolution passed by the ratepayers at the Annual Meeting held on April 17, 1929, be approved and duly executed on behalf of the Council and published in the Municipal Gazette.

Mr. Sheppard adds that arising out of the above decision the Treasurer & Comptroller has been in consultation with the Council's Legal Adviser on the question of the appointment of Trustees for Debenture Holders and the Superannuation Fund. This matter was mentioned

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at the Special Committee last Monday when it was decided to refer the memorandum prepared by the Treasurer to the Chairman of Council. The Chairman states that he has already discussed and will go further into this question with the Treasurer & Comptroller during the recess.

On behalf of the Council the Chairman thanks Messrs. Sheppard and Massey for their services in connexion with the negotiations which have resulted in agreement being reached between the two parties. He will also address a letter to Mr. Burkill expressing the Council's appreciation of and thanks for the services rendered by him in this respect.

Shanghai Mutual Telephone Company. - The Chairman gives a resume of a discussion which took place at a meeting of the Public Utilities Committee yesterday when the question of the unsatisfactory state of the service rendered by the Telephone Company and its financial position were under consideration. In this connection he reads the following statement:-

"The question before the Public Utilities Committee was that of the letters of complaint submitted by the various Chambers of Commerce and others with regard to the unsatisfactory telephone service. Mr. Bell the Council's representative on the Telephone Company's Board made a very clear and full statement of the Company's difficulties. He admitted that the service was unsatisfactory and gave reasons for this to which I will refer later. In fairness to Mr. Bell I would like to say at the outset that he has only recently become the Council's representative on the Board of the Company and consequently is in no way responsible for the situation which has now arisen. The reasons for the unsatisfactory service are:-

1. Lack of foresight some years ago as to the development of the International and French Concessions.
2. The Company's inability to raise the necessary funds for extensions.
3. The various mixed equipments which the Company was compelled during the years of the War and shortly thereafter to install.

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It was pointed out that the Council was partly responsible for the Company's difficulties insofar as not having had sufficient foresight some years ago to allow the Telephone Company to further increase its tariff. The Company's financial position to-day is such that an increase of the tariff would appear to be necessary. On the other hand it would seem that any increase would result in a storm of protest unless it can be shown that the increase would secure a more satisfactory service. I therefore suggested that the Chief Engineer of the Telephone service of the London Post Office should be requested to supply us with an expert to report on the situation, and with this report in hand it would be easier to satisfy the public that an increase in the tariff would enable such changes to be made and would result in a more satisfactory service. Mr. Bell pointed out that this would merely hold up the improvements the Company had in view and consequently prolong the present state of inefficiency.

Mr. Parter, the Secretary of the Company, and Mr. Wilson, the Chief Engineer, who were then invited to attend the meeting fully substantiated Mr. Bell's statement and were able to convince the Public Utilities Committee that everything possible was being done to remedy matters and that nothing would be gained by getting out an expert from Home. They assured the Committee that the changes now being undertaken would result in a steadily improved service as from the 1st of September and that the service would be completed on the 1st June next year. It was therefore decided to recommend that a carefully prepared statement be issued informing the public that the Council has carefully gone into the question and satisfied themselves that everything was being done by the Company to remedy the present unsatisfactory situation as rapidly as possible.

Mr. Bell then referred to the two offers which the Company had received for financing the Telephone Company. Copies of these two offers have just been received and are being circulated to the Public Utilities Committee for

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examination. Mr. Bell explained why the one offer did not appeal to the Telephone Company and that they were therefore negotiating with the other party, I am however compelled to refer to these offers without awaiting the report of the Public Utilities Committee because I have had a visit this morning from the French Consul-General, who as Chairman of the French Council takes the strongest exception to some of the clauses in the proposed agreement. I would point out that the French Council are parties to the franchise and that the Chairman of the French Council takes the strongest exception to the fact that the Telephone Company should have proceeded so far in the negotiations without the fullest consultation with the two Councils. Both the Treasurer & Comptroller and myself have examined both of the offers obtained and have independently come to the same conclusion as the Chairman of the French Council, viz: that the agreement which the Telephone Company are at present negotiating would not be acceptable to the Council.

My recommendation therefore is that the Council notify the Telephone Company that both offers are being carefully scrutinized and that the two parties who have made these offers be notified that they are having the careful scrutiny of the Council, and further that the Telephone Company be requested to enter into no further commitment until the Council has had ample opportunity of examining the situation and expressing its views.*

With regard to the present unsatisfactory service given by the Telephone Company members endorse the Committee's recommendation that a carefully prepared statement should be issued to the public to the effect that the Council is satisfied that the Company is taking all possible steps to remedy the present unsatisfactory condition, and it is directed that the statement be circulated prior to publication.

With regard to the two offers which have been made to finance the Company the Chairman further refers to the fact that the

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French Municipal Administration is strongly opposed to acceptance of either of these offers in their present form and that in this view the Treasurer & Comptroller and himself concur. He adds that Mr. Bell has assured him that it is not the intention of the Company to accept either of these offers without giving both Councils every opportunity fully to investigate the whole of their terms. Members thereupon endorse the recommendations contained in the Chairman's statement and note Mr. Bell's assurance that the Telephone Company will not commit itself in the matter until the offers have been carefully examined by the Council. The Chairman undertakes to advise the French Consul-General as to the attitude of the Company and the Council upon this question.

Shanghai Waterworks Company, Ltd. - For members' information the Chairman 1702 reports the tenor of a discussion which also took place at yesterday's meeting of the Public Utilities Committee when it was recommended that favourable consideration should be given to the application of the Waterworks Company to vary the clause of the Agreement relative to the conditions under which water is supplied to consumers who previously had obtained their supply from private well-borings and had not entered into an agreement for a standby supply. In view of the dispute which has recently arisen between the Company and Messrs. Shahnoun & Co., the Company will also be requested to reconsider the charges in force for a standby supply with a view to these being framed on such a basis as to encourage owners to contract for such supply. Although in this respect the Council is bound by the terms of the Agreement he considers that in the public interest the Council should endeavour to obtain a modification of the existing rates for a standby supply and the Treasurer & Comptroller has been authorized to conduct the necessary negotiations to this end whereafter this question will be further considered by the Public Utilities Committee.

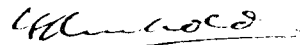
Increase of Police Force. - The Chairman states that Major Gerrard's report 2871 will not be available for several weeks but that with regard to the increase of the force after discussion as to this both Major Gerrard and the Acting Commissioner of Police are of opinion that the engagement of at least 400 Europeans is called for. As additional funds will be available following completion of the agreement for the sale of the Electricity Department he suggests that this increase be sanctioned forthwith and that arrangements be made to obtain these recruits and to provide

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the necessary accommodation for them without awaiting the section of Major Gerrard's report dealing with the increase of the other branches of the Force. Upon Mr. Fukushima suggesting that decision on this question should be deferred until Major Gerrard's complete report is available and consideration given to the requirements of other branches of the Force the Chairman states that some months must elapse before the additional European personnel can be obtained whereas recruits for the other branches of the Force can be secured in a relatively short period. He agrees, however, and members concur that for the time being the case will be met by authority being granted to arrange immediately for the engagement of 200 European recruits, and this proposal is sanctioned; the engagement of the further 200 recruits advocated by Major Gerrard and the Acting Commissioner of Police to be the subject of consideration at a later meeting.

The Municipal Gazette for Friday, August 2, is submitted in proof and authorised for publication.

The meeting terminates at 5.10 p.m.


Chairman.

Secretary.

At the Special Meeting of the Council held on Wednesday, August 28, 1929,
at 11.30 a.m., there are:

Present:

Messrs. H. E. Arnhold (Chairman)
A. D. Bell
C. H. French
T. Funatsu
K. Fukushima
S. L. Hsu
V. G. Lyman
P. W. Massey
G. W. Sheppard
L. T. Yuan
Yu Ya Ching and
J. R. Jones (Deputy Secretary).

Absent:

Brig. Général E. B. Macnaghten..

The Chairman intimates that this is a special meeting convened at the instance of Mr. A. D. Bell but as the minutes of the last meeting are closely concerned with the subject of discussion he asks the Secretary to read them. The minutes are then read and confirmed subject to two amendments made at the instance of Mr. Bell - firstly that the reference to June 1, 1930, should be made to read June 30, 1930, and secondly that his reply to the statement of the French Consul General be recorded, namely, that the Telephone Company had given the same information to the French Consular Offices as to the Council.

The Chairman reads the following statement:-

During the second half of July I was approached by Mr. Schwyzer who informed me that the Cable Trust Co., Ltd. had made a very favourable offer to the Telephone Co. which they had refused to consider, whereas they were, in fact, negotiating on far less satisfactory terms with another party.

On making enquiries, I ascertained that copies of this and an offer from the I. T. T. had been submitted to the Council and that discussions were proceeding with regard to the same with the Treasurer. The latter informed me that the one offer was far more favourable than the other, but that the Telephone Company refused to consider the same. Further, that, in his opinion, the offer which they were recommending to the Council for

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acceptance, was quite unacceptable. I asked for copies of the two offers and came to the same conclusions.

At the Council Meeting which took place a few days later, I had intended informing the Council of the position, and prepared a memorandum embodying Mr. Ford's and my views on the subject, but out of consideration for Mr. Bell, who is the Council's representative on the Telephone Company, I showed him the memorandum and, in deference to his wishes, omitted that part which dealt with these offers.

As already stated, I did not bring up the matter at the Council Meeting in deference to Mr. Bell's views on the distinct understanding that both offers would be kept open. It was obvious to me at the time that a great deal more information would be required before the Council would be able to deal with the matter and it was hoped during the recess to obtain this information. On the day following the Council Meeting I requested Mr. Bain to come and see me, which he said he would do. After a lapse of practically three weeks without his coming to see me, I wrote to him on the 15th August once more asking him to do so, and on the following day arranged with him at the Club that he should call on Monday morning, the 19th instant.

Mr. Bain called on me with Mr. Bell. At first they were inclined to adopt the attitude that they had a grievance and unless the Council endorsed the policy of the Telephone Company, it would have to find another Board of Directors. On my pointing out that this was not the right attitude in which to approach the matter, a friendly discussion took place.

With regard to the 9000 Line order I was told that Mr. Flemons was in London calling for tenders, that the order had not been actually placed, but that they considered themselves morally bound; that they would ascertain by cable the exact position and let me know, and that they would like Mr. Porter to come round and have a discussion with me. Later in the morning I received a letter from Mr. Bell correcting the information given with regard to the 9000 line order and in the afternoon he came round once more to correct the information. From this it will be seen how clear the Directors were as to the position of an order involving presumably over £100,000.

Having received no further information, nor a visit from Mr. Porter for a whole week, and as the Council meets again in a fortnight, when it is essential to have certain information to enable the Council to

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consider the Cable Trust Offer, which comprises taking over the Telephone Company on a valuation, administering the same, financing extensions and amortising the same without increasing the tariff, and returning the whole plant to the Council after a number of years, a round table conference was suggested, which the Telephone Company had declined. In view of the inability to obtain any information, as described above, it is surprising that it should be stated in a letter received yesterday that as all the information can be obtained from the representative on the Board of the Company, it is considered unnecessary to supply this information. In the meantime, the Council has made a public statement to the effect that all offers will be carefully examined. This is quite impossible without further information being obtained and in view of the inability to get any information and the impossibility of negotiating on a basis of handing over the whole plant to the Cable Trust so long as the franchise exists, notice has been given of the termination of the same as a matter of form. Meanwhile, as the Council had made a public statement to the effect that these offers are being carefully examined, and in view of the inability to do so, so long as the Telephone Company maintains its present attitude, it has been considered necessary to give notice of termination of the franchise. Since the publication of the Council's statement, the whole position has been changed by the attitude of the Telephone Company and this statement without publication of subsequent correspondence is obviously misleading to the public. It is therefore considered necessary that the correspondence should be published.

If the Company are so convinced of the correctness of their attitude, it is inconceivable that they do not welcome a round table conference and for the same reason they should also welcome a publication of the correspondence.

From the last paragraph of a letter received by the Secretary yesterday it is evident that they wish to prevent the offer received from the Cable Trust & Telephone Co., Ltd. receiving adequate consideration, and for a Company which has broken its franchise and which is applying to the Council to authorize a financial proposal, which could only be acceptable by a penurious debtor from an usurious creditor, to dictate to the Council what is policy is to be can only be regarded as unreasonable.

In reply Mr. Bell states that in view of the public statement issued by the Council in the Gazette of August 23 to the effect that the Council was satisfied with the present proposals of the Telephone Company

and that all possible measures were being taken with a view of obtaining satisfactory service, he regards the sudden withdrawal of the Franchise within an interval of a week and without the knowledge or consent of other members of the Council as a complete reversal of the Council's decision at its last meeting. There had been no undue delay on the part of the Company in replying to the letters addressed to Mr. Bain nor to communication of the information desired. All these matters had to be discussed by the Board of Directors and the whole correspondence took place within the short space of a week. A round table conference had been declined because they did not think the suggested composition of the conference acceptable; furthermore as the respective merits of the rival systems had been extensively discussed in other parts of the world they did not see any point in further discussing matters of a technical nature with representatives of rival groups when they considered the only pertinent question was the urgent matter of financial assistance. Other offers were expected and the Company was anxious that the Council should examine the financial aspects of every offer but they were so heavily committed to the Rotary system that it would be uneconomic to scrap it or adopt any other system in its stead.

The Chairman refers to the public expression of dissatisfaction with the Telephone service. He states that the Telephone Company has failed to give a satisfactory service and therefore broken the franchise. There were already two offers for consideration and one he considers to be at least Tls. 400,000 better than the one which the Telephone Company has recommended for acceptance. The Council has made a public statement that these offers will be immediately investigated according to the provisions of the franchise. The Council would not be doing its duty or keeping its faith with the public if it accepted the arbitrary decision of the Telephone Company with regard to a system which now operates unsatisfactorily and declined to consider all the offers in their technical as well as financial aspects. It was not a question of scrapping the Rotary plant, but of the necessity for the Council to make an impartial enquiry.

Mr. Bell points out the prejudicial effect that a cancellation of the franchise would have upon the Company's present proposal and future extension schemes; the Company has issued debentures for a million and a half and raised money from the Rotary Company for several millions more. Every commitment had been thoroughly discussed with the Council's staff and the Treasurer and Comptroller had given his entire approval. In the circumstances the Company would be compelled to resort to arbitration.

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The Chairman points out that as the Company has admittedly failed to give satisfactory service the result of an arbitration is a fore-gone conclusion and states he cannot agree with Mr. Bell's contention that the question whether or not such failure is entirely the fault of the Company is material to the issue. The Company has further ~~been lacking in candour and~~ ^{until quite recently failed} ~~to communicate to~~ ^{although Mr. Bell is the Council's nominee on the Board of Directors,} the Council ~~had no knowledge of~~ the disadvantageous offer now recommended for acceptance by the Telephone Company, or ~~of~~ the Company's recent commitments to the Rotary system. Moreover, he learns that a rival offer was made to the Company as long ago as September 1928 but never disclosed, and he reads a letter addressed to Mr. Schwyzer in connection with proposals said to have been informally submitted to Mr. Bain as Chairman. Mr. Bell denies that the discussions he ~~and~~ Mr. Bain had had on the subject with representatives of the Group concerned ever resulted in an offer being made.

In reply to an enquiry from Mr. Sheppard concerning the purpose of a round table conference the Chairman states it is necessary in order that the Council should be able to satisfy itself in the interest of the subscribers as to the relative merits of at least two offers as it is not prepared to accept as a fact the Company's decision when it maintains that it is a Rotary company and recommends the acceptance of impossible terms on the ground that it is already too deeply committed to a system which may or may not be satisfactory in Shanghai.

Mr. Bell deprecates any conference constituted as suggested to determine technical matters as between the Rotary and the Strowger systems. The Company is in possession of ample evidence of the excellence of the Rotary system and has testimony from the Chief Engineer of the British Post Office confirming through Mr. Flemons (the Company's Chief Engineer) the merits of the Rotary system and the undesirability of mixing the system or scrapping the present plant. It is intimated, however, that this testimony in the absence of the full correspondence is not in any way conclusive.

Mr. Sheppard whilst admitting that the telephone service is in a very bad state, is of opinion that it would be an inconvenient and uncertain remedy to cancel the franchise, and as it is impossible for laymen to decide upon the technical merits of different systems he emphasises the need of getting a technical expert from either the British General Post Office or perhaps preferably from Sweden to advise the Council in the matter. Mr. Bell suggests that the acceptance of this proposal would delay the Company's programme. The Chairman, however, points out that it would

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not interfere with the Company's commitments so far as they have been already entered into, but would enable the Council to be advised as to the further contemplated commitment to 25,000 lines on which the Council must be properly and independently advised.

Mr. Bell points out that apparently the franchise has been affected by a notice which purports to cancel it, but the true meaning he and the Company's legal advisers cannot understand. It is explained that it is in the form of a notice to take effect at the expiration of three months, but that if the Company complies with the Council's request and agrees to a complete investigation it would be withdrawn. The Chairman states that he is prepared to advise the Council to withdraw the letter of cancellation provided the Company agrees to the engagement of an expert and assists in every way in the investigation.

Mr. Bell urges that it might be better to let the Company's accountant together with the Treasurer & Comptroller thrash out the financial details. Mr. Sheppard, however, does not think that any undue delay is likely to be incurred and although it may be difficult to get the right man, still urges the necessity for an expert and suggests that the Company should not commit itself further. Mr. Massey agrees with the suggestion, whilst Mr. French doubts the possibility of getting any conclusive assistance from one expert. After some discussion it is finally decided to obtain the services of a competent expert from the British Post Office or in the second instance from Sweden to advise the Council generally in the matter of the telephone service, the expenses to be borne by the Council whose adviser he would be. It is resolved to cable Major Hilton Johnson to approach the Chief Engineer of the British Post Office and carry on the necessary negotiations. Upon the Company agreeing to the engagement of an expert as aforesaid and giving its undertaking to give him every facility and assistance and refraining from any further commitments beyond the expenses ordinarily and incidentally incurred in connexion with the service the letter of cancellation will be withdrawn.

Mr. Sheppard refers to the great difficulty experienced by the Company at the present juncture to cope with the very great increase in applications for the installation of telephones, and suggests that it would give the Company a breathing space to overcome its difficulties if a temporary dispensation were granted. The Chairman points out that a similar request was made to him recently by Mr. Porter, but that it might be difficult to grant such a dispensation in the present state of public opinion. Mr.

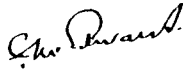
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Messey is of opinion that such a dispensation, if legally possible, would be a great boon to the Company and recommends that the proposal be favourably considered by the Council if the Company makes the request.

The meeting terminates at 12.50 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, September 18, 1932.

At 4.30 P.M. there are:

Present:

Mr. H. H. Arnold (Chairman)
Brig. General E. E. Macnaghten (Vice-Chairman)
Messrs. A. D. Bell
G. H. French
K. Fukushima
V. G. Lyman
P. W. Massey
G. W. Sheppard
L. T. Yuan
S. L. Hsu, and
The Secretary.

Absent:

Messrs. T. Funatsu
Yu Ya Ching.

The Minutes of the last meeting not having been seen by all members, it is directed that these be circulated prior to their formal confirmation at the next meeting.

The Minutes of the meeting of the Electricity Agreement Special Committee of July 29, are submitted and confirmed.

The Minutes of the meeting of the Public Utilities Committee of July 30, are submitted and confirmed.

The Minutes of the meetings of the Library Committee of August 26, and September 9, are submitted and confirmed.

The Minutes of the meeting of the Chinese Education Committee of September 13, are submitted and confirmed. With regard to: Treatment of Trachoma. - The Committee's recommendation that the offer of the authorities of St. Luke's Hospital to treat free of charge pupils from the Primary Schools suffering from trachoma be accepted, is confirmed. With regard to the assumption of liability for the treatment of pupils from these schools suffering from other forms of communicable disease, the view obtains that in the event of a future outbreak of any such disease there would be no objection to the Council arranging with one of the Chinese hospitals for their treatment. In the meantime it is directed that the Public Health Department should be required to take all possible steps

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to prevent the spread of any communicable disease by means of periodical inspections and the exclusion from these schools of any children suffering from a disease of a communicable nature.

Purchase of a Site for a Primary School in the Western District. - In confirming the Committee's recommendation that negotiations be entered into for the purchase of Cad. Lot 3276 Sinza Road as a site for the Western District Primary School, members direct that before plans for the proposed buildings are drawn up, the question of the feasibility of designing a building having a flat roof which could be utilised as a playing space, thereby reducing the area of land required, be referred to the Commissioner of Public Works. In the event of it being possible to adopt this proposal, the area of land purchased which would not be required as a playing space would become available for re-sale.

Attendance of Mr. A. O. Clear at Committee Meetings. - Mr. Bell states that it has been brought to his attention by a member of the Chinese Education Committee that Mr. Clear was present at the Committee's last meeting, but that members were not aware of the capacity in which he attended. He therefore suggests that it might be desirable for all Committees to be officially advised on this point.

The Chairman explains that as Mr. Clear is engaged in making a thorough investigation into the Council's educational system and other branches of the service, both the Director-General and himself thought it would be of assistance to him if he were permitted to attend the meetings of any Committee when questions connected with his investigations are under consideration. Members concurring in this view, the Chairman undertakes to officially advise the various Committees that for his information Mr. Clear is authorized to attend their meetings in a non-voting capacity if he so desired.

Reorganization of the Police Force. - With regard to the report submitted by Major Gerrard on his investigations into the existing organization of the Police Force, copies of which have been supplied to members, the Chairman proposes that this report be accepted in principle and that consideration be given as to the best means by which the proposals for reorganization put forward by Major Gerrard can be given effect. As the Director General has made a careful study of the questions relating to the reorganization of the Force he suggests that a committee consisting of Major Gerrard, the Acting Commissioner of Police,

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The Director-General and the Commissioner of Public Works be appointed to advise the Council in this matter. Members unanimously concur in this proposal.

The Chairman continues that Major Gerrard has been seconded to the Council's service for one year and he understands that, if required, his services would be available for a longer period. In order that he may be vested with full authority to ensure that his proposals for reorganization are given effect to, he suggests that during his period with the Council he should be appointed Commissioner of Police. Unless this is done any differences of opinion which might arise between Major Gerrard and the Acting Commissioner of Police would necessitate reference to the Council in every case for decision. He has discussed this question with Major Gerrard and the latter agrees that retention of his services purely in an advisory capacity would make it somewhat difficult for him to render his recommendations effective. Although Captain Martin has worked in the closest collaboration with Major Gerrard and although the former has expressed the hope that Major Gerrard will continue in his advisory capacity and that he himself be permitted to continue to act as Commissioner of Police, the Chairman does not consider it would be derogatory for Capt. Martin to revert to the position of Deputy Commissioner and to work under the guidance of Major Gerrard as Commissioner of Police for the period the latter remains in Shanghai. If this proposal is adopted it will be made clear to Captain Martin that Major Gerrard's appointment is of a temporary nature and for a specific purpose and that the Council has no intention permanently of superseding Captain Martin. To offset any financial loss to Captain Martin his pay, on reverting to the rank of Deputy, could be fixed on the same basis as that now drawn by him as Acting Commissioner.

A member suggests that if it is the intention that Captain Martin will eventually take over the post of Commissioner of Police, it might be advisable to appoint him in this capacity forthwith in order to ascertain his fitness therefor during the period he would be working under Major Gerrard. After discussion, however, the majority of members are of the view that Major Gerrard might be handicapped in effecting the required reorganization of the Force unless he is placed in supreme control. It is accordingly decided that for the purpose of reorganizing the Force Major Gerrard be appointed Commissioner of Police forthwith and that Captain Martin revert to the rank of Deputy Commissioner on the terms and conditions as proposed by the Chairman and set forth

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above.

Following adoption of the above resolution, the Chairman points out that the retention of Captain Barrett's services becomes unnecessary. Having regard to the views held by Captain Barrett as to the reorganization of the Force and his declared intention before leaving Shanghai of endeavouring to obtain a position at home, members agree he would be unlikely to fit into the scheme submitted by Major Gerrard and that it would be unwise to permit him to return to the Force. It is accordingly decided that he be granted three months pay as from October 1 in lieu of notice and that his services be terminated as from December 31, with the issue of full superannuation and pension benefits, the Council's claim for refund by him of the return passage money already issued to be waived.

With regard to the Chinese Branch of the Force the Chairman states that in view of the repeated attempts by Communists and agitators to induce members of the Chinese branch to strike and having regard to the improved terms of service recently granted to the Chapel Police, the Acting Commissioner considers that it would be politic for the Council to announce as early as possible that improved terms of service for this Branch are under consideration including the provision of housing accommodation. Major Gerrard favours the latter proposal and supports the view of the Acting Commissioner that an immediate announcement as to this would be beneficial. It is accordingly decided that the Chinese Branch be notified forthwith that the Council approves in principle the provision of housing accommodation, and detailed consideration of this proposal will be undertaken by the Special Committee above referred to.

Greyhound Racing Club. - An application from this Organization for permission to hold an additional day's racing on the occasion of the public holiday which celebrates the anniversary of the Chinese Republic, on October 10 next, is submitted. In view of the repeated representations by Chinese Organizations on the subject of greyhound racing, the application is unanimously disapproved.

Film Censorship. - A letter from the joint Committee of the Shanghai Womens Associations containing a number of suggestions regarding the censorship of films and the control of advertisements in connexion therewith, with Police Department comment, has been circulated to members.

With regard to the point raised by the Associations as to

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the censorship of advertisements by the Board of Censors, members concur in the view advanced by the Commissioner of Police that since this Board acts in an entirely advisory capacity and as in any case the Council is empowered to prevent the display of obscene or indecent advertisements, reference to the Board of Censors of the advertisements pertaining to cinema performances is unnecessary.

The Associations further suggest that the rules and regulations under which the Board of Censors function should be made public. Members are of the view that no good purpose would be served by adoption of this proposal which is accordingly disapproved.

Dealing then with the final suggestion put forward by the Associations that the censorship Board should be constituted for a definite term of office and their offer to nominate personnel thereto, the Secretary suggests that it would be desirable to appoint the members of this Board each municipal year in the same way as the various committees are appointed. In view of the recent criticism in the press, however, adoption of this proposal at the present time might be regarded as a reflection on the existing members of the Board; he therefore suggests that the proposal might be given effect as from the commencement of the next Municipal year.

After discussion it is decided that the Associations be informed that the tenure of service on the Board of Film Censors is on the same basis as that of the various Committees and that the Board be informed as to this and notified that its members are eligible for re-election thereto at the commencement of each Municipal year. The Associations will also be informed that the Council is prepared to consider nominations they may desire to put forward in the event of any vacancy occurring in the membership of the Board.

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Illegal Functioning by the Chinese Authorities on Municipal Roads. - For members' information the Chairman reports that repeated attempts are being made by the Chinese authorities to prevent the Council functioning on outside Municipal roads. Following the obstruction encountered to the repair of Woosung Road the Chinese attempted to prevent the Council from reinstating Hungjao Road; also a number of motor buses licensed by the Council were prevented from operating on this road. An attempt has recently been made to compel foreign householders on outside roads to pay rates to the Chinese authorities and during the last few days the houses on Hungjao Road have been re-numbered by the Chinese. All these instances have been notified to the Senior Consul and he has been requested

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to impress upon the Chinese authorities that the Council cannot tacitly acquiesce in such acts of aggression and must insist that these be discontinued pending the outcome of the negotiations which are being conducted on the question of the status of outside roads. The Senior Consul was informed that the Council proposed to remove the number plates affixed to houses in Hungjao Road since the action of the Chinese in affixing these plates is regarded as the thin end of the wedge of a claim to jurisdiction over these roads. The Senior Consul raised no objection to this course. In the meantime the Senior Consul has been urged to endeavour to obtain resumption of the conferences to deal with the question of the status of outside roads, no meeting of which has been held during the past three months.

Shanghai Mutual Telephone Co., Ltd. - In connexion with the discussion at 3722 the last meeting, members are informed that arrangements have been made by Major Hilton-Johnson for the temporary engagement of a telephone expert from the General Post Office in London and that he will arrive in Shanghai on October 18. A cable stating the terms upon which this temporary engagement has been approved by the Postal Authorities is read.

Director of Chinese Studies. - With reference to the minute recorded at the meeting held on ^{July 24} ~~August 26~~, the resignation from the post of Director of Chinese Studies and Official Translator tendered by Dr. Parker, is accepted, the issue of three months pay being authorized to him as also a first class passage to America, the latter being contingent upon his leaving Shanghai within three months.

With regard to the recommendation put forward by Mr. Clear that in the interests of efficiency Mr. C. Kliene be engaged to fill ^{the} ~~his~~ vacancy at a salary of Tls. 800 per mensem with a special allowance of Tls. 200 per mensem during the period he is engaged in the reorganization of the Department, members take the view that the issue of an allowance in addition to the salary proposed is not called for. It is accordingly decided to offer the above appointment to Mr. Kliene with pay at the rate of Tls. 800 per mensem during the three years of an agreement.

Volunteer Corps. - Mr. French draws attention to the practice of the various units of the Volunteer Corps in annually soliciting financial support from local firms and private individuals for the purpose of conducting the annual rifle meeting etc. He considers the necessity of having to solicit funds from the public, places members of the Corps in an unenviable position and he suggests that the question of an annual

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grant of say \$1,000 being made to each of the various units, and to the Corps Headquarters for the purchase of prizes might well be considered.

In view of the difficulty of maintaining the Corps at its requisite strength, members agree that the issue of an annual grant as proposed might have the effect of attracting recruits who, in members' views, should not suffer financial loss through joining the Corps. The proposal put forward by Mr. French is accordingly referred to the Watch Committee for its sympathetic consideration and report.

The Municipal Gazette for Friday, September 20, is submitted in proof and authorised for publication.

The meeting terminates at 6.10 p.m.

W. P. ...

Secretary.

W. P. ...

Chairman.

At the meeting of the Council held on Wednesday, October 2, 1929, at

4.30 P.M., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E.B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 S. L. Hsu.

The Minutes of the Special meeting of August 28, are confirmed and signed.

The Minutes of the last meeting are read and confirmed and signed. With regard to: Reorganization of the Police Force. - The Chairman states that he has notified Captain Martin of the decision to appoint Major Gerrard as Commissioner of Police during the period he remains in Shanghai and also of the Council's intentions regarding his own status during that period and his subsequent promotion to the post of Commissioner. Captain Martin expressed himself as entirely satisfied with the Council's decision.

Film Censorship. - Mr. French draws attention to the increasing number of films being displayed, the subject of which is crime and the methods adopted by criminals of the underworld classes. In view of the prevalence of crime in Shanghai, he suggests the advisability of productions of this type being prohibited. Members concur in this view and the Board of Film Censors will be requested to give due consideration thereto when viewing films for future production.

Police Reorganization. - The Chairman states that following an exchange of cables, Captain Barrett has tendered his resignation and a reply has been made accepting this. In order that a public notification as to this may be made without delay, the Chairman has issued a statement to the press for publication to-morrow in the same form as that appearing in the draft Gazette now before members.

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Director of Chinese Studies. - With reference to the minute of the last meeting a letter has been received from Mr. C. Kliene accepting the Council's offer to appoint him to the post of Director of Chinese Studies and Official Translator at a salary of Tls. 800 per mensem. He requests, however, that the Council will come to an equitable arrangement regarding the copyright of the text books he is preparing. The Secretary states that Mr. Kliene proposes to compile three text books and that he would be prepared to accept the sum of Tls. 1,000 for their copyright. At the outset certain members take the view that an undesirable precedent might be established by agreeing to additional payment for services performed by an employe serving on a whole time agreement; they also consider that it would be inadvisable to agree to this proposal until the suitability of the books compiled by Mr. Kliene can be ascertained. The proposal is also put forward that instead of the copyright being bought by the Council Mr. Kliene might recoup himself financially by placing the books on public sale. After discussion, however, members generally agree that the compilation of new text books can hardly be regarded as falling within the scope of his official duties and since his official working hours will be fully occupied by the work of reorganizing his Department, which will necessitate the preparation of the text books being undertaken in his own time, it is decided to purchase the copyright of these books for the sum of Tls. 1,000, payment to be made pro rata upon the completion of each of the three books.

Closing Hours of Cabarets. - The Chairman states that he has received a number of complaints against cabarets in the Settlement being permitted to remain open all night, and the suggestion has been made that a closing hour should be imposed. The Secretary has discussed this question with the Director General of the French Municipal Administration who favours the proposal being given effect to as from January 1, next. The Chairman suggests that the ordinary closing hour might be fixed at 12.30 or 1 a.m. and that if certain classes of establishments desire to remain open until 2 a.m., an additional fee should be imposed of such an amount as would discourage the practice. A member observes that since the Council's primary object is to restrict the hours of these establishments the imposition of an additional fee to enable them to remain open beyond the normal closing hour might defeat its purpose. It is then suggested that the closing hour for all such establishments

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should be fixed at 2 a.m. and that no exception be made to this rule. After discussion, members endorse this proposal and the Secretary is requested to ascertain whether the French Municipal Administration will adopt a similar regulation for establishments in the French Concession as from January 1, next.

Press Advertisements for Schools. - Mr. Massey draws attention to the extent of the advertisements which have appeared in the public press during the past two months announcing the re-opening of the Municipal Schools and the exhaustive details contained therein as to terms of enrolment etc. He considers that the heavy expense entailed by these advertisements is unjustified and suggests that in future a brief notice be inserted in all the local papers announcing the opening date of schools and informing the public that full particulars will be issued in the Gazette or can be obtained from the Municipal offices. Members unanimously concur in this view, and it is directed that in future the proposal put forward by Mr. Massey regarding advertisements for the re-opening of the Municipal Schools be adopted.

Chairman - Leave of Absence. - The Chairman's application for leave of absence from Shanghai from October 12 to October 18 inclusive is un-animously approved.

The Municipal Gazette for Friday, October 4, 1929, is submitted in proof and authorised for publication.

The meeting terminates at 5.20 p.m.

E. H. Howard

Secretary.

W. H. Massey

Chairman.

At the Special Meeting of the Council held on Wednesday, October 16, 1929,

at 4.30 p.m., there are:

Present:

Brig. General E.B. Macnaghten (Vice-Chairman)

Messrs. A. D. Bell

K. Fukushima

S. L. Hsu

V. G. Lyman

G. W. Sheppard

L. T. Yuan

The Commissioner of Police

The Commissioner of Public Health

The Senior Chief Health Inspector

The Secretary, and

The Deputy Secretary.

Absent:

Messrs. H. E. Arnhold

C. H. French

T. Funatsu

P. W. Massey

Yu Ya Ching.

Increased Price of Meat. - The Vice-Chairman states that this meeting has been convened in order to consider whether any action should be taken by the Council to deal with the situation which has arisen as a result of the stoppage of supplies following the imposition by the Authorities of Greater Shanghai of a tax of \$1. per head on cattle and 10 cents per head on sheep and goats which has resulted in the retail price of beef sold at the Hongkew Market advancing by 100%. The Vice-Chairman recalls that a somewhat similar situation arose last year following the imposition of a head tax on pigs and that eventually a compromise was arrived at between the Chinese authorities and the Dealers which rendered any action by the Council unnecessary. The Deputy Secretary outlines the position which obtained during the latter months of last year when a controversy arose between the Authorities of Greater Shanghai and the Council's Public Health Department over the examination of pig carcasses and the imposition of a fee in respect of pigs entering the Settlement and carcasses being taken from the Settlement

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into Chinese territory. At that time a settlement was reached by the Butchers agreeing to pay a lump sum to the Chinese Authorities instead of the stipulated head tax. A letter has been received today from the local Butchers and Dealers protesting against the imposition of the proposed tax and requesting the Council's assistance in obtaining its removal. From conversations he had with Mr. Cunningham last year he arrived at the conclusion that little could be done by the Consular Body to remedy such a situation as at present obtains.

The Vice-Chairman states that he has ascertained from the Commissioner of Public Health that there is only one week's supply of beef in the Settlement and that unless the Dealers and Butchers resume their functions within that time there will be a serious shortage of this commodity. He has discussed with the Commissioner of Public Health the feasibility of arrangements being made to import cattle from Tsingtau, but since such action on the part of the Council might antagonise the local Dealers and Butchers and also result in a large quantity of cattle being left on the Council's hands when a settlement is reached, the disadvantages of adopting this course are apparent. Personally he favours no action being taken by the Council for a week or so in the hope that during that period an amicable settlement will be reached between the Butchers and the Greater Shanghai Authorities.

With regard to a member's suggestion that cattle might be imported from River ports, members agree that as such action could be taken by the Butchers and Dealers direct provided they are prepared to pay any imposed levies and are able to maintain their usual profit on the sale of meat obtained by this means, it would be undesirable at the present stage for the Council to embark on this scheme.

After further discussion, and having regard to the fact that beef is not an absolutely essential article of diet, that consumption of this commodity by the Chinese community is comparatively small and that supplies of pork, game, fowl and fish are plentiful, it is decided to take no action for the time being. A reply will be made to the letter received today from the Butchers and Dealers to the effect that the Council is not at present disposed to intervene in this matter, but expressing its willingness to consider any views they may desire to put forward.

The meeting terminates at 4.55 p.m.

Sm. Stewart

Secretary.

W. H. ...
Chairman.

At the meeting of the Council held on Wednesday, October 23, 1929,

at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
Brig. General E. B. Macnaghten (Vice-Chairman)
Messrs. A. D. Bell
C. H. French
K. Fukushima
S. L. Hsu
V. G. Lyman
P. W. Massey
G. W. Sheppard
Yu Ya Ching
L. T. Yuan
The Director General, and
The Secretary.

Absent:

Mr. T. Funatsu.

The Minutes of the meeting of October 2 are read and confirmed and signed by the Chairman.

The Minutes of the Special meeting of October 16 are confirmed and signed by the Chairman.

The Minutes of the meeting of the Works Committee of October 1, are submitted and confirmed.

The Minutes of the meeting of the Health Committee of October 3, are submitted and confirmed. With regard to: Proceedings in the Provisional Court -

1550/ Case of the late V. Shapenoff. - In adopting a member's view that it might be impolitic to enter a formal protest with the Consular Body against the verdict rendered by the Consular Deputy in the above case, it is decided to forward the relevant papers to the Senior Consul for the information of, and for any action which might be deemed desirable by, the Consular Body.

2511 Appointment of a Municipal Veterinary Surgeon. -

Regarding the Council's liability for compensation to owners of animals destroyed on the instructions of a Municipal Veterinary Surgeon, the Secretary reports that he has been advised by the Council's legal adviser that whilst there is no definite code of law which is binding on the Court of Consuls he has no doubt the Court would hold that

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inasmuch as an animal is slaughtered for the common good compensation should be paid by the Council to its owner. Members, however, take the view that since up to the present owners of animals destroyed at the instance of a Veterinary Surgeon have not been compensated, the Council should disclaim liability for such payment.

The Minutes of the meeting of the Staff Committee of October 7, are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of October 14, are submitted and confirmed.

House Numeration. - Mr. Massey refers to the re-numbering on January 1 next of all houses on Bubbling Well Road as proposed by the Commissioner of Revenue and notified in the current draft Gazette. In this connection he refers to a scheme put forward some time ago by Mr. C. A. Bacon for the sectional numbering of all houses in the Settlement, a scheme which in his opinion merits examination. He alludes to the difficulty under the existing system of numeration of locating any particular house and to overcome this difficulty he suggests that the Council should adopt a scheme such as that put forward by Mr. Bacon or one on somewhat similar lines. The Secretary recalls that adoption of the scheme put forward by Mr. Bacon was moved at the annual meeting of ratepayers in 1928 but owing to the opposition of Mr. Fessenden, the then Chairman, the resolution was not carried. The Director General states that prior to the ratepayers meeting Mr. Bacon approached him and other Councillors but since it was obvious that the applicant's primary object was to secure a permanent position in the Council's service for the purpose of giving his scheme effect and also since adoption of any new system of house numeration required the Council's most careful consideration, he was not prepared to support the resolution until the Council had had an opportunity of ascertaining whether the proposed system would prove satisfactory for Shanghai.

The Secretary states that subsequently the scheme put forward by Mr. Bacon was examined by the Revenue Office but on account of the heavy cost of putting it into effect and the difficulty of adapting it to local conditions, the Commissioner of Revenue was unable to recommend its adoption.

In submitting that the present system of house numeration is unsatisfactory, Mr. French suggests that the general question of sectional numbering should be considered with a view to

its adoption without calling for outside assistance to put the scheme into effect.

The Commissioner of Revenue attends and expresses the opinion that the present system of odd and even numbers of houses on each side of a road respectively could be improved upon provided sufficient numbers are held up for areas to be developed in the future. In his view the advantages of sectional numbering are far outweighed by the high cost involved in effecting this change and the difficulties of adapting this system to the Settlement. Whilst such a system might be suitable for a city in the early stages of its development the general lay-out of which is planned in advance in the form of straight roads and squares, he considers that it would be most difficult to adapt it locally on account of the irregular form of the development of the Settlement and the large area thereof which is intensively developed with Chinese houses. Mr. Sheppard states that a similar scheme was introduced some years ago in Tientsin and whilst at first sight its adoption appeared to be simple, unexpected difficulties arose during the process of putting the scheme into effect. For this reason he is opposed to any change until the practicability of any alternative scheme has been very carefully considered, and to this end he suggests that the Public Works Department, in collaboration with the Revenue Office should be asked in the first instance to formulate a scheme for the sectional numbering of properties on Nanking and Bubbling Well Roads from the Bund to the end of the latter road. With this report available the Council would be in a better position to judge as to the feasibility of the general adoption of such a scheme for the whole of the Settlement. After discussion members endorse Mr. Sheppard's proposal, and the Public Works Department and the Revenue Office will be asked to submit their report within one month; in the meantime the notification appearing in the draft Gazette regarding the re-numbering of houses on the Bubbling Well Road will be withdrawn.

The Commissioner of Revenue withdraws.

History of Shanghai. - An application by Mr. F. L. Pratt for appointment as
118 the Council's Official Historian for the purpose of bringing up to date the "History of Shanghai" commenced by Messrs. Lanning and Couling and sponsored by the Council, is submitted. After brief discussion and on the ground that no valuable purpose would be served by proceeding with

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this work at the present time, the application is disapproved.

5067 Chinese Poor Relief. - A letter from the Chinese Ratepayers Association supporting the application of Mr. Lo Veng-Tsung that the Council should introduce a system whereunder the poor of the Settlement would be granted loans, is submitted. It is stated that the authorities of the neighbouring Chinese territory have already adopted such a system. The Secretary states that the question of granting poor relief has been considered by the Council many times in the past, but on the ground that such assistance would undoubtedly attract more indigents to Shanghai and that equal treatment in this respect would have to be accorded to all nationals in the Settlement, it has consistently declined to accept this liability. After discussion the view obtains that the facilities requested should more rightly be afforded by Philanthropic Organizations and as in any case the Council has no power to loan money from public funds to individuals without the specific sanction of the rate-payers, members are unable to entertain the above application.

9063 Mr. W. G. Clarke - Termination of Services. - A letter from Messrs. Ellis & Hays stating that their client, Mr. W. G. Clarke, is not willing to accept the notice of the termination of his services and enquiring whether the Council is willing to reinstate him as Director of Criminal Investigation as originally agreed upon with effect from the date of his return from long leave, is considered. With regard to Messrs. Ellis & Hays' contention that the statement made to Mr. Clarke by Mr. Fessenden is sufficient to establish a contract continuing at least until his return from leave, the Director General states that members are aware of the position which arose between Captain Barrett and Mr. Clarke over the question of the organization and efficiency of the Police Force. It will be recalled that Mr. Clarke was promoted to the rank of Deputy Commissioner of Police with a substantial increase of pay. He refused, however, to sign an agreement upon being promoted. After being granted sick leave, Mr. Clarke returned to Shanghai and shortly afterwards, on account of personal affairs, was granted accelerated long leave. Shortly before proceeding to England he informed Mr. Fessenden that he realised that any statements made by Mr. Fessenden regarding his status, agreement, etc. were subject to the confirmation of the Council; he also indicated that whilst he was not keen on returning to the Council's service he would do so if the Council so desired. The question of his return was thus left in an indefinite state and nothing in the conver-

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sations which passed between Mr. Clarke and himself could be construed as constituting an agreement. He therefore advises that Messrs. Ellis & Hays be informed of the facts of the case and of the Council's intention to adhere to its previous decision.

Mr. Bell states that he has been approached by a friend of Mr. Clarke who stated that Mr. Fessenden had given him (Mr. Clarke) an explicit undertaking that if he recovered in health the position he held before proceeding on long leave would remain open to him, and that it was only on the grounds of ill health that he declined to sign his agreement. Mr. Fessenden, however, denies that any such undertaking was ever given by him to Mr. Clarke.

Mr. Yuan states that a number of Chinese have expressed their regret at the termination of Mr. Clarke's services, as, in their opinion, he was admirably suited for the position of head of the Criminal Investigation Department.

Members, however, agree with the Chairman that in view of Mr. Clarke's age and his relations with other senior Police Officers, retention of his services would not be in the best interests of the Force. It is accordingly decided to reply to the letter from Messrs. Ellis & Hays on the lines recommended by the Director General.

Police Reorganization. - The recommendations contained in two reports by 1062 Major Gerrard on (1) the formation of an armed reserve and (2) the Branch and Divisional Scheme of Control which have been circulated to members are formally approved.

Pacific Relations Conference. - The Chairman reports that Mr. Fessenden has received an invitation from the American Delegation to attend as a full member of that Delegation the discussions of the Institute of Pacific Relations which are being held at Kyoto from October 28 to November 9. As important questions concerning Shanghai will have a prominent place in these discussions, members concur that it is most desirable that some one capable of speaking with authority and first hand knowledge of Shanghai problems should attend this conference, and the Chairman's proposal that Mr. Fessenden be authorised to accompany the American Delegation is un-animously approved.

Telephone Service. - The Chairman reports that the expert loaned by the British Post Office Authorities arrived in Shanghai last Saturday. He has commenced his investigations into the telephone service and every 54887 Assistant is being afforded him by the Telephone Company to this end.

Prisoners Aid Society. - The Vice-Chairman states that he attended a meeting yesterday for the purpose of considering whether assistance could be

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afforded to prisoners upon their release from Ward Road Gaol. The majority of these upon their discharge from prison are penniless and in many instances are forced to return to a life of crime with the result that they are again convicted shortly afterwards and return to the gaol. Those present at the meeting considered that if these prisoners could be met upon their release from the Gaol and given temporary financial help until they had secured employment, the number of those who return to the gaol would decrease. The meeting accordingly requested General Macnaghten to solicit the Council's sympathy with the above proposal and to ascertain whether it would make a grant of \$5,000 a year to a properly constituted Committee who will undertake the necessary work.

In agreeing that the object of the Committee is most praiseworthy members authorise General Macnaghten to give an assurance that the Council will contribute a sum of \$5,000 per annum towards its activities. As, however, the Council no longer obtains any revenue from the Provisional Court and as the Committee's efforts will be solely in the interests of prisoners convicted by that Court, it is decided that representations be made through the Consular Body with a view to a contribution also being made by the Provisional Court towards the expenditure incurred by the Committee.

The Municipal Gazette for Friday, October 25, is submitted in proof and authorised for publication.

The meeting terminates at 6.15 p.m.

Shirley A. B.

Secretary.

W. Macnaghten

Chairman.

At the meeting of the Council held on Wednesday, November 13, 1929,

at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E.B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 K. Fukushima
 S. L. Hsu
 V. G. Lyman
 F. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. C. H. French
 T. Funatsu.

The Minutes of the last meeting are read and confirmed and signed by the
 10/22 Chairman. With regard to: House Numeration. - The Director General reports that just prior to this meeting Mr. Bacon called on him and again pressed for the adoption of the sectional system of house numeration. The Director General explained to him that his reason for opposing the adoption of this system at the Annual Ratepayers Meeting in 1928 was that the Council might be afforded an opportunity of thoroughly examining the system and its suitability for Shanghai. In view of Mr. Bacon's insistence and as the existing system of house numeration is admittedly far from satisfactory, he finally agreed to convene a round table conference at which the Commissioner of Public Works, the Commissioner of Revenue and the Chief Officer of the Fire Brigade would be present and which Mr. Bacon would be invited to attend. He considers that by this means it will be possible to arrive at a definite conclusion for the improvement of the existing system or adoption of that proposed by Mr. Bacon or one on somewhat similar lines. If any members of Council wish to be present at this conference he will notify them of the date fixed therefor. His proposal that further consideration of this question be deferred until after the proposed conference has taken place

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is unanimously adopted.

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Mr. W. G. Clarke - Termination of Services. - Members are informed that since the last Council meeting a letter has been received from Messrs. Ellis & Hays stating that Mr. W. G. Clarke does not agree with the Council's version of his interviews with Mr. Fessenden and he reiterates that he has been most unjustly treated. The Director General states that since his return from Japan he has received a visit from a representative of Mr. Clarke who stated that Mr. Clarke wished to make it clear that he was not associating himself in any way with Mr. Beatty and other persons who have made attacks on members of Council.

The Minutes of the meeting of the Staff Committee of October 28, are submitted and confirmed.

The Minutes of the meeting of the Works Committee of October 28, are submitted,

and subject to the following exception, are confirmed. ¹⁵⁵² Land and House
¹⁰⁹⁸ Reassessment. - With regard to the recommendation that a reassessment of land should be undertaken forthwith in order that the revised values may become effective at the commencement of the next Municipal year, the Chairman refers to the undertaking given at the last annual meeting of ratepayers that the Council would, during the current year, consider the question of a reduction in the General Municipal Rate. For this reason he expresses doubt as to the advisability of revising the land assessment at the present time since the ratepayers might rightly take the view that the benefit to them of a reduced municipal rate will be offset by an increased land assessment. The Director General recalls that criticism has been levelled at the Council in the past on account of the frequency with which land assessments are undertaken and since he knows of no other municipality in the world where land assessments are undertaken every two or three years, he considers that it would be impolitic to undertake a reassessment within two years of the last one being effected.

The Deputy Secretary states that he prepared a comprehensive memorandum on this question for the information of the Works Committee and as this fully sets out the reasons why, in his opinion, the immediate reassessment of land is desirable, he suggests that decision in this matter be deferred until members of Council have been supplied with a copy of the memorandum. He explains that as the assessments levied on buildings are based on their full value, their occupiers pay more than their proportion of taxation as compared with

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the taxation borne by land owners, since the land assessment is not based on the gross value as prescribed by the Land Regulations. The increase in the assessment does not necessarily determine the rate levied on owners and as explained to the Works Committee, such rate could, if the Council so desired, be reduced within the prescribed limits. He regards it as only equitable that the proportion between the rate levied on land and that levied on buildings as prescribed by the Land Regulations should be maintained. He refers to recent decisions of the Land Commission whereunder the compensation awarded has been out of all proportion to the assessed value of the land.

Mr. Bell states that although the Works Committee recommended that a reassessment of land be undertaken forthwith he personally is doubtful as to the advisability of this being undertaken simultaneously with consideration being given to a reduction in the General Municipal Rate. He therefore considers it desirable that the land reassessment should be deferred at any rate until next year. In concurring in this view the Chairman suggests that if the reassessment of land is not proceeded with until next year, the ratepayers can be informed at the next annual meeting that a reassessment of land will be recommended by the out-going Council in order that the correct ratio prescribed by the Land Regulations between the taxation paid on land and that paid on buildings can be maintained.

After further preliminary discussion, members generally are averse to a reassessment of land at the present time. It is decided, however, to defer decision in this matter until the next Council meeting; in the meantime the memorandum prepared by the Deputy Secretary will be circulated to members for their information.

Mr. A. G. Clear attends.

Supervisor of Schools. - In a report which has been circulated Mr. Clear 5864/1 advocates the early appointment of a Supervisor of Schools and recommends that Mr. L. C. Healey, Headmaster of the Polytechnic Public School for Chinese be appointed to this post. In comment on this and the other proposals put forward, the Chinese members of Council and of the Chinese Education Committee advance alternative suggestions. In respect of these and in amplification of his further memorandum submitted, Mr. Clear states that with regard to the view of the Chinese members that the appointee to the post of Supervisor should be an eminent educationist and be secured from outside the Council's service his investigations into

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the administration of the Chinese Public Schools show them to be most efficient and fulfilling their original purpose of providing a model for self-supporting Chinese Public Schools. In view of the number of national schools in the Settlement he does not consider that the man appointed to the post of Supervisor of Schools should be called upon to frame an educational policy for the whole of the Settlement. So far as the educational facilities provided by the Council are concerned he considers that the ideal man for such a post is one possessing the qualifications enumerated in his memorandum.

With regard to the proposal of the Chinese members that the present separate Committees for Chinese and Foreign education should be maintained and not merged into a permanent Board of Education he states that members of the existing two Committees have little knowledge of the personnel of the educational staff and that they have insufficient leisure to make themselves conversant with the needs of the various schools. A permanent Board of Education if appointed on the basis he suggests would be required to make itself thoroughly acquainted with all phases of school administration. He adds that the proposed personnel of the Board is only tentative and will require further consideration. He is unable to endorse the view of the Chinese members that a Chinese Deputy Superintendent of Education should have supervision over all the Chinese Schools as from his investigation it is apparent that the discipline of the primary schools cannot bear comparison with that maintained at the Municipal Chinese Public Schools.

The Director General states that at the Kyoto Conference the question of Chinese education was raised as a political issue. It is obvious that if approached from that aspect a solution of the question of providing educational facilities for the general good of the community will be most difficult. He feels confident therefore that the Chinese members will appreciate the necessity of viewing this question from an entirely non-political standpoint and will collaborate in the endeavour now being made to ensure a satisfactory solution of the problem now before the Council.

With regard to the provision of educational facilities both for Chinese and foreign pupils, Mr. Bell suggests that the Council should not overlook the fact that under the Lester Trust a large school is to be erected in Seward Road to provide elementary education and later this will be combined with a technical school. The additional educational

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facilities provided by this school may have some bearing on the Council's educational programme and as a number of skilled educationists will be engaged by the Lester Trust he also suggests that some of these might suitably be asked to serve on the permanent Board of Education.

Mr. Hsu gives an assurance that the Chinese members do not view the question of the provision of educational facilities as a political issue but that they treat it solely as a municipal and practical proposition. On the ground, however, that the problems to be dealt with arising out of the provision of foreign and Chinese education are basically different, the Chinese members consider it desirable to maintain two separate Committees for this purpose. If the creation of the post of Supervisor of Education is approved he desires to know how such an appointment would affect the post of the Chinese Education Officer. Mr. Clear replies that the supervision of the primary schools is already under the control of the Educational Assistant, the appointment of a Supervisor of Schools would therefore have little bearing on the position of the Chinese Education Officer. With regard to the question of Chinese education he states that the Council has the advantage of the experience over a period of twenty five years of the Municipal Chinese Schools being administered by Committees jointly composed of Chinese and foreign members and he submits that if the Chinese members will inspect and study the administration of these schools they will be convinced that this system has met with unqualified success. While he is not prepared to admit that any good purpose would be served by retaining separate Committees to deal with the Chinese and foreign schools, on the ground that the education provided at the primary schools is of a purely Chinese character, he endorses Mr. Hsu's proposal that a separate Committee be retained for dealing with questions pertaining to these schools. Mr. Hsu then states that the Chinese members would be prepared to agree to the formation of a permanent board of education provided that two of its members out of the total of five are Chinese. Mr. Clear considers that adoption of this proposal would be advantageous and this is unanimously approved. In reply to a further enquiry by Mr. Hsu, Mr. Clear states that with the retention of the Committee to deal with the primary schools, the Chinese Education Officer would remain as at present under its supervision.

Subject to the above modifications as regards the constitution of the permanent board of education and retention of a

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Chinese Education Committee to deal with questions relating to the Primary Schools, members unanimously endorse Mr. Clear's proposals including the appointment of Mr. Healey as Supervisor of Schools upon the terms recommended and the formation of a permanent board of education, each member thereof to be paid an annual sum of Tls. 750 for his services, the personnel of such Committee to be the subject of a further recommendation by Mr. Clear.

Mr. Yuan states that whilst the Chinese members of Council support the above proposals in principle they still feel that an endeavour should have been made to obtain the services of an eminent educationist for appointment to the post of Supervisor of Schools. At Mr. Yuan's request, Mr. Clear undertakes to furnish him with a formal reply to the points raised by the Chinese members and giving his reasons for recommending the appointment of Mr. Healey to this post.

In conclusion Mr. Sheppard desires his view recorded that the Council should seriously consider as to what extent it should assume further liability for the provision of educational facilities as, in his opinion, the expenditure of public funds beyond the sums already hypothesized for this purpose is not desirable.

Mr. A. C. Clear withdraws.

Orchestra & Band Committee - Membership. - In accepting with regret the resignation of Mr. L. de Luca from the membership of the Orchestra and Band Committee owing to his impending departure from Shanghai, the suggestion put forward by him that Mr. A. J. Hughes be invited to fill the resulting vacancy on the Committee is adopted.

Sale of Fire Arms. - Mr. Massey states that he was recently approached by the Chairman of the Piece Goods Guild in the matter of obtaining a revolver for his own personal protection. He is at present undertaking a course of instruction in the use of firearms and whilst the Police are willing to issue him a permit to carry same he finds it impossible to obtain a revolver other than through irregular channels. He was not aware until today that this matter was considered early this year by the Council and decision reached that only in special cases were the Police Department authorized to issue firearms to private individuals. In the case of the watchman employed by his own firm he has made representations to the Police Department that this employe should be armed with a revolver instead of a carbine as at present, but he has been informed that no revolvers are

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available for this purpose. He understands, however, that a quantity of revolvers are seized by the Police from time to time and that these are subsequently destroyed. In view of the risks run by Chinese individuals of the responsible classes he considers that such arms should be issued to them on loan against a cash deposit provided the Police were satisfied that they would not get into the hands of the criminal classes and that the person to whom the revolver was issued was proficient in its use.

The Director General replies that this question was discussed at length last year as a result of a proposal put forward that the Council should undertake the sale of firearms on an extensive scale to individual Chinese. For the reasons recorded at that time the Council realized that it could not embark on such a scheme; authority was, however, accorded to the Police Department to issue firearms on loan to Chinese individuals subject to certain conditions. Mr. Fessenden accordingly suggests that since the case quoted by Mr. Massey comes under the category of Chinese persons to whom the Council has no objection to firearms being issued, that he (Mr. Fessenden) should take up this case personally with the Deputy Commissioner of Police with a view to a revolver being issued. He also undertakes to forward Mr. Massey a copy of the Police report dealing with the objections to the arming of watchmen with revolvers instead of carbines as at present. The above suggestions are approved, members agreeing that in future similar cases firearms should be loaned against a cash deposit.

Pacific Relations Conference. - At the Chairman's suggestion, the Director General gives a brief resumé of the questions discussed at the above conference. Mr. Fessenden states that although the representatives attending the conference had no official connection with the Governments of the countries they represented, there is no doubt that the conclusions arrived at by them on the various questions under discussion will carry considerable weight with their respective Governments. The two subjects on the Agenda which excited most interest were (1) the Manchurian situation and (2) the question of extraterritoriality and the future status of Shanghai. He gained the impression that the delegates as a whole were primarily interested in the latter question. The Delegates were divided into groups, the press was not admitted to their deliberations and the various conferences were conducted on the understanding that the individual speakers should frankly voice their views and that such would not be made public.

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He found that he himself was the only Delegate present who was thoroughly familiar with the point of view of the foreign community of Shanghai. Accordingly he was called upon to address each of the various groups on question (2) above. The Chinese had their delegates in each group to put forward the Chinese point of view. He was deeply impressed by the manner in which the Chinese speakers presented their case and he considers that if the National Government Officials are of the same point of view as the Chinese delegates, a solution satisfactory both to the Chinese and foreign communities will be facilitated. The Chinese delegates without exception appreciated the foreign point of view that if extraterritorial treaties were abrogated the rights of certain foreigners would not be protected nor did they press for the premature rendition of the foreign Settlement. The interest evinced by the American, British and Japanese delegates in the future status of the Settlement was outstanding, all of them being desirous of reaching some solution of this difficult question which would be acceptable both to the Chinese and foreign communities. The conference did not frame any formal resolutions but it welcomed the most frank and open discussions on all problems which concerned the countries represented by the delegates with the object of such discussions forming a basis for negotiations of a more formal character. Although the conference was conducted on entirely unofficial lines he considers that it was served a very valuable purpose in that the discussions on the various questions have created a better atmosphere and a clearer understanding by all the delegates of the diverse points of view which will subsequently have to be given the fullest consideration.

The Municipal Gazette for Friday, November 15, is submitted in proof and authorized for publication.

The meeting terminates at 6.20 p.m.

W.A. - ed J.
Chairman.

Sheppard
Secretary.

At the meeting of the Council held on Wednesday, November 27, 1929,

at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 K. Fukushima
 S. L. Hsu
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. C. H. French
 T. Funatsu.

The Minutes of the last meeting are read and confirmed and signed by the Chairman. With regard to: House Numeration, - The Director General reports that a round table conference to discuss this question has taken place but that no definite conclusions were arrived at. Several new points which hitherto had not received consideration were brought forward and in order to make further progress the Acting Commissioner of Public Works in conjunction with Mr. Bacon is preparing a plan illustrating a typical Chinese street with houses thereon numbered in accordance with the system advocated by Mr. Bacon. When this has been prepared he hopes to be in a position to put forward something more definite for the Council's consideration.

53076
Supervisor of Schools, - Members are informed that Mr. Healey has accepted the Council's offer to appoint him to the above post but has suggested that the designation should be altered to that of Superintendent, Education Department. The proposed alteration is approved.

1544
Sale of Fire Arms, - The Director General reports that he has ascertained that the Police Department have destroyed some 250 seized revolvers during the past year. The majority of these weapons

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were of the Mauser type and owing to their high penetrating power which enables their bullets to pierce the bullet proof vests worn by Police officers the Department considered it inadvisable to permit them to pass into other hands. Seized weapons of other types have also been destroyed if in the opinion of the Police they were in any way defective or if their mechanism was complicated. If the Council continues its practice of issuing fire arms on loan to private individuals he considers that it would be desirable to acquire a small number of an approved type for the purpose. It is intended to withdraw the .32 Colt pistols now utilised by the Police Department and to replace them with a corresponding number of weapons of the same calibre as used by the majority of the Police; those withdrawn from use will be available for issue to individuals. In agreeing with the Director General as to the issue of fire arms of an approved type only, the purchase of a small number of suitable weapons for this purpose is authorised.

The Minutes of the meeting of the Works Committee of November 19, are submitted and confirmed.

The Minutes of the meeting of the Orchestra and Band Committee of November 22 are submitted and confirmed. The Chairman states that he understands that the new Lyceum Theatre will have seating accommodation for 750 people and his suggestion is adopted that when this building is erected enquiry should be made as to the possibility of obtaining the use thereof for orchestral performances.

Land Reassessment. - As directed at the last meeting the memorandum on this question prepared by the Deputy Secretary has been circulated to members. The Chairman states that he adheres to the opinion that it would be unwise to undertake the reassessment of land values concurrently with consideration being given to a reduction in the General Municipal Rate. In view of certain political issues with which the Council may be faced next year he deprecates any action being taken which might involve it in difficulties with the Chinese community. In his opinion if a land reassessment is undertaken at the present time the Council would be accused of bad faith regarding its undertaking to consider a reduction in the General Municipal Rate.

Mr. Lyman suggests that if the land reassessment is undertaken solely with the object of maintaining the correct ratio of taxation borne by owners of land and buildings the actual rate could be reduced so that the present revenue from land tax is not increased.

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In this connection the Chairman points out that if it is decided to reduce the General Municipal Rate next year the tax on land would automatically be decreased. On the ground that the rentals of houses occupied by the poorer classes of the Chinese community will be increased if a reassessment of land is undertaken Mr. Hsu deprecates such reassessment being undertaken at the present time.

Mr. Massey favours the reassessment being proceeded with in order that the correct ratio of taxation on land and buildings may be maintained. He does not, however, consider that the actual revenue derived from the land tax should be increased. If the reassessment is undertaken solely with this object he does not consider there would be any ground for objection on the part of the community. In agreeing as to this the Director General submits that it would be most difficult to get the Chinese community to appreciate that the reassessment is not being undertaken with the object of obtaining additional revenue and they would undoubtedly gain the impression that the reassessment was directly related with the Council's undertaking to consider a reduction in the General Municipal Rate.

In view of the time required to undertake a reassessment Mr. Sheppard supports Mr. Massey's view as to the desirability of this being proceeded with. In his opinion if there is any delay in the reassessment being undertaken it is improbable that it can be made effective before 1931. Mr. Massey suggests that if the reassessment is completed before the next Annual meeting with the object of its becoming effective as from July 1 and the Ratepayers informed of the Council's reasons for undertaking this they cannot but agree as to the propriety of the Council's action. In endorsing this view Mr. Sheppard doubts whether there is sufficient time for the reassessment to be completed in time to enable it to become effective as from July 1. He considers that the reassessment should be proceeded with forthwith in order to enable the revised land values to take effect as from the commencement of 1931. After further discussion the majority of members concur in the Chairman's opinion that it would be impolitic to undertake a reassessment of land values until the Ratepayers have been advised of the Council's object in effecting this. It is accordingly decided that such reassessment be postponed for one year. In view of this decision consideration of the proposal put forward regarding the change in the constitution of the body of the Land Assessors is deferred.

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Licence fee for Bicycles. - With regard to the minute recorded at the meeting on January 9 last and to the recent enquiry of the French Municipal Administration as to whether the Council would agree to an increase of the licence fee for bicycles from \$2. to \$3 per annum, it is decided to agree to this increase as from the commencement of 1930, and the French Municipal Administration will be notified accordingly.

Shanghai Telephone System - Mr. Anson's report. - The report of Mr. B. O. Anson on his investigation into the local telephone system has been circulated. This is formally adopted and will be published in the next issue of the Municipal Gazette. The Chairman reads a further letter addressed to him by Mr. Anson regarding the financial aspects. Members are informed that Mr. Anson is at present in Japan but that he will return to Shanghai next week in order to furnish the Council with any further information they may require on his report. The Director General reports that he has been approached by a representative of a powerful financial Corporation not interested in the sale of telephone equipment who stated that they are prepared to finance the telephone company.

The Lester Trust - Appointment of Trustees. - Mr. Bell states that under the will of the late Mr. Henry Lester the duty of appointing trustees devolves upon the Council. A vacancy has arisen through the departure of Mr. Cubitt and his fellow trustees have intimated their desire that Mr. H. Porter should be nominated as his successor. As Mr. Porter has intimated his willingness to act in this capacity, it is unanimously decided to invite him to fill this vacancy.

Shanghai General Hospital. - A draft letter from the Medical Superintendent of the Shanghai General Hospital drawing the Council's attention to the fact that upon the resignation of Dr. F. M. Neild, Dr. A. C. Bryson was invited by the Council to serve on the Board of Governors of this institution without any reference to the Board is submitted by Mr. Sheppard and passed to the Secretary for investigation.

For purposes of record Mr. Sheppard also presents a letter from the Treasurer of this hospital furnishing financial details in connection with the Staff superannuation fund recently instituted.

The Municipal Gazette for Friday, November 29, is submitted in proof and authorised for publication.

W. Sheppard

Secretary.

G. Anson

Chairman.

At a Special meeting of the Council held on Thursday, November 28, 1929.

at 4 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 K. Fukushima
 S. I. Hsu
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. C. H. French
 T. Funatsu.

The Future Status of Shanghai. - The Chairman states that members are aware of the tenor of the discussions which recently took place at the Pacific Relations Conference at Kyoto and the general feeling of the delegates, including the Chinese, of the necessity of some solution regarding the future status of Shanghai being arrived at. Having regard to the desire of the Chinese to obtain gradual control of the Settlement and in view of the magnitude of the foreign interests involved those present at the Conference generally took the view that any change in control should be effected by a gradual process. Since the Director General's return from the Conference a number of the British delegates have visited Shanghai and have suggested that it would be a wise move on the part of the Council to endeavour to secure the service of a man of a world-wide reputation who has experience in such matters to make an investigation as to the most practicable steps to be taken to achieve this end. Mr. Curtis, one of the leading British Delegates has advised that the best possible man for this duty is Judge Feetham of South Africa who was mainly responsible for negotiating the Treaty between the British Government and the Irish Free State and also the Treaty with the Union of South Africa at the conclusion of

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the Beer War.

Mr. Curtis has cabled Judge Weetham enquiring whether, in the event of his being invited by the Council to come to Shanghai to conduct an investigation he will accept such an invitation and a reply has been received today that he will be willing to do so subject to the consent of his Government.


The Director General states that during his visit to Washington this year it was evident that the State Department was of the opinion that the foreign community of Shanghai should itself do something on constructive lines towards reaching a solution of this question, due regard being given to the pronounced policy in this respect both of America and Great Britain. No detailed suggestions have been advanced by the Governments of either of these countries as to the manner in which the foreign community should proceed to achieve this end, but he was informed by the State Department at Washington that any proposals put forward which were founded on expert advice would carry more weight than if they were formulated in the absence of such expert advice. In fact he was urged by officials of the State Department to suggest to the Council immediately on his return the advisability of securing the services of such an expert. He is therefore of the opinion that the engagement of an expert of international reputation to assist the Council in this matter will have the support both of the American and British Governments. So far as he could judge from the discussions which took place at the Kyoto Conference the Chinese delegates took the view that an endeavour to formulate a constructive scheme with the assistance of expert advice would meet with the approval of the Chinese Government. Past experience has shown that in the absence of centralization unofficial discussions achieve small results. For this reason he considers it most desirable that the Council should take the lead in initiating discussions with the object of this difficult question being thoroughly investigated from every point of view and some practicable conclusion arrived at which would be satisfactory to all parties. Judge Weetham bears the highest possible reputation in circles conversant with the difficulties of such problems and he considers that no other man in the world is so well qualified to assist in arriving at a solution of the question of the future status of Shanghai. Furthermore Judge Weetham being a stranger to China would have the additional advantage of being able to view this question with an open and impartial mind although he has previously negotiated questions of an equally difficult nature.

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In reply to a member's enquiry as to how long it is anticipated that an expert would be engaged for the investigation, the Chairman states that this question was raised by Judge Feetham; he, the Chairman and the Director General consider he would be required to be in Shanghai for a period of from six to twelve months; the method of investigation would of course be left entirely to Judge Feetham.

After discussion members take the view that the engagement of Judge Feetham for the purpose of advising the Council in the matter of formulating constructive proposals regarding the future status of Shanghai would be in the interests of the entire community and it is unanimously decided that a cable be despatched to him stating that it is anticipated that his labours could be completed within a period of from six to twelve months and that a cable be also transmitted to the South African Government requesting that Judge Feetham be permitted to assist the Council in this matter.

The meeting terminates at 4.25 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, December 11, 1929,
at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 S. L. Hsu
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. K. Fukushima
 T. Funatsu.

The Minutes of the last meeting are read and confirmed and signed by
 the Chairman.

The Minutes of the Special Meeting of November 28 are confirmed and signed.

5826 Mr. Massey's proposal is adopted that the announcement issued to the press a few days ago regarding the engagement of Judge Feetham be published in the Municipal Gazette. Upon Mr. Bell suggesting that when important announcements of this nature are made public members of Council should be given the opportunity of perusing same prior to publication, the Chairman states that in the ordinary course this procedure would have been followed but owing to the questions which were asked in the House of Commons relative to this appointment publication of this statement became so urgent that it was not possible to consult members prior to issuing same to the press.

1063 The Minutes of the meeting of the Staff Committee of December 2, are submitted and confirmed. Issue of ex-gratia payment to Captain Barrett upon termination of services. - With regard to the Committee's recommendation that an ex-gratia payment equivalent to six months pay should be issued to Captain Barrett, Mr. French states that he con-

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siders in such cases the Council should confine itself to the issue of benefits to which the employe is legally entitled. Mr. French is informed that the Committee took the view that a hardship is inflicted on an employe in receiving notice of termination during his absence on long leave, and this factor together with Captain Barrett's length of service influenced their view that the issue of three months pay in addition to that to which he was entitled in lieu of notice was merited. In agreeing that the circumstances of this particular case may merit special consideration, Mr. French observes that the Council might be placed in a difficult position if in future the treatment accorded in this case is quoted as a precedent. The Chairman points out that the application on behalf of Captain Barrett was treated as a special case, accordingly the ex-gratia payment issued to him cannot be quoted as a precedent.

The Minutes of the meeting of the Watch Committee of December 3, are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of December 5, are submitted and confirmed. Debenture Trust Deed and Superannuation and

5825/4 Pension Funds. - In connexion with the option to be granted to employes to convert their superannuation monies to a gold basis, Mr. Massey enquires as to how this affects the Council's liability for "make-up" payments under the pension scheme to employes upon their retirement. The Chairman states that in cases where employes exercise their option to convert their holdings in the superannuation fund to a gold basis the official accounts will continue to be kept on a silver basis for the purpose of computing the pension payments to be made by the Council.

Financing of the Telephone Company. - The Chairman states that upon the return of Mr. Anson from Japan further information was obtained from him in connexion with his report on the telephone system and that subsequently a letter was received from the Telephone Company to the effect that its Directors concurred in the recommendations put forward by Mr. Anson and expressed their desire to effect the proposed improvements with the least possible delay. On receipt of this letter a meeting was arranged with a representative of the French Municipal Administration who intimated that the French Municipal Authorities considered, in the light of Mr. Anson's report, that it was not desirable for the Company to continue as at present constituted particularly in view of the magnitude of the amount required

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to finance the improved system. It was accordingly considered desirable to reply to the Company's letter to the effect that in the opinion of both Councils the best possible solution would be the sale of the undertaking to an organization which is in a position to provide the necessary capital to ensure that the improvements recommended by Mr. Anson are given effect to. The Chairman then reads the draft of the proposed letter for members' approval.

Mr. Bell states that while he has no fault to find with the purpose it is desired to achieve, he feels that he must protest strongly against the manner in which this matter has been handled. A few days ago he learned from outside sources that a letter such as that read by the Chairman was being drafted and was being discussed by certain parties although members of Council officially were unaware of its purport. It was not until this morning that he was officially notified of the action which has been taken in this matter although other persons, not members of Council, have been aware of this for several days. In such cases he considers that the Chairman should consult with members of Council rather than discuss such matters with outside persons and since he himself is a Director of the Company and the Council's nominee thereon, he considers he should have been kept informed of the steps taken in this matter.

The Chairman replies that the letter was only discussed with the representative of the French Council on Monday last and any information which has become public knowledge must have emanated from that source. The Council gave an assurance that it would take no action regarding the Telephone Company without first consulting the French Authorities. A conference accordingly took place with the representative of the French Council as a result of which the draft letter now submitted was approved.

Despite the Council's obligations to the French Authorities, Mr. Bell states that nothing will convince him that it was necessary to consult them prior to consulting members of Council or that it was in order for this matter to be discussed with outside parties prior to members of Council being acquainted with the steps proposed to be taken. With all respect he submits that this is essentially a question upon which members of Council should have been kept informed. The Chairman reminds Mr. Bell that he (Mr. Bell) spoke to the Director General last week regarding the draft of a

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letter calling for tenders for the purpose of financing the Company. It can therefore be assumed that Mr. Bell was not entirely unaware of the proceedings taken in this matter. Mr. Bell reiterates that he first heard of the draft letter now submitted from outside sources and he gathers that the French Municipal Authorities regard the proposals contained in this letter as being based on the decision of the full Council. With regard to Mr. Bell's statement that the purport of this letter was transmitted to the French Consul-General at Hanking, the Chairman states that he understands such action was taken by the representative of the French Municipal Administration in order to avoid delay.

Dealing then with the draft letter, Mr. Bell is of the opinion that its tone implies that the Company has forfeited its franchise; while the Company has admitted that the service provided is not satisfactory and has intimated its willingness to adopt the recommendations put forward by Mr. Anson, he is convinced that the Directors will rightly resent the inference in this letter that the Company has forfeited its franchise. In support of this contention he states that within a few days of the receipt of Mr. Anson's report the Council loaned the Company Tls. 2,000,000 which it would hardly have done had it taken the view that the Company had forfeited its franchise. In his opinion the Council's action in granting this loan constitutes condonation and a waiver of its rights as to forfeiture of the franchise. He is convinced that if the letter is sent to the Company in its present form an acrimonious reply will be received and he suggests that the tenor of this should be such as could be suitably received by a self-respecting Board of Directors. Dealing then with the proposals contained in the draft letter, Mr. Bell points out that some tenderers may wish to submit offers for the purchase of the undertaking outright whilst others may prefer to make offers for its gradual absorption. He therefore suggests that the letter should be couched in such terms as will secure the submission of offers on either basis. He adds that he approached the Chairman earlier in the week with a view to this matter being brought to the attention of interested parties. As a result a letter to this end was approved by the Chairman and the Director General and one reply has already been received. Other interested parties are still engaged in preparing offers for submission to the Company; the draft letter now submitted by the Chairman is therefore virtually an instruction to the

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Company to take action which it has taken already.

The Chairman replies that the sole purpose of the draft letter to the Company is to obtain offers on a uniform basis. He has no objection, however, to the letter being redrafted and it is for this purpose that the draft is submitted to members at this meeting.

Mr. Bell states that no self-respecting Board of Directors would agree to the suggestion that the offers for taking over the Company should be opened by an official of the Council nor could they concur in the proposal that acceptance of any particular tender should be contingent upon the approval of the two Councils. In his opinion the proper procedure would be for the Directors to advise the Shareholders of the Company which offer in their opinion is the most advantageous and then discuss same with representatives of the two Councils subsequently recommending such to the shareholders for acceptance. He emphasises that the Company is not under the control of certain individuals and that decision in the matter of disposal rests ultimately with the shareholders who in turn would be guided by the Directors. He therefore suggests the letter be entirely redrafted so as not to be offensive to the shareholders.

The Chairman reiterates that the object of the letter to the Company is to ensure that some definite progress is made in the matter of the improvement of the telephone service and to this end he sees no objection to tenderers being asked to submit alternative proposals.

The Director General states that the Director General of the French Municipal Administration was definitely informed that the draft letter had not been submitted to and approved by the Council. The representative of the French Council informed him that he had notified the French Consul-General at Nanking of the Council's proposal in order to avoid any further delay in this matter.

Mr. Bell reminds members that when it was known that Mr. Anson was being asked to come to Shanghai to investigate the telephone system the Company held up its purchases of rotary equipment. Now that his report has been adopted the Company could have proceeded with such purchases but has refrained from doing so in order not to prejudice acceptance of offers from parties not interested in this particular type of apparatus. The delay in

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purchasing further plant will however extend the period which Mr. Anson anticipates must elapse before a thoroughly satisfactory service is available. He therefore suggests that tenderers should be permitted to submit offers on any basis they desire and not be restricted in this respect as will be the case if the proposals contained in the Council's draft letter were adopted by the Company.

The Chairman emphasises his view that there should be no further delay in obtaining offers for taking over or financing the Company. In view of Mr. Bell's statement that the prospective tenderers have been supplied by the Company with the necessary data upon which to base their offers, he sees no objection to the basis of such offers being left to the discretion of tenderers. In this connexion Mr. Bell considers that they will be in a position to submit their offers by or before January 31, next, and he concurs in the proposal that when these are received they could suitably be examined by a Committee specially appointed for the purpose in the same manner that the offers for the sale of the Electricity Department were referred to a special Committee. After further discussion it is decided that the letter read by the Chairman be redrafted by Mr. Bell in conjunction with the Director General and submitted to members for their approval.

In conclusion Mr. Bell strongly advocates reversion to the former system of procedure under which members of Council are consulted in matters of this nature in order that they may be kept informed and have an opportunity of stating their views on such questions.

Council's shareholding in the Waterworks Co. - With regard to the Council's holding of 975 shares in the above Company, the Director General reports that as reference to these was omitted in the 1928 franchise agreement the Company now requests that for purposes of record the Council will by letter reaffirm the conditions upon which these shares are held. Although the Council's Legal Adviser has advised that technically these shares are held by the Council without any conditions which view is confirmed by an opinion taken by the Company from another legal adviser, the Director General is of the opinion that whatever the technical legal position may be the Council is morally bound to confirm the undertaking if the Company insists especially as reference to this question in the franchise agreement of 1928 was excluded by mutual consent of the respective representatives of the Council and the Company.

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In agreeing as to the moral obligation on the part of the Council to confirm the conditions under which the shares have hitherto been held, it is decided to comply with the Company's request and forward a letter to the effect that the Council agrees (1) that the 975 shares in question cannot be transferred without the express consent of the Company and (2) that in the event of the purchase of the undertaking by the Council the Council should not be entitled to participate in the purchase price in respect of the 975 shares it holds.

Shanghai Sanitarium and Hospital - Application for Grant. - An application 5438/ by this institution for an annual grant of Tls. 12,000 is submitted.

The Director General states that this hospital caters for the poorer classes of Chinese and that in his opinion the promoters are doing most excellent work for this section of the community. In comment the Treasurer & Comptroller states that it is unusual for financial assistance to be afforded charitable institutions until they have submitted accounts covering a year's working; there is, however, a precedent for a grant-in-aid being given during the first year of a hospital's operations and the present application would appear to be one meriting similar consideration. His proposal is unanimously approved that a grant of Tls. 5,000 be authorized for the first year during which the hospital operates, the continuance of the grant at this or any other figure to be dependent on the work of the hospital and its future financial position.

Short Leave Ruling. - Arising out of a suggestion by the Deputy Commissioner 5407/ of Police, Mr. Clear forwards a recommendation which was agreed to at a meeting of Heads of Departments that a general ruling be adopted that for purposes of granting annual short leave only, the year should date from February 1 each year. The suggested amendment to the present ruling is put forward with a view to encouraging winter leave and thus relieve congestion during other periods of the year.

The above recommendation is unanimously approved.

Major Gerrard's report. - The Director General refers to the Committee, of 4062 which he is a member, which has been appointed by the Council to consider and advise as to the best means by which Major Gerrard's recommendations for the reorganization of the Police Force can be effected. The annual cost of giving effect to these proposals was estimated by Major Gerrard at one and a half million taels, but after consultation with the Treasurer & Comptroller, it transpires that the additional annual expen-

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diture would be in the neighbourhood of two and a half million taels. A detailed study of the various proposals is being proceeded with but he thought it advisable to inform the Council today of the approximate cost involved by the adoption of the recommendations put forward by Major Gerrard. He hopes to be in a position at the next meeting to be able to report further to the Council on this question.

The Municipal Gazette for Friday, December 13, is submitted in proof and authorized for publication.

The Secretary withdraws.

Sheppard

Secretary.

Agreement renewal - Secretary to the Council. - The agreement of Mr. S. M.

3611 Edwards, Secretary to the Council is authorized for renewal, with pay as at present and upon the condition that he first shows that he will give his whole hearted support to the reorganization of the Secretariat upon the lines to be laid down by the Council.

The meeting terminates at 6.50 p.m.

W. Edwards

Chairman.

I N D E X
M I N U T E B O O K

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<u>Veterinary Surgeon.</u>	138,140,144,151,159.
<u>Victoria Nurses Home.</u>	30,41,50,78,85,92,99,112,141.
<u>Volunteer Corps:</u>	
Annual Inspection.	16,215.
Commandant, retirement from H.B.M. service.	4.
Commandant, engagement of	115,119,122,126,173,186.
Commandant, rank of	229
German Company,	124,174
Russian Detachment,	98
Strength of	312.

W.

<u>War Memorial.</u>	124.
<u>Water closet connections to sewers, fee for.</u>	1,7,42.
<u>Waterworks Company, directorate.</u>	103.
<u>Waterworks Company, engagement of expert</u>	180A, 184,194,227,232,235.
<u>Waterworks Company investigation.</u>	234,237,293,298,307.
<u>Waterworks Company, surcharge.</u>	113,120,130,163,171,175.
<u>Weights and Measures, law of.</u>	259,263,271,276,281,289,291.
<u>Wharfage dues.</u>	11,19,29,50,192,201,227,232, 308.

At the meeting of the Council held on Monday, January 6, 1930,

at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 T. Funatsu
 S. L. Hsu
 V. G. Lyman
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

The Minutes of the last meeting are read and confirmed and signed by the
 4113 Chairman. Financing of the Telephone Company. - The Chairman informs
 members that as a result of the letter addressed to the Company tenders
 for the purchase and/or financing of the Company have been received and
 these were opened this afternoon.

4114 Members are also informed that following Mr. Bell's
 resignation as the Council's nominee on the Board of Directors of the
 Company, Mr. Massey has consented to serve in this capacity.

The Minutes of the meetings of the Public Utilities Committee of December 10
 and 18 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of December 17 are submitted
 4115 and confirmed. Fees for connexion of water closet installations to
main sewers. - In connexion with the recommendation that a refund be
 made to the Land Investment Company of the amount of the outstanding
 fees received from them for the period 1926/29, the Deputy Secretary
 explains that from a legal point of view the position of the Land
 Investment Company and that of Mr. Feng Ping Nan, the other property
 owner concerned, is somewhat different inasmuch as the latter has never
 given an undertaking to defray this charge, although in order to get
 the connections he undertook to pay extra municipal rates. The

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architect employed in the erection of Mr. Feng's property had written to the Commissioner of Public Works that he understood a charge would be made, but Mr. Feng maintains that the architect was not authorised to bind him to any payment or informed him of the charge in question. Apart from contesting the matter in principle Mr. Feng refused to meet this charge on the ground that he was not legally liable and has been unable to recover this amount from the tenants of the property. In the circumstances therefore the Deputy Secretary doubts whether the Council can enforce payment of this charge in respect of the period for which through a clerical oversight no debit notes were rendered by the Council. The Land Investment Company, however, paid up the amount in arrear when subsequently presented with the debit notes although he is not aware whether it has been or will be able to reimburse itself from its tenants. Legally therefore there may be some difference in these two cases although from the point of view of equity the Council may consider that both parties should receive similar treatment in respect of the period for which the Council omitted to render debit notes.

The Chairman, who as a Director of the Company, refrains from voting on this question, expresses the view that if the Land Investment Company has already reimbursed itself this extra charge from its tenants, it can hardly expect that the Council should waive payment since if this is the case it cannot claim to have suffered damage as a result of the omission on the part of the Council to render debit notes at the appropriate time. Members generally agree that if this is so the two cases should be treated separately. Before recording decision in this matter an endeavour will be made to ascertain whether or not the Company has charged a higher rental to the tenants of the property in question to offset this charge, the view obtaining that if it is unable to show that it has suffered damage through the omission of the Council to render the necessary debit notes the charge in respect of the payments in arrear should stand.

The Minutes of the meeting of the Traffic Committee of December 20, are submitted and confirmed. With regard to: Culverting of Creek alongside the Race Course. - Mr. Sheppard states that he has approached the Chairman of the Race Club Stewards for an unofficial expression of view regarding the culverting or partial culverting of this creek with a view to providing additional motor car parking space. Mr. Burkill,

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however, was opposed to the proposal. The Chairman favours a further effort being made to obtain the consent of the Stewards to this project if only in respect of the section opposite the China United and the Y. M. C. A. Buildings where the parking problem is particularly acute. Mr. Bell points out that the Race Club Authorities have relinquished the public parking space opposite the Race Club's premises and provided parking accommodation for members within their own grounds. He therefore suggests that owners of other large buildings might consider the feasibility of adopting the same course. He also recalls that the Council endorsed the view of the Traffic Commission that no further public parking space should be provided which entailed capital expenditure.

After brief discussion, Mr. Sheppard undertakes to discuss this question again with Mr. Burkill with a view to devising some means which with the assistance of the Race Club Stewards will afford additional parking facilities on this road section.

The Minutes of the meeting of the Watch Committee of December 23, are submitted and confirmed.

Chinese Representation. - The Chairman recalls that at the time the Chinese community agreed to pay the increased general municipal rate they stated that it was on the understanding that the Council would give favourable consideration to their desire for increased Chinese representation thereon. Whilst the Council did not bind itself in this matter it was generally anticipated by the Chinese community that their desire would be met. As Mr. Justice Feetham is due to arrive in Shanghai very shortly he regards it as highly desirable that a friendly atmosphere should prevail in order that he may obtain every possible assistance in his labours from all sections of the community. In order to promote such an atmosphere he recommends that the Council should now decide that a resolution be moved at the next annual meeting of ratepayers to increase the number of Chinese members on the Council to five. He has discussed this question with the Chinese members of Council who agree as to the desirability of such a step being taken.

After brief discussion, members unanimously endorse the Chairman's proposal and the Director General is authorized to prepare a statement for publication simultaneously to the Chinese and foreign press announcing the Council's intention in this matter.

Land Commission - Membership. - It is decided that Mr. H. Berents, the Council's nominee on the Land Commission, be invited to continue to serve thereon during the forthcoming Municipal year.

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Transfer of Schools. - In a memorandum submitted Mr. Clear, with the concurrence of the Foreign and Chinese Education Committees and the Director General recommends that the Public School for Chinese be transferred to the building recently occupied by the Thomas Hanbury School for Boys. The latter building is a modern school in excellent condition and adoption of the above proposal will provide accommodation for approximately 250 additional pupils. Under this scheme the Public School for Chinese would be utilised as Police Barracks.

The above proposal is unanimously approved.

Commandant of Volunteers. - In an application submitted the Commandant enquires whether the Council has any objection to his forwarding to the British War Office his request to be allowed to retire from H. B. M's service. His reasons for wishing to retire are (1) that he can see very little prospect of being further employed on the active list on completion of his present appointment as Commandant, S.V.C. and it will therefore be necessary for him to go on half pay or to retire immediately on his return to the United Kingdom, and (2) by retiring forthwith he would automatically be placed on retired pay and would so far as he is aware draw such retired pay concurrently with the salary now paid him by the Council.

The Director General is of the view that if the War Office Authorities agree to this request there is no reason for the Council to raise objection. The Chairman suggests that if the Commandant's request is acceded to it might be desirable to obtain an assurance from the War Office Authorities that its interest in the Volunteer Corps will not diminish as a result of the Corps being commanded by an officer not on the active list. Subject to an assurance being obtained that the Council's position will not be prejudiced in the matter of obtaining a successor to Col. Orpen-Palmer upon his relinquishing this appointment, it is decided to inform the War Office Authorities that the Council is prepared to comply with the Commandant's request.

Residential Accommodation for Mr. Justice Feetham. - The Director General reports that in order to provide residential accommodation commensurate with the position to be held by Mr. Justice Feetham during his stay in Shanghai an endeavour has been made to obtain a suitable house for this purpose. In response to an advertisement the only suitable furnished residence that could be obtained was one belonging to Mr. H. Reynell, the monthly rental of which is £15. 550. As Mr. Reynell required an

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immediate decision the Director General, with the approval of the Chairman of Council, agreed to rent this house for the period of one year as from March 1, next.

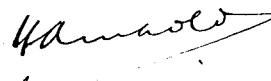
Members take the view that the rental agreed to is somewhat high, but in the absence of any other suitable offers being made, agree that there was no alternative. The Director General's action in arranging this lease is accordingly approved.

Imprisonment of Messrs. Garcia and Del Valle. - In connexion with the sentence imposed by the Provisional Court on Mr. C. Garcia following the prosecution instituted against him by the Council for running a public gambling establishment, the Vice-Chairman states that during his visits to the goal he has been impressed by the effect on Garcia's of this imprisonment. Since the Council has achieved its object in suppressing public gambling houses and as it is unlikely that any further attempt will be made by Garcia to operate again in the Settlement, he suggests that the Council might interest itself in obtaining a remission of the remaining portion of the sentence which Garcia and Del Valle have still to serve.

The Director General states that he understands that an endeavour is being made by certain lawyers to obtain a pardon for Garcia and he has ascertained that the Commissioner of Police will not oppose this course. He therefore sees no reason why, if such application is made the Police Advocates should not be instructed not to oppose same.

After discussion it is decided that if any application is made to the Provisional Court for the remission of the remainder of the sentence imposed on Messrs. Garcia and Del Valle, the Director General be authorised to notify the persons making such application that the Council will offer no objection to this course.

The meeting terminates at 6.05 p.m.


Chairman.

Secretary.

At the meeting of the Council held on Wednesday, January 22, 1930,

at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E.B.Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 S. I. Hsu
 V. G. Lyman
 P. W. Mascey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. K. Fukushima
 T. Funatsu.

The Minutes of the last meeting are read and confirmed and signed by the
 3909 Chairman. Imprisonment of Messrs. Garcia and Del Valle. - The
 Director General reports that since the last meeting of the Council
 Garcia's lawyers have discussed this matter with him but owing to the
 difficulty on their part of ascertaining the correct procedure to be
 followed for the purpose of effecting the release of Garcia and Del
 Valle he suggested that Mr. Reader Harris, accompanied by Mr. Bryan,
 should call upon the President of the Provisional Court and inform
 him that an application would be made for remission of the remaining
 portion of the prisoners' sentences if such course was in order. The
 President of the Court, however, declined to discuss the matter
 presumably for the reason that he was unwilling to risk the charge that
 he was acting improperly in this matter. Mr. Reader Harris stated
 that the Court would not take action unless such application was
 endorsed by an official of the Council to the effect that the Council
 had no objection to such application.

A Municipal Official must therefore be authorised by
 the Council either to endorse the application or inform the Court by
 letter to this effect. The Director General's proposal that he be

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permitted to take such action is unanimously approved.

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Fees for connection of water closet installations to Main Sewers. - Mr. Massey's request that it be recorded in these minutes that as a Director of the Land Investment Company he refrained from voting on this question during the discussion at the last meeting is approved.

The Minutes of the meeting of the Staff Committee of January 3 are submitted

3453

and confirmed. Ex-Sergt. L.S. Millen. - Issue of Superannuation. - For the reasons advanced by the Director General in which members concur, it is decided that full superannuation be issued to the above employe upon the termination of his services.

Leave Pay - Minimum Rate of Exchange. - The Chairman reports that at a

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meeting of the Finance Committee held on Monday last, a recommendation was recorded that for the purposes of leave pay the Council should guarantee employes a minimum rate of exchange of Tls. 9 to the £ at any time when exchange falls below that figure. The reasons governing the Committee's recommendation are contained in the Minutes of the meeting which are now in the course of circulation. As a matter of urgency he requests decision in this matter at to-day's meeting. The Committee also approved a proposal that in future three months leave pay only should be issued to the employe upon departure and the balance paid periodically by the Council's London Agents.

Having regard to the fact that a number of local employers have guaranteed a minimum rate of exchange ^{of} Tls. 8 to the £, the Committee's recommendation is unanimously endorsed in respect of all employes whose pay does not exceed Tls. 500 per mensem, employes whose salary exceeds this figure to receive a guaranteed rate of Tls. 9 to the £ in respect of the first Tls. 500 of their monthly pay.

The Minutes of the meeting of the Chinese Education Committee of January 13,

3780

are submitted, and, subject to reference to the Finance Committee, are confirmed. In connexion with the erection of a Primary School in the Western District, Mr. Massey recalls that at the time this proposal was first considered it was decided to require the Public Works Department to report as to the feasibility of erecting a building in which playing ^{on the roof} space could be included with the object of reducing the area of land required for this purpose. Upon his enquiring whether any such report has been received, the Secretary assures him that this matter has not been overlooked and that the Public Works Department will bear this

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proposal in mind when the plans of the building are being prepared.

The Minutes of the meeting of the Library Committee of January 17, are submitted and, subject to reference to the Finance Committee of the section relating to the annual estimates, are confirmed.

Plans for Municipal Buildings. - Mr. Bell refers to a recommendation which was recorded at a meeting of the Works Committee yesterday that in future plans for municipal buildings, with the exception of those relating to the Public Works Department, should not be submitted to the Works Committee for approval as hitherto but should be dealt with by the Departmental Committee concerned. For the reasons advanced by Mr. Bell which are contained in the minutes of the Works Committee, this proposal is unanimously approved and the General Order governing this procedure will be cancelled.

Appointment of Judge Feetham. - With regard to the remuneration of Judge Feetham in his capacity as Adviser to the Council, the Chairman reports that he has ascertained that his official salary under the South African Government is £2,500 per annum with travelling expenses whilst on circuit. Judge Feetham has expressed his willingness to serve the Council upon the same terms. Members regard Judge Feetham's offer as of a most generous nature and decide that during his period with the Council he be remunerated at the rate of £2,500 per annum together with the defrayment of his incidental expenses.

The Chairman states that Mr. Lionel Curtis who has rendered the Council most valuable assistance in connexion with the appointment of Judge Feetham is leaving Shanghai on February 14 and he suggests that the Council should show its appreciation of his services in some form. He therefore proposes that the Council should entertain him to dinner and whilst it is unlikely that he will be willing to accept any monetary payment he suggests that a suitable gift in the form of a memento might be presented to him by the Council. The above proposals are unanimously endorsed.

Dealing then with the exchange of correspondence between Judge Feetham and the Council relative to the terms of reference of his appointment which appears in to-day's draft Gazette, Mr. Sheppard refers to discussions he has had with the Chairman relative to a slight alteration in the wording of the third paragraph of the letter received from Judge Feetham. He considers that this letter will be viewed by the public as the terms of reference of Judge Feetham's

appointment; he therefore regards the phraseology of this as highly important. The Chairman states that he has discussed Mr. Sheppard's proposal with Judge Feetham but that for the reasons given he has not inclined to vary the wording of the paragraph referred to. Mr. Sheppard then suggests that the purpose would be served by deletion of the word "foreign" from this paragraph. The Director General states that he considers that possibly Judge Feetham would agree to this proposal and he undertakes prior to the publication of this correspondence to endeavour to obtain Judge Feetham's acquiescence therein.

In addition to publication of these letters in the Gazette, it is decided that copies thereof be forwarded to the foreign and Chinese press for publication.

House Numeration. - In connexion with the previous discussions on the ¹⁰¹² system of house numeration advocated by Mr. C. A. Bacon and the conference convened by the Director General with the Heads of Departments concerned, which Mr. Bacon attended, the Director General reports that the proposals put forward by Mr. Bacon have been exhaustively investigated and that the unanimous conclusion has been reached that adoption thereof is impracticable. He reads a report forwarded by the Acting Commissioner of Public Works which summarizes the objections to this scheme. In view of the detailed study which has been given to Mr. Bacon's proposals, he considers that no good purpose would be served by carrying this matter further and he proposes that Mr. Bacon be informed to this effect. After brief discussion this proposal is unanimously adopted.

In agreeing that adoption of the particular system advocated by Mr. Bacon is impracticable, Mr. French is of the opinion that a system of sectional house numeration has much to commend it. In concurring in this view so far as Western cities are concerned, the Director General is of the opinion that owing to the existence of numerous alleyways the system could not be suitably adapted to the requirements of an Oriental city. Members adopt this view but in order to ascertain whether any modified system of sectional house numeration is feasible for certain sections of Shanghai as and when properties require re-numbering, the Commissioner of Revenue will be asked to submit a further report as to this.

Publication of the announcement regarding the

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re-numbering of houses in Bubbling Well Road which was deleted from the Gazette some months ago is authorised.

May 30 Incident. - The Chairman reports that during the time Mr. Yu Ya Ching has been on the Council he has endeavoured to reach a settlement with the Association which has been formed to represent the relatives and dependents of the victims of the May 30 incident and after protracted negotiations he has been informed that compensation in the sum of \$150,000 will be accepted in settlement of all claims. Members will recall that shortly after this incident the Council offered compensation in the sum of \$75,000; the Council's cheque for this amount was, however, returned. In view of the capital which has been made out of this incident by hostile sections of the Chinese community the Chairman is of the opinion that if by such a payment criticism of and agitation against the Council would be withdrawn, payment of this amount would be in the Council's interest. A draft form of receipt has been drawn up by the Director General absolving the Council from all further claims and this in the form now submitted has been accepted by the Association conducting the negotiations. He has been assured by Mr. Yu Ya Ching and the other Chinese members of Council that upon payment of the stipulated sum further agitation against the Council regarding this incident will cease. The Chairman adds that in the course of discussion with the British Minister on this proposal, Sir Miles Lampson stated that he endorsed the Council's proposal to reach a settlement of this matter in the way proposed.

After brief discussion members authorise payment of the sum of \$150,000 as proposed and the Consular Body will be notified of the action taken by the Council.

Closing hours of Houses of Public Entertainment. - In connexion with the Council's published decision that the ordinary closing hour of houses of public entertainment should be fixed at 2 a.m. the Chairman recalls that at the time this regulation was promulgated the Council was under the impression that the French Municipal Authorities would adopt a similar restriction in its area. The French Consul-General has recently intimated that if the Council would agree to an extension of the hours for which these establishments are permitted to remain open on Saturday nights he would recommend his Council to adopt similar regulations to those in force within the International Settlement. Petitions have been received from proprietors of certain cabarets

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that the Council should agree to an extension on Saturday nights and if approval of this application will ensure the co-operation of the French Authorities he favours such a course being taken.

After discussion it is decided to adopt the Chairman's proposal and the announcement recently published will be amended to enable houses of public entertainment upon payment of a special fee to remain open on Saturday night until 4 a.m. the following day. It is also decided that as soon as the French Municipal Authorities notify the Council that they will adopt similar regulations in their area a brief statement be published in the Gazette outlining the Council's reasons for departure from the decision previously published.

With regard to the applications received from Ladow's Tavern and the Wing On Cabaret to remain open during the nights of the Chinese New Year holidays, it is decided that as under the existing regulations these establishments can remain open all night on January 30 and January 31 and under the amended order until 4 a.m. on February 1 no further concession in this respect be granted.

Country Hospital - Budget for 1930. - The Budget of this Institution for 1930/31 the current year which has been prepared in collaboration with the Finance Department, is submitted, and in noting the comment thereon by the Treasurer & Comptroller and subject to any further adjustments which may become necessary, is formally approved.

Cargo Landing Facilities at Municipal Jetties. - Arising out of a conference 1930/31 which he recently attended at which representatives of the French Administration and the Chinese Authorities were present to discuss the method of collection and apportionment of wharfage dues, and representations which have been made for improved facilities at cargo landing jetties on the Shanghai side of the river, the Director General requests that this question receive the Council's consideration. The Chinese Authorities contend that the two Councils are not entitled to wharfage dues in respect of cargo landed on the Pootung side of the river. The original intention of the imposition of wharfage dues was to provide funds for the provision of landing facilities and at the present time the Council receives approximately Tls. 600,000 per annum from this source. The total expenditure incurred by the Council in this respect is about Tls. 450,000, i.e. less than the amount it receives from wharfage dues in one year. In view of this fact and

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the existing inadequate landing facilities a protest from those requiring these facilities may be anticipated. If the Chinese authorities secure an agreement whereunder the Council ceased to receive wharfage dues in respect of cargo landed in Footung there will undoubtedly be an attempt on their part to provide improved landing facilities on that side of the river to compete with those located on the Shanghai side of the river. He therefore regards it as desirable that the Council should take steps to ascertain whether and to what extent it is possible to provide increased landing facilities within the Settlement. To this end he has called for a report from the Acting Commissioner of Public Works which states that a suitable site is believed to be available which could be purchased for Tls. 1,200,000, two-thirds of this site would not be required for the purpose, the bunding, construction, etc. work necessary is estimated to cost Tls. 300,000. The total cost would therefore be Tls. 700,000. A number of letters have been received from Shipping Companies complaining of the lack of landing facilities, notably in respect of metal and hardware cargoes.

In the event of no agreement being reached and the Customs Authorities refusing to collect wharfage dues on behalf of the Council it would be placed in a difficult position for setting up the requisite machinery for this purpose. The Director General points out that two aspects of this question require consideration, i.e. the general question of the provision of improved landing facilities which present day needs demand and the relation of this question to the provision of additional landing facilities to justify the amount received in wharfage dues and such as would ensure that competition from landing facilities which might be provided on the Footung side would not, in the event of the Council losing the wharfage dues from this source, seriously affect the financial return to the Council.

Mr. Bell agrees that from the point of view of merchants the matter of the inadequate cargo landing facilities on the Settlement side of the river has been serious for some time; in his opinion this question is to some extent aggravated by the lack of enforcement of regulations for the use of the various jetties. He suggests that some temporary remedy might be found for facilitating the landing of cargoes, such as metals and hardware. The Director

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General states that he has discussed this question with the Commissioner of Police who informed him that the Police have prevented the landing of cargo at certain points in the interest of street traffic. Despite any relief which might be afforded with the facilities at present available the Director General requests members to give favourable consideration to the acquisition of a site to provide additional landing facilities as owing to the scarcity of suitable sites the Council might find itself placed in a most difficult position if no land could be acquired for this purpose.

In advocating a more effective control being exercised over the existing landing stages, Mr. Sheppard doubts whether the Police are competent to undertake this work as in his view such duties are of a more specialised nature than the Police Department can reasonably be expected to perform. A member's suggestion that a report be obtained from the Police Department advancing any proposals for the improvement of the existing system of control of these jetties is adopted.

Foreign Staff Association. - With reference to the Council's decision to ^{8/29/30} defer consideration of the application put forward by the Foreign staff to form a Staff Association, the Chairman states that this question has been carefully considered by the Director General and himself and that the rules governing the constitution of the Association as now drafted are quite satisfactory from the Council's point of view. As similar Associations exist in respect of other bodies of Government and local Government employes, he recommends that the request to form a local Association be now approved by the Council. The Deputy Secretary states that he has perused the draft constitution of the Association and has eliminated any matter to which the Council formerly took objection.

The proposed constitution of the Association is approved in principle, a member's suggestion being adopted that this be formally submitted to the Staff Committee for any detailed consideration which may be necessary.

Decrease in General Municipal Rate. - In connexion with the statement contained in the Chairman's speech at the last annual meeting of rate-payers, that the Council would give consideration during the ensuing year to a reduction in the General Municipal Rate, the Chairman states that as the Budget is now being prepared, decision on this question

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becomes necessary. He has ascertained from the Treasurer & Comptroller that if the General Municipal Rate is decreased to 14% the Council's income would be reduced by approximately Tls. 1,500,000 annually.

After brief discussion it is decided to move a resolution at the next Annual meeting for adoption of the above proposal to become effective as from July 1 next.

The Municipal Gazette for Friday, January 24, is submitted in proof and authorised for publication.

The meeting terminates at 6.45 p.m.

Wm. Deane

Secretary.

Wm. Deane

Chairman.

At the meeting of the Council held on Wednesday, February 12, 1936.

at 4.30 p.m., there are:

Present:

Mr. H. E. Arnold (Chairman)
 Brig. General E. P. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 T. Funatsu
 S. L. Hsu
 V. G. Lyman
 D. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 I. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Mr. K. Fukushina.

The Minutes of the last meeting are read and subject to inclusion in the ¹⁷²⁰ minute relating to the provision of a Primary School in the Western District of the words "on the roof" after the words "playing space" are confirmed and signed by the Chairman.

¹⁶⁴² House Numbering. - Mr. French's proposal is approved that a Committee be appointed to advise the Council as to the feasibility of the adoption of a modified system of house numbering in respect of new roads and other roads as and when re-numbering of properties becomes necessary, invitations to serve on such Committee to be forwarded to Mr. N. L. Sparks, Mr. J. G. Potter, one other gentleman interested in property development (to be nominated by the Director General), one Chinese resident, and a representative of the Public Works Department or Revenue Office also to serve on this Committee.

¹⁶⁴³ The Minutes of the meeting of the Finance Committee of January 20, are submitted and confirmed. With regard to: The issue of Long Lease Tax. A further report has been received from the Treasurer & Comptroller in which he states that this question has been considered at a conference of Heads of Departments. For the reasons therein contained the following unanimous recommendation is submitted for the Council's

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approval:-

- (1). As regards employees whose salaries exceed Tls. 500 per mensem and whose guaranteed exchange rate of Tls. 9 to £1 is limited to that figure, no change be made in the existing procedure under which salaries are issuable in advance.
- (2). As regards employees whose salaries are Tls. 500 per mensem or less, it is suggested that Heads of Departments be given discretionary powers to deal with such cases of irresponsibility and improvidence as may be within their knowledge by requiring that the issue of long leave pay be made in two instalments, namely:
4 months' salary prior to leaving Shanghai and the balance thereof by Sterling Demand Draft through the London Agents 2½ months after arrival in England.

The above proposals are approved.

The Minutes of the meeting of the Works Committee of January 21, are submitted, and subject to reference to the Finance Committee of the section relating to the annual estimates, are confirmed.

The Minutes of the meeting of the Works Committee of January 23, are submitted and confirmed.

The Minutes of the meeting of the Foreign Education Committee of January 24, are submitted, and subject to reference to the Finance Committee are confirmed.

The Minutes of the meeting of the Staff Committee of January 27, are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of February 7, are submitted and subject to reference to the Finance Committee of the section relating to the annual estimates, are confirmed.

S. V. C. - Annual Inspection. - In a report submitted the Commandant recommends that the period April 22/23 (or 29) be earmarked for the Annual Inspection of the Corps. This proposal is approved. With regard to the Commandant's further recommendation that Major-General J. W. Sandilands, G.O.C. the British Troops in China, be invited to carry out the inspection, the view obtains that as Brigadier Borrett, commanding Shanghai Area undertook this inspection last year and as he is still available in Shanghai, it is unnecessary to invite an officer from Hongkong for this purpose. It is accordingly decided that Brigadier Borrett be requested again to conduct this inspection.

Annual Meeting of Ratepayers. - A draft letter addressed to the Senior Consul requesting the Foreign Consuls to fix the date of the Annual Meeting of Ratepayers and suggesting that Wednesday, April 16, will

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be generally convenient therefor, is approved.

In connexion with the publication of the Annual Report, Mr. Massey's suggestion is adopted that for purposes of easy reference this volume should in future embody at the commencement thereof a verbatim copy of the report of the previous annual meeting of Ratepayers.

Anti-gambling Campaign, 1929. - The Secretary reads a report which has
3909 been forwarded by the Commissioner of Police in which he states that the consistent efforts of the Police last year have resulted in the complete suppression of organised gambling in the Settlement. He enumerates the names of certain officers, to whom, in his opinion, this satisfactory result has been largely attributable. It is decided that a letter be addressed to the Commissioner expressing the Council's gratification at the results achieved by the Police Department in this matter and commending those officers specially mentioned.

Closing Hours of Houses of Public Entertainment. - With reference to the
1893 minute recorded at the last meeting, the Secretary reports that he has conferred with the Secretary of the French Provisional Administration as a result of which an agreement has been reached as to national holidays, festivals, etc. upon which the above establishments shall be permitted to remain open until 4 a.m. without payment of an extra fee. The French Municipal authorities have decided that establishments in the French Concession will be permitted to remain open all night on July 13 and 14. With regard to establishments in the International Settlement members decide that on these dates the 4 a.m. ruling shall apply. With this exception the list of the proposed dates on which extensions will be permitted is identical and this is authorised for publication.

Shanghai Mutual Telephone Company. - The Director General reports that
3722 as none of the tenders for the purchase of the Telephone Company is considered acceptable in the form submitted, the Director General of the French Municipal Administration has suggested certain amendments to the franchise with a view to such revised franchise forming the basis of negotiations for any alternative tenders which may be forthcoming. A copy of the proposed amendments suggested by M. Verdier with a brief comment thereon by the Chairman has been circulated to members. A copy of this has also been forwarded to the Treasurer & Comptroller but as his preliminary report was only received today, ^{that evening} he has had no

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time to give this detailed consideration.

The Chairman is of the opinion that with the exception of the proposals regarding the extension of the franchise period and the imposition of a royalty charge the majority of the amendments suggested by M. Verdier are not of great importance. He regards it as highly desirable that the Council should act in close co-operation with the French Council in the matter of any revision of the franchise and in the interest of the Company and subscribers that decision on this question should be taken with the least possible delay.

Mr. French suggests that having invited tenders upon a certain basis it seems hardly fair that changes in the franchise should be proposed after such tenders have been received. He therefore suggests that this question be submitted to the Committee specially appointed to consider the tenders. The Chairman maintains that the question of alteration of the franchise is entirely a matter for settlement by the two Councils; in this view Mr. Sheppard states that Mr. Burkill who acted as Chairman of the Special Committee concurs.

The Director General suggests that as the Committee is unable to recommend acceptance of any of the tenders received, decision should be reached by the two Councils in the matter of any amendment in the existing franchise whereafter the special Committee might be notified and in turn invite alternative tenders on the basis of the revised franchise.

Having regard to Mr. Burkill's view that the matter of revision of the franchise cannot be dealt with by the Special Committee, and in order that progress may be made in this matter, the Chairman proposes that in the first instance this question be referred to the Public Utilities Committee for its recommendations whereafter the matter could be disposed of at a Council meeting early next week. Upon Mr. Massey suggesting that the Council should give some indication of its views as to the imposition of a royalty, the Chairman states that the French Authorities contend that as the Councils receive royalties from other public utility companies a similar requirement in respect of the Telephone Company is reasonable. In view, however, of the Treasurer's observations on this proposal, the suggestion is adopted that the Director General should discuss this

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question with him and report to the Public Utilities Committee at its forthcoming meeting on Friday next.

Wharfage Dues. - With reference to the discussion at the last meeting a report by the Director General on a conference between representatives of the National Government and the Directors General of the International Settlement and the French Concession regarding wharfage dues has been furnished to members. Mr. Fassenden states that since this report was circulated he has heard from Mr. Verdier that in the event of no change in the attitude of the Chinese Government the French Authorities will endeavour to collect their own wharfage dues. Should the Chinese Authorities give effect to their ultimatum not to collect wharfage dues on behalf of the two Councils unless the latter agree to those collected on cargo landed in Pootung and Nantao being handed over to the National Government the Council would lose approximately 29% of its present annual income from this source. If the Chinese Authorities arbitrarily cancel the agreement of 1899 the Council would be placed in a most difficult position in view of the fact that it has no existing machinery for the collecting of such dues. As the original Chinese demand for revision of the basis of apportionment of these dues was presented through the Consular Body in 1928, the Director General has forwarded a copy of his report to the Senior Consul requesting the views of the Consular Body as to the policy to be adopted by the Council. Conference with the Chinese authorities are proceeding from day to day but at the last meeting the two Directors General were informed that unless an agreement was reached by February 15, discussions will cease and instructions will be issued to the Customs Authorities not to collect wharfage dues on behalf of the two Councils. The Chinese Government provides no landing facilities in Pootung but it may be assumed that if they commence collecting dues from this source on their own behalf additional facilities will be provided to compete with those existing on the Settlement side of the river. He suggests that decision in this matter be deferred until a reply has been received from the Consular Body.

As a considerable quantity of cargo is landed on foreign property on the Pootung side Mr. Sheppard suggests that this factor may place the Consular Body in a favourable position for negotiating with the Chinese Authorities. The Director General states that it was

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pointed out to the Chinese representatives that no landing facilities were provided by the Chinese Government in Pootung but this did not influence their determination to collect these dues although possibly these would be designated under another name.

Upon the Director General suggesting that to provide additional cargo landing facilities consideration should be given to the acquisition of the site at Yangtzeppoo referred to at the last meeting, Mr. Bell suggests that provision of additional landing facilities on the Shanghai side of the river will not to any extent affect the main question at issue raised by the Chinese Authorities. He points out that the Council has never provided wharves for the landing of ~~goods~~ consequently provision for such facilities would constitute a departure on the part of the Council. After further discussion it is decided that decision in the matter of providing additional passenger and cargo landing facilities be deferred until a reply has been received to the letter addressed to the Senior Consul.

Council Representation on Public Utility and other Bodies. - Referring to SS 33/1 the power conferred on the Council to nominate representatives to the Boards of Directors of certain public utility companies, the Vice-Chairman states that he is of the opinion that in such cases the Council's nominee, if a member of Council, should not draw the usual director's fee for his services in that capacity. He contends that the primary purpose of nominating such representatives is to ensure that the interests of the ratepayers are adequately protected and as frequently contentious matters arise as between the interests of the Company concerned and those of the ratepayers, the Council's nominee if drawing the usual Director's fee is placed in an invidious position.

Mr. Bell, as an ex-nominee of the Council on the Board of Directors of the Telephone Company, cannot agree that the fee paid to such nominee for his services on the Board in any way affects his position as a Trustee of the public interest; at the same time the manner in which certain negotiations were recently conducted by the Council regarding the proposed reorganisation of the Telephone Company leads him to support the Vice-Chairman's view that the disadvantages of having a member of Council as the Council's nominee on the Board of a Public Utility Company outweighs the advantages of the present system.

The Chairman is of the opinion that if a Councillor serves on a Board of Directors he is entitled to the authorised fee for

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his services in that capacity. Since however the Council can call for any information from the Company concerned he considers that no particular benefit accrues to the Council by nominating one of its members to the Board. Mr. Massey is of the opinion that a member of Council serving as a Director of a Company acts as a very useful liaison officer and is in a position to express the Council's views at meetings of the Directors more effectively than could be done by correspondence. In his view, however, the Council's representative acts entirely in the interest of the Council and the public irrespective of any fee he may receive as a member of the Board of Directors.

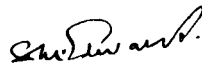
The Director General states that as the Council's nominee he is a Director of the Waterworks Company and it is clearly appreciated by his fellow directors that he acts in that capacity for the specific purpose of representing the interests of the Council rather than those of the Company.

Whilst not convinced that the nomination of Councillors to serve on the Boards of Directors of Public Utility Companies is essential, Mr. Trench is of the opinion that if the Council nominated representatives to serve on such Boards this procedure should be consistent and apply to all such Companies. In this connection the Director General points out that the Waterworks Company specifically requested that he should continue to serve on its Board of Directors whereas it may be recalled that the Shanghai Tower Company specifically stated that it did not desire a Council nominee to serve on the Board of that Company.

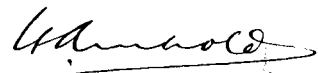
After further discussion in the course of which it transpires that members' opinion is divided as to the desirability or otherwise of the Council electing one of its own body to serve as a paid director of a public utility company, it is decided to defer decision in this matter until the next meeting.

The Municipal Gazette for Friday, February 14, is submitted in proof and authorized for publication.

The meeting terminates at 6.30 p.m.



Secretary.



Chairman.

At the Special Meeting of the Council held on Monday, February 24, 1930,

at 12.10 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 S. L. Hsu
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General
 The Treasurer & Comptroller.
 The Secretary, and
 The Deputy Secretary.

Absent:

Messrs. T. Funatsu
 V. G. Lyman.

The Minutes of the meeting of the Public Utilities Committee of February 14 are submitted and confirmed. The Chairman states that memoranda prepared by the Deputy Secretary and the Treasurer & Comptroller embodying amendments to the Telephone franchise agreement to conform with the recommendations of the Committee have been circulated to members. At his suggestion these amendments are considered seriatim:-

Article 2. - The amendment to this clause granting a franchise for a period of 40 years as from April 1, 1930, is approved, it being noted that inclusion of a provision covering appropriate auxiliary and supplementary services was left in abeyance by the Committee although it agreed that such services as burglar and fire alarms might come within this category. A copy of a letter received from the representative of the International Telegraph and Telephone Corporation outlining the auxiliary services which exist today in various places has been furnished to members. The question as to the propriety of including provision for such services in the Franchise agreement and to what extent will be referred to the Advisory Committee.

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Mr. French enquires whether it is the Council's intention that the proposed amendments to the franchise should be construed as a definite and unalterable basis upon which the Council is prepared to consider offers from tenderers or merely as indicating a general outline upon which the Advisory Committee may consider offers which do not, however, strictly conform to the amendments now proposed. Members agree that it should be intimated to the Telephone Company for the information of the Advisory Committee that the proposed draft amendments are included to give a general outline of the Council's policy but that they should not of necessity be adhered to so rigidly as to preclude the consideration of any offers which may be received and which do not conform to each and all of these amendments.

Upon Mr. French suggesting that the wording of Article 2 should provide for a franchise covering a period of 40 years and thereafter for periods of 10 years, the Deputy Secretary states that this is provided for if this clause is read in conjunction with Article 26.

Articles 3 and 19. - The amendments to this Clause which grant to the Company a reasonable period to remedy any defect in its service, reference to arbitration etc. are approved subject to deletion of the words "in the Council's opinion" from the paragraph dealing with the Council's right to terminate the franchise.

Mr. French is of the opinion that if the provision for the disposal of the Company's property upon termination remains as in Article 19 this gives the Council power to confiscate and sell the Company's property. He assumes that the intention of this clause is in order that the Council may be in a position to reimburse itself any expense it may have incurred in connexion with roads, etc. in the event of the franchise being terminated. The Clause as at present worded, however, might be construed by tenderers as giving the Council power arbitrarily to sell and dispose of its property. The Deputy Secretary states that the provisions of this clause as at present worded are for the purpose of permitting the Council to retain the assets of the Company as security against any claim it may have and he agrees as to the advisability of some addition to this clause being inserted to clarify this interpretation for the information of tenderers. Members adopt his suggestion that he should draft an addition to this clause to cover this point.

Article 9. - The conditions of this clause dealing with

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aerial cables have been referred to the Commissioner of Public Works and approved by him. This amendment is approved subject to the alteration of the number of wires referred to from 300 to 305.

Article 26. - In connexion with the amendments to this clause which provides for power of purchase by the Council, Mr. French enquires as to whether, if the Council did not wish to exercise its option to purchase at the end of 40 years, the Company would legally retain its franchise thereafter. The Deputy Secretary admits that if the Council was not disposed to take up the option of purchase, the clause as now drafted does not provide for legal continuity of the franchise. Mr. Sheppard is of the opinion that there should be some finality regarding the duration of the franchise and he suggests that provision should be included calling for discussion regarding the renewal of the franchise within two years of the expiration of the 40 and 10 year periods, irrespective of the provision concerning the Council's right of purchase. Mr. French states that the inference of Clause 26 is that if the Council does not desire to purchase the undertaking at the expiration of the 40 and 10 year periods the franchise would be extended for further periods of 10 years and he considers that the intention should be made quite clear in this clause. The Deputy Secretary undertakes to draft the necessary provision to this end.

Penalties. - Subject to the addition of the word "manual" before "equipment" in the first paragraph of the amendment of this clause, this is approved.

Shareholders Reduction. - Cancellation of the existing clause providing for a reduction of 20% in favour of holders of four shares, is approved.

Article 10. - The Chairman states that the amendments to this and other clauses proposed by the Treasurer & Comptroller have been drafted in such a form as not to preclude consideration of any offers put forward. The object of the amendment to the above clause is to provide for the tariff to be framed in such a way as to ensure a profit based on the capital invested in the business as against the existing basis of share capital. With regard to the explanatory notes appended to this clause, the Treasurer states that these are intended for the guidance of tenderers and to assist the Advisory Committee in comparing the bases of the tenders received.

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Article 11. - The Treasurer explains that the amendment proposed to this clause is to enable relief to be given to the Company in any year when a shortage of revenue exists by permitting it to draw upon any excess profits derived during previous years which have been credited to a tariff revision suspense account. With regard to the note appended to this draft clause Mr. French enquires as to the interpretation of "initial tariff". The Treasurer replies that on completion of the conversion to automatic working it will be necessary to agree with the new Company the tariff they will require under the basis of its tender. This basis subsequently may be influenced by the costs referred to in his note.

Article 12. - In connexion with the amendment to this clause which deals with the revision of the tariff of charges, Mr. French submits that it might be well to permit the Company to charge the tariff rates proposed by Mr. Anson during the period of conversion of the system to automatic working. The Treasurer states that in the absence of examination of other factors he is not satisfied that the increased tariff rates suggested by Mr. Anson are necessary and pending further investigation he does not think it wise to agree to this. He suggests that as the new Company will be aware of its working expenses during the period of conversion to automatic working it could be permitted to submit for consideration its revised tariff rates three months in advance but to take effect on complete conversion.

Article 14. - In respect of this clause which provides for increase of capital and borrowing powers Mr. Bell states that upon reconsideration he is of the opinion that the proposed amendment requiring the Company's programme of capital development to be submitted to and approved by the Council will lead to friction and difficulties between the Council and the Company. He therefore proposes that as the Council will control the tariff of charges, the Company should not be required to submit such particulars to the Council. Furthermore, it is unlikely that the Company will be in a position to submit its requirements in this respect six months prior to the commencement of each financial year. The Treasurer replies that it was not the intention that this proviso should react unduly harshly on the Company but that it was designed as an additional safeguard for the Council as required by the Utilities Committee. He considers the Council is entitled to be advised in advance of

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the extent of the Company's future capital development and this clause is designed to assist the Council in this respect but without restricting the Company in any way regarding the raising of additional capital. He agrees, however, that in practice it is most unlikely that any organisation would advance proposals for its programme of capital development unless the necessity for such could be established. After discussion on this point it is decided that the amendment to this clause be substituted by a clause on the following lines:-

"That the Company shall consult the Council
as to its programme of capital development."

Article 16. - The amendment to this clause
which deals with reserves is approved.

Mr. Bell enquires whether it is the Council's intention to forward Mr. Anson's two reports to the Committee which will consider the tenders for the financing of the undertaking. Since these reports, particularly the latter one dealing with the financing of the Company, are germane to this question, he is of the view that these should be transmitted to the Advisory Committee with an indication of the Council's views thereon. He recalls that Mr. Anson particularly recommended that financial assistance should be obtained from one of the three tendering Companies. He therefore suggests that this proposal should be commended to the Advisory Committee for its favourable consideration.

The Chairman states that Mr. Anson expressed certain views on the financing of the Company at his (the Chairman's) request. He considers that the Advisory Committee should be given a free hand in dealing with the tenders received as otherwise it would virtually amount to the Committee being instructed to consider only one of the offers put forward. Mr. Bell replies that it is unlikely that Mr. Anson would have recommended acceptance of one of the offers received (subject to the cost not being prohibitive) without good ground for this recommendation and he considers that this recommendation should be brought to the attention of the Advisory Committee. Mr. Bell states that Mr. Anson informed him personally that he was anxious his supplementary letter should not be suppressed. The Chairman replies that this supplementary letter was written on the express understanding that it should be for the information of the Council only, and not be published, and that it was, in fact, read to the Council, of which Mr. Anson was informed on his return from Japan.

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The Chairman observes that he has no objection to this letter being transmitted to the Advisory Committee provided a copy of the further memorandum on the conversation between Mr. Anson and himself at which the Deputy Secretary was present accompanies them. This memorandum deals with questions put by him to Mr. Anson and his replies thereto. Mr. Bell states that he is not aware of the purport of the latter memorandum referred to by the Chairman but as this would appear to be of an ex parte nature he is unwilling to agree to this being circulated unless an aide memoire on a conversation he also had with Mr. Anson is also forwarded to the Telephone Company for transmission to the Advisory Committee. The Chairman adheres to the opinion that the Advisory Committee would be misled in respect of Mr. Anson's views regarding the financing of the Company if the letter were submitted without the memorandum dealing with questions arising therefrom. Members generally consider that the letter presented by Mr. Anson should be transmitted to the Advisory Committee and although the Chairman maintains that if this course is followed the aide memoire on the conversation with Mr. Anson should also be forwarded, it is decided that Mr. Anson's letter and the memorandum referred to by the Chairman be circulated to members for their decision as to whether this also should be forwarded to the Committee.

The Vice-Chairman states that prior to the meeting of the Public Utilities Committee, Mr. Bell suggested to him that it might be desirable to have the representatives of the three tendering companies available for the purpose of supplying the Committee with any further information they might require. Accordingly he requested these representatives to be available although he made it quite clear that their attendance at the meeting might possibly not be required. Subsequently he learned that the Chairman of Council would attend the meeting and upon his taking the chair he (the Vice-Chairman) informed him of the presence of these representatives in the building and suggest their being notified if their presence was not required. It transpired, however, during the course of subsequent discussion that they had left the building and on the following morning the representative of the I.T.T. called on him at his office and apologised for his withdrawal stating that he had been advised by the Deputy Secretary that his attendance would not be required.

The Chairman states that there had evidently been some misunderstanding and that up to the time when the Deputy Secretary.

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informed him that two of the representatives had left and that only Mr. Cassel remained he had assumed that they were still in the building in case they should be required. It would thus appear that owing to a misunderstanding the three representatives were informed that their attendance would not be required.

The meeting terminates at 1.25 p.m.

S. J. ...
Secretary.

J. W. ...
Chairman.

At the meeting of the Council held on Wednesday, February 26, 1930, at

4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 T. Funatsu
 S. L. Hsu
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. K. Fukushima
 V. G. Lyman.

Retirement of Mr. Tsu Tse Heu. - The Chairman states that Mr. Tsu, who has
 (104) served continuously in the Revenue Office for 52 years and is now in
 his 70th year, retires at the end of this month. Mr. Tsu attends and
 the Chairman hands him the retirement gratuity to which his long period
 of service entitles him and on behalf of the Council thanks him for his
 faithful service to the community and wishes him many years of happiness
 in his retirement.

The Minutes of the last meeting are read and subject to two minor amendments in
 the minutes relating to the Telephone Company Negotiations and Wharfage
 Dues are confirmed and signed by the Chairman. Wharfage Dues. -
 The Director General reports that since the last meeting he has had a
 discussion with the Consular Body as a result of which this question
 has been referred back to the Chairman of the Chinese Delegates who
 have in turn referred it to Nanking. The question remains in abeyance
 until a further communication is received from Nanking which may be
 expected within the next few days. On receipt of further information
 from the Consular Body, the Director General will furnish a report.

SSJ/ Council Representation on Public Utility and other
 Bodies. - Relative to the discussion at the last meeting, the Vice-

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Chairman formally proposes that the Council's nominees to Public Utility and other bodies should not be members or employes of the Council but if circumstances are such that the nomination of a Councillor or a Municipal employe is in the interest of the public such nominee should not draw the usual Director's fee. In the course of discussion certain members support the view that a Council member or employe acts as a useful liaison officer on such boards whilst other members are of the opinion that the Council's nominee should be selected from outside the body of the Council or the Municipal staff. Upon this question being put to the vote, the voting in favour of the Vice-Chairman's proposal and that in favour of the continuance of the existing system is equal.

The Minutes of the meeting of the Health Committee of February 17, are submitted and subject to reference to the Finance Committee, are confirmed. General Macnaghten draws members attention to the Committee's recommendation that the erection of the Victoria Nurses Home should be expedited as much as possible.

Open Air Swimming Pool. - With regard to the Committee's recommendation that an additional swimming pool should be provided in Hongkew Park, Mr. Sheppard records his objection to the provision of further facilities of this nature and this recommendation will be further considered when the departmental estimates are submitted to the Finance Committee.

The Treasurer & Comptroller attends.

The Minutes of the Joint meeting of the Finance & Staff Committees of February 19 are submitted and subject to the following amendments are confirmed.

In connexion with the Committees' recommendation regarding the issue of a bonus to the foreign staff to offset the prevailing high cost of living the Chairman reports that this recommendation was referred to the Salaries Commission and its report which modifies certain of the Committees' recommendations has been furnished to members.

With regard to the comment of the Salaries Commission that this bonus should not be issued during long leave, Mr. Massey explains that since the Council has already agreed to guarantee a fixed rate of exchange for long leave pay of Tls. 9 to the £, the Salaries Commission is of the view that it is undesirable to introduce an alternative means of affording relief to employes on long leave. The Commission accordingly recommends that the Council should guarantee a rate of exchange

of Tls. 8 to the £ in respect of the first Tls. 500 of the employe's monthly pay during long leave, the temporary bonus to be discontinued during that period.

Mr. Bell points out that the Salaries Commission also recommend that employes in receipt of salaries of Tls. 1,000 per mensem and upwards should not participate in the bonus proposal and he enquires if they also will get the benefit of the increased guaranteed rate of exchange. On the ground that the issue of this bonus is of a temporary nature and in concurring with the Treasurer & Comptroller that it would be inequitable to discriminate against the higher paid employes in the matter of the guaranteed rate of exchange for purposes of long leave, members unanimously agree that the increased guaranteed rate of exchange should apply to all employes in respect of the first Tls. 500 of their monthly pay. In reply to a member's enquiry the Treasurer states that the effect on the Budget of the adoption of this proposal in lieu of the Committees' recommendation that the bonus should be issued during long leave is negligible.

With regard to the Commission's view that this temporary bonus should not be issued to employes receiving salaries of Tls. 1,000 and upwards, Mr. Massey suggests that in order to avoid overlapping this proposal be modified to apply to those employes whose monthly pay amounts to over Tls. 1,000. Members adopt this proposal as also the recommendation of the Salaries Commission regarding the increased guarantee rate of exchange for long leave purposes in lieu of issue of the temporary bonus to employes during that period.

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In respect of the recommendation of the Salaries Commission that consideration be given to the granting of a bonus to members of the Chinese staff who do not benefit in the compassionate allowance at present in force, members agree as to the equity of this proposal. To meet the views of the Salaries Commission, the Treasurer's suggestion is approved that he forward his recommendation to extend this benefit to the more senior Chinese clerical staff and artisan grades.

The Treasurer & Comptroller withdraws.

The Minutes of the meeting of the Staff Committee of February 21, are submitted and confirmed.

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Public Health Department - Dr. J. E. Bowen. - The Director General reports

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that he has been approached by the Board of Governors of the Country Hospital as to the possibility of Dr. Bowen, Superintendent of the Hospital, who is seconded by the Council for this purpose, being transferred permanently to the staff of that Institution. The Governors are so satisfied with Dr. Bowen's services that they desire to retain him although they would be willing to permit him to continue his radiology work as at present. He has discussed this proposal with the Commissioner of Public Health and received the impression that he raised no objection to Dr. Bowen's resignation from the staff of the Department but subsequently he submitted a report to the effect that as Dr. Bowen would automatically become No. 2 of the Department upon his own retirement he considers it would be regrettable if the department were deprived of Dr. Bowen's services. He therefore considers it preferable to continue the existing arrangement under which Dr. Bowen is seconded to the Country Hospital. The Governors of the Hospital are prepared to offer Dr. Bowen somewhat better terms upon his permanent transfer to the Hospital Staff, but Dr. Bowen himself does not desire to take advantage of this without the consent of the Council.

The Chairman suggests that the wishes of the Governors might be met if the Council gave an assurance that Dr. Bowen would be seconded to the Country Hospital for a definite period of one or two years. The Director General points out that with the recent resignation of Dr. Robertson and the impending retirement of Dr. Davis, the Council might be placed in a difficult position in respect of the filling of the post of No. 2 of the Department since the next senior man in the Department (Dr. Duck) has only completed one agreement and is only 30 years of age.

After discussion and in appreciating that a further depletion of the professional staff of the Health Department might react unfavourably on the public health services, it is decided that the further views of Drs. Davis and Jordan be elicited regarding the qualifications of Dr. Duck to assume the position of No. 2 of the Department or alternatively the feasibility of obtaining a man from home for this post. In the meantime the Director General is authorised to ascertain whether the wishes of the Governors of the Country Hospital would be met in the event of the Council giving them an assurance that Dr. Bowen would be seconded to the Hospital for a definite period of one or two years.

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Provisional Court Reorganization.- The Director General reports that following the publication of the new agreement regarding the re-organization of the Provisional Court he has discussed with the Commissioner of Police and the Police Advocate the question of the staff which will have to be provided by the Council under paragraph 3 of the new agreement. When proposals on this question have been formulated these will be taken up with officials of the National Government. Members will recall that when the Provisional Court agreement came into force in 1927, criticisms were levelled at the Council on account of inadequate preparatory measures being taken to ensure the smooth working of the Court under the new conditions. He therefore informs members that the necessary preparations are at present in progress and that later more definite information will be submitted to the Council.

Local Press Criticism.- The Director General alludes to certain statements which have recently appeared in the "North China Daily News" in which the Council's attitude regarding its relations with the representatives of the Foreign Powers has been criticized. In his opinion these statements misrepresent to the public the powers and duties of the Council. He has discussed these publications with the Editor of the paper pointing out that they are misleading and unfair to the Council and requesting that they be discontinued. A further article of the same tenor appears, however, in to-day's issue of this paper. He therefore feels that the Council's position and dignity will be undermined unless some steps are taken to combat the impression given by these articles and as it is impossible to reply to these criticisms through the medium of the press, he has drafted a statement for publication in the next issue of the Gazette, the draft of which is now before members. He appreciates the desirability of the Council avoiding entering into public controversy; he has accordingly confined this statement to reference to the verbatim statements in to-day's "North China Daily News".

Mr. Bell states that whilst he does not desire to oppose the views of the Director General, a portion of the statement prepared by him does not appear to be particularly convincing; with regard to the reply to the statement in respect of

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the Minister of one of the Great Powers, he suggests it might be well to consult Mr. Justice Feetham as to the propriety of allusion to this by the Council. The Director General is of the view that Judge Feetham is in no better position than the Council to comment on this point. Mr. Sheppard contends that if the statement as prepared is made public it will undoubtedly lead to further statements and criticisms on the part of the "North China Daily News" and possibly embroil the Council in a public controversy.

After lengthy discussion members adopt this view and it is decided to delete the major portion of the official statement and the remaining portion thereof as amended is authorised for publication.

Municipal Election - Appointment of Scrutineers. - It is decided to request Messrs. A. J. Welch and L. G. Westcott to act as scrutineers of the balloting papers in connexion with the forthcoming municipal election.

Telephone Company Negotiations. - With reference to the discussion at the Special meeting held on Monday last, copies of Mr. Anson's supplementary letter and of the memorandum prepared by the Chairman have been circulated to members. It is decided that these be forwarded to the Telephone Company for the information of the Advisory Committee.

The Municipal Gazette for Friday, February 23, is submitted in proof and authorised for publication.

The meeting terminates at 6.15 p.m.

[Signature]

[Signature]

Chairman.

Secretary.

At the Special meeting of the Council held on Wednesday, March 5, 1930.

at 4.30 p.m., there are:

Present:

Mr. H. E. Arnhold (Chairman)
 Brig. General E. B. Macnaghten (Vice-Chairman)
 Messrs. A. D. Bell
 C. H. French
 K. Fukushima
 T. Funatsu
 S. L. Hsu
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Mr. V. G. Lyman.

Resignation of Chairman. - The Chairman states that owing to the anomalous position created by the result of the Municipal Election he considers it to be only proper for him to resign his membership of the Council. At the annual meeting of ratepayers the Chairman outlines the Council's policy for the ensuing year and as he has not been re-elected to the Council it would not in the circumstances be right for him to undertake this. Whilst he does not wish to embarrass the Council and is willing to defer to its views, he thinks the only course open for him is to tender his resignation.

The Vice-Chairman states that he appreciates the extremely difficult position in which the Chairman is placed and refers in appreciative terms to the volume of work undertaken by him during the past year, particularly during the absence of the Director General. Personally he would prefer to see Mr. Arnhold remain as Chairman during the remainder of the Municipal year, but in view of the circumstances he feels himself unable to attempt to influence the Chairman's decision.

The Chairman then formally submits his resignation from the Council and withdraws.

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The Vice-Chairman takes the chair.

Mr. Sheppard deprecates the position which has arisen whereunder the Chairman is virtually forced to tender his resignation for the reason that he has failed to secure re-election to the Council. He suggests the situation might be met by the Chairman announcing at the forthcoming annual meeting that the Council's policy for the ensuing year has been evolved in consultation with members of the incoming Council. Under the existing system of election an extremely grave position might arise by the member of Council elected to the Chair being forced to resign his membership on account of his non-election to the incoming Council. Under this system the election of Chairman is more or less in the hands of ratepayers, a privilege which hitherto has been reserved to the Council. He therefore proposes that the Council should request Mr. Arnhold to remain as Chairman for the remainder of the Municipal year and that a statement be made at the Annual meeting on the lines above indicated.

The Director General states that Mr. Arnhold has discussed this question fully with him. In his own opinion it is regrettable that under the existing system the election of Councillors takes place prior to the Council submitting its annual report to the ratepayers. Mr. Arnhold's failure to secure re-election may be considered as an expression of lack of confidence on the part of the ratepayers. In addition to this the relations between Mr. Arnhold and his colleagues on the Council have been such that it would create an embarrassing position on both sides if the Council were to press him to continue his membership. In his frank opinion and from his personal experience as Chairman he considers the action taken by Mr. Arnhold to be the only possible course in the circumstances and in the interests of the Council.

A number of members record their personal desire that Mr. Arnhold should continue the Chairmanship for the remainder of the Municipal year; at the same time they fully appreciate the extremely difficult position in which he would be placed by so doing. Mr. Sheppard then states that in view of this he is prepared to withdraw his earlier proposal following which it is decided to accept the Chairman's resignation. An announcement as to this will be published in the next issue of the Gazette and the Secretary is directed formally to notify Mr. Arnhold of the Council's acceptance of his resignation

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forthwith. Owing to the short period which has to elapse prior to the annual meeting of ratepayers, it is decided that no steps be taken to fill the vacancy in the Council membership created by Mr. Arnold's resignation.

Telephone Company Negotiations. - Upon Mr. Massey suggesting that decision

should be reached in the matter of the revised franchise agreement with the Telephone Company, the Deputy Secretary states that the amended clauses thereto as prepared by the Treasurer & Comptroller and himself have been circulated to the majority of members, and with the exception of further amendments proposed by two members, have been approved. These further amendments relate to the clause dealing with the extension of the franchise and Mr. French has suggested that this should provide that the franchise should be extended on the same terms for successive periods of 10 years after the expiration of the 40 year period in the event of the Council not exercising its option to purchase. In support of this proposal, Mr. French states that unless such a provision is included the position might arise whereunder, in the event of the Council deciding not to purchase the undertaking at the end of the stipulated periods, the Company would be left to function without a franchise.

Upon the Deputy Secretary pointing out that under Clause 26 the Council and the Company are enabled within two years of the expiration of the 40 and 10 year periods to require consideration of revision of the terms of the franchise, Mr. French states that presumably that if agreement as to revision is not reached within the prescribed period the franchise would automatically lapse which position would be most detrimental to the Council and the Company. The Deputy Secretary states that the inference is that should the Council not exercise its option to purchase, the franchise would be of a perpetual nature. Mr. Sheppard is of the opinion that provision should be included that in the event of agreement not being reached between the Council and the Company regarding the extension of the franchise within the last two years of the 40 and 10 year periods, the Council should extend the franchise on the same terms. The Deputy Secretary is of the opinion that such provision would place the Council in a dangerous position in the event of the Company declining to reach a settlement within the stipulated period regarding any revision of the franchise as in this case the Council would be forced to exercise its option to purchase or permit the Company to continue without a franchise.

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Mr. Bell suggests that as the proposed amendments to the franchise are only tentative, these be submitted to the tenderers forthwith to enable the Council to take into consideration their views regarding these and any other proposed amendments. Subject to it being made clear to the tendering parties that the suggested amendments are of a tentative nature, members adopt this proposal.

The meeting terminates at 5.05 p.m.

W. Macnamara
Chairman.

W. P. Smith

Secretary.

At the meeting of the Council held on Wednesday, March 12, 1930,
at 4.30 p.m., there are:

Present:

Brig. General E. B. Macnaghten
 Messrs. A. D. Bell
 C. H. French
 S. I. Hau
 P. W. Massey
 G. W. Sheppard
 Yu Ya Ching
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. K. Fukushima
 T. Funatsu
 V. G. Lyman.

Election of Chairman. - Upon the proposal of Mr. Bell seconded by Mr.
 1173 Sheppard, Brig. General Macnaghten is elected Chairman.

Election of Vice Chairman. - Upon the proposal of Mr. Massey seconded by
 1172 Mr. Bell, Mr. Sheppard is elected Vice-Chairman.

The Minutes of the Special Meeting of February 24 are confirmed and signed
 by the Chairman.

The Minutes of the Meeting of February 26 are read and confirmed and signed
 by the Chairman.

The Minutes of the Special Meeting of March 5 are read and confirmed and
 signed by the Chairman.

1173 Resignation of Chairman. - In connexion with the resignation of the
 late Chairman, Mr. H. E. Arnhold, and in agreeing that the Council's
 decision to accept his resignation was primarily due to the relations
 subsisting between Mr. Arnhold and some of his colleagues on the
 Council Mr. Sheppard's proposal is adopted that the following expression
 of view be included in the minutes for the purposes of record:-

"With reference to the resignation of Mr. H. E. Arnhold
 from the Council as recorded in the Municipal Gazette of
 March 7, 1930, and to a subsequent letter from Mr. Arnhold

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to the Press which appeared in the "North China Daily News" of March 7, and is now filed for easy reference, the Council records that in its opinion it is not obligatory on a serving Member of Council to resign because he fails to secure election by the rate-payers in his candidature for the next year of office".

512 Telephone Company Negotiations. - The Chairman reports that in the course of an interview the French Consul General expressed indignation that the Council had proposed to the Telephone Company certain amendments to the franchise agreement without consulting the French Municipal Authorities despite the fact that they had forwarded for the Council's consideration certain amendments which they desired to be made in the franchise agreement with the new company. The Director General states that a letter from the French Authorities, protesting against the manner in which this matter has been handled by the Council, was received just prior to this meeting and is now being translated. After the Council decided to amend certain clauses in the existing franchise agreement he notified Monsieur Verdier unofficially of these proposals and stated that such amendments were of a tentative nature. The modifications proposed by the French Authorities have not been accepted by the Council in their entirety and the French Consul General is of the opinion that an agreement should have been reached between the two Councils regarding any amendments to the existing franchise agreement prior to the Council addressing the Telephone Company on this subject. He gathers that the French Consul General will suggest an early conference of representatives of the two Councils in order that a settlement may be reached on any outstanding points regarding modification of the franchise agreement.

The Chairman agrees that the charge levelled against the Council that it has acted somewhat discourteously in failing officially to notify the French Authorities of the proposed amendments to the franchise agreement prior to taking up this matter with the Company is justified and he states that after perusal of the letter received today from the French Consul General he proposes to call on him with a view to adjusting this matter.

The Commissioner of Public Works attends.

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Erection of Victoria Nurses Home.- Members are informed that after protracted negotiations an offer has been received today to sell to the Council the area of approximately Mow 2.500 of graveland adjoining the site of the Country Hospital which, if acquired, will permit of the erection of a nurses home on this site. The Commissioner of Public Works states that the price demanded for this area is Tls.72,500. He is under the impression that the Council some time ago as a matter of expediency authorised purchase of this area for the sum of Tls.70,500. As, however, doubt exists as to whether the Council has agreed to pay the excessive price mentioned by Mr. Harpur the Chairman undertakes to peruse the relative file and ascertain the position of the Council in this matter.

The Minutes of the joint meeting of the Works and Health Committees of February 25 are submitted and confirmed.

The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Orchestra and Band Committee of February 27 are submitted and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed.

Attendance at Orchestral Performances.- Regarding the Committee's suggestion that to encourage increased attendance at these performances season tickets should be issued to ratepayers free or at a nominal charge members are of the opinion that adoption thereof would not achieve the desired result and would diminish the relatively small revenue obtained from this source. They are also of the view that there is no possibility of obtaining an increased contribution from the French Authorities towards the cost of the Orchestra. For the above reasons they are unable to support the Committee's proposal.

The Minutes of the meeting of the Works Committee of March 4 are submitted and confirmed.

Admission of Press Representatives to Council Meetings.- In connexion with the resolution to be moved by a ratepayer at the forthcoming annual meeting to admit Press representatives to Council meetings, the Director General alludes to recent press articles advocating more publicity in respect of Municipal activities and to the

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published views of members of the incoming Council in this connexion. He has no doubt that the public generally construe these proposals as a demand for the admission of Press representatives to Council meetings. As the Council's policy in this respect will have to be outlined at the forthcoming annual meeting he suggests that the views of the present and incoming Council should be taken in order that the necessary statement may be prepared for submission to the ratepayers. He considers that the proposal to give more publicity to Municipal activities does not necessarily entail the attendance of Press representatives at Council meetings and from his experience during the past few months he has frequently found that most carefully prepared statements which he has issued verbally to press representatives have appeared in a distorted and garbled form. In view of this he submits that the Council should give this question careful consideration prior to committing itself to agreeing to the admission of Press representatives to the Council Room.

In concurring as to the desirability of this question ~~xxx~~ receiving the fullest consideration members decide to defer discussion thereon until the next meeting to which members of the incoming Council will be invited and their views elicited.

Water Closet Installations.- With reference to the minute of the meeting of January 6 last and the letter received from the Shanghai Land Investment Company Mr. Bell states that the Works Committee is of the view that inasmuch as this Company gave an undertaking to pay the fee for the connexion of water closet installations to main sewers this case falls within a different category from that of the property owned by Mr. Feng Ping Nan. The Committee is therefore unable to recommend that the amount paid by the Company in respect of the period for which the Council omitted to render debit notes at the appropriate time should be refunded. It is accordingly decided that the amount in question be not refunded by the Council.

Mr. Justice Feetham - Financial Arrangements.- A statement prepared by Mr. Justice Feetham outlining details of his remuneration, incidental expenses, etc., during his stay in Shanghai is read by the Secretary and formally approved.

Closing Hour Regulation - St. Patrick's Ball.- The Chairman reports that

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an application has been received from St. Patrick's Society for permission for the Majestic Hotel ballroom to remain open until 3.30 a.m. on the occasion of the Society's Annual Ball. He is of the opinion that as the Council has already refused to grant similar applications this request should not be complied with. On the other hand as the closing hour regulations were not designed to restrict the celebration of the various national festivals, he considers that an exception might be made in this and similar cases. The Director General suggests that the Society should be notified officially that no departure from the existing regulation will be permitted but that they be informed unofficially that the Council will not insist on rigid adherence to this regulation. He states that to his own knowledge the Majestic Hotel Ballroom has remained open beyond the closing hour on three occasions when invitation balls have been given. Members realize that when this regulation was promulgated the Council did not fully appreciate the effect thereof on the annual functions organized by the various national societies. They therefore agree that with the concurrence of the French Municipal authorities the existing regulation should be amended to permit without any time restriction the holding of the annual functions organized under the auspices of any of these societies. Since however the existing regulations are of such recent date it is considered undesirable at the present time to amend these and it is decided to leave the necessary amendment to the incoming Council.

The Municipal Gazette for Friday, March 14 is submitted in proof and authorized for publication.

The meeting terminates at 6.20 p.m.

Sam Stewart

W. Macnamara
Chairman.

Secretary.

At a Special Meeting of the Council held on Monday, March 24, 1930 at4.30 p.m. there are:-Present:

Brig. General E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice Chairman)

A. D. Bell

C. H. French

K. Fukushima

S. L. Hsu

P. W. Massey

Yu Ya Ching

L. T. Yuan

The Director General,

The Treasurer & Comptroller, and

The Secretary.

Absent: Messrs. T. Funatsu ✓

V. G. Lyman.

Telephone Company Negotiations.- In alluding to the difficulties which
 5733 have arisen in connection with the negotiations for the sale of the
 Telephone Company the Chairman briefly outlines the position which
 now obtains. Following the objection raised by the French Municipal
 authorities to the Council's action in forwarding to the Company
 proposed amendments of the Franchise agreement without reference to
 the French authorities, a meeting of representatives of both Councils
 took place last Monday with a view to agreement being reached on
 the question of franchise revision. As a result of this meeting
 it is apparent there is little prospect of agreement being reached
 in this matter and as the situation appears to be practically a
 deadlock the Chairman is of the view, in the interests of the
 public generally, that the Council should proceed independently of
 any action which may be taken by the French Municipal authorities.
 Mr. French suggests that the amendments to the Franchise proposed by
 the Council and forwarded to the Company should be referred to the
 Advisory Committee in order to ascertain whether in the light of such
 revisions they are able to recommend the acceptance of any tender. He
 realises that if this course is taken the French authorities may
 refuse to subscribe to any agreement reached and possibly inaugurate

a new telephone Company for their Concession. This possibility could be brought to the notice of the Telephone Company at the time offers for its purchase were under consideration. He agrees with the Chairman that the existing situation demands drastic treatment. The Director General states that he called on M. Verdier to-day and enquired when the Council might expect to receive the comments of the French authorities on the proposals which were discussed at the meeting last Monday. He was informed that these would be forwarded tomorrow and although he did not again discuss these in detail he gained the impression that the proposals to be put forward might not be acceptable to the Council.

In the event of the Company desiring to accept a tender on the recommendation of the Advisory Committee Mr. Massey enquires whether it could legally do this so far as the unexpired portion of the existing franchise is concerned in the absence of the approval of the French Municipal authorities. The Deputy Secretary replies that under Clause 14 of the agreement the franchise is only assignable with the consent of the Councils. The Director General states that he was informed privately by M. Verdier that the French authorities took the view that the Company has forfeited its rights under the franchise by not maintaining an efficient service and that if the forthcoming negotiations do not result in a satisfactory arrangement being reached from their point of view they consider they are entitled to submit this question to arbitration with a view to cancelling the franchise. The Director General adds that at the meeting last Monday the most important points dealt with were those relating to the financial aspect. M. Verdier flatly declined to agree to the Council's proposal that the dividends of the Company should be based on invested capital instead of on share capital on the ground that as two of the tendering companies would be content with a return of 8% on share capital the dividend should be limited to that amount. Finally it was suggested that the question would be simplified if the amount of limitation imposed in the franchise agreement were governed by a limitation in respect of telephone rental.

The Treasurer & Comptroller suggests that the main outstanding points between the two Councils are in respect of: (1) Control of the tariff by limiting rent of telephone, and (2) the capital development of the Company over which the French authorities desire to exercise control.

~~Mr. French observes that the amendments of the franchise~~

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Mr. French observes that the amendments of the franchise proposed by the Council are of a tentative nature and that the Company has been informed of the Council's willingness in the public interests to redraft same to conform with the offer ultimately accepted. He therefore sees no reason why the Company on the recommendation of the Advisory Committee should not be invited immediately to submit its recommendation regarding the acceptance of any particular tender.

The Director General replies that the Advisory Committee has unofficially informed the Company that it is unable to recommend acceptance of any of the tenders so far received. Mr. Sheppard points out that the Advisory Committee had taken the view that an agreement as to the revision of the franchise should, in the first instance, be reached between the two Councils; as the two Councils have failed to reach an agreement on this question he considers the Company should be informed as to what extent the Council is prepared to revise the franchise and leave it to the Company to take up the question of the franchise agreement with the French Authorities. The Chairman urges that the Advisory Committee should through the Company be requested to submit its definite recommendation regarding acceptance proposed by the Council although he realizes acceptance of the tender put forward by the I. T. T. would probably result in the French Authorities taking independent action. The Company would be informed as to the likelihood of this.

The Treasurer suggests that action in this matter be deferred until after tomorrow when the written views of the French Authorities will be received by the Council. It is not impossible that since the meeting on Monday last Mr. Verdier may have taken expert advice and that the communication when received from the French Authorities may provide a means of arriving at a solution of the outstanding questions.

The Director General refers to the request put forward by the Telephone Company for the Council's immediate assent to the release of certain machinery, a portion of which is required for installation in the exchange in the French Concession.

In agreeing with the Treasurer that no action should be taken until the communication has been received from the French Council it is decided to defer decision in this matter until the Council meeting on Wednesday next; in the meantime the Company will be informed that a reply

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will be forwarded them regarding the release of the machinery referred to and the placing of an order for additional machinery for the Wayside Exchange immediately after the Council meeting on Wednesday next.

New Chinese District Court Shanghai. - In a report submitted the Director General refers to a surplus fund of more than Tls. 200,000 in the joint custody of Mr. Wheeler and one of the Chinese officials of the Provisional Court. Technically under Land Regulation XIV the Council is entitled to such portion of this fund as consists of fines and penalties imposed by the Court for infractions of the Bye-laws estimated at approximately Tls. 100,000 and the representative of the National Government in the negotiations for the implementing of the new agreement has been so informed. The National Government, however, through its representative claims that this balance belongs to them.

The representatives of the Diplomatic Body request an immediate decision from the Council on this point and are very strongly of the opinion in which he concurs that any real attempt on the part of the Council ~~under~~ present conditions to gain possession of its share of this fund in accordance with Land Regulation XIV will precipitate serious trouble not only as regards inaugurating the new Court but as regards the whole political situation generally within the Settlement the results of which will be disproportionate to any benefits which may accrue from securing the possession of a relatively small amount of money. They, therefore, suggest that the Council should signify its assent to relinquish its claim to the fund already accumulated and to any similar fund which may accumulate in the new Court to which Land Regulation XIV is in all respects equally applicable upon the assurance that the Chinese Government will use these funds for providing adequate Court buildings and office accommodation for the Police Advocate and the judicial Police and in contributing generally to the operating expenses of the Court.

In view of the fact that in the past the fines and penalties imposed by Consular Courts have not been paid over to the Council although Land Regulation XIV is equally applicable to such Courts and having regard to the satisfactory conclusion of negotiations between the Chinese Authorities and the Diplomatic Body regarding the appointment of the foreign personnel of the Court provided for under the new agreement the Director General urges that the Council should waive its claim to the surplus fund above referred to and any future similar funds provided an

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assurance is obtained from the Chinese Government that such will be devoted to the provision of Court buildings and office accommodation for the Court staff.

After discussion members concur as to the advisability of meeting the wishes of the Diplomatic Body in this matter and the proposal put forward by the Director General is unanimously adopted.

The meeting terminates at 5.15 p.m.

Edmund Hughes
Chairman.

Sh. Stewart.

Secretary.

At the Meeting of the Council held on Wednesday, March 26, 1930 at 4.30 p.m. there are:-

Present:

Brig. General E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 C. H. French
 K. Fukushima
 S. L. Hsu
 P. W. Massey
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. T. Funatsu
 V. G. Lyman
 Yu Ya Ching.

Messrs. N. S. Brown	} Councillors elect for the Municipal year 1930/1 attend.
J. W. Carney	
A. J. Hughes	
N. Leslie	
T. Saito	

The Minutes of the last meeting are read and confirmed and signed by the
 1892 Chairman.- Houses of Public Entertainment - Closing Hour Regulation.

The Chairman reports that after consultation with some of the members of Council he authorised the Majestic Hotel to remain open beyond the stipulated hour on the occasion of the Annual Balls held by the St. Patrick's and Jewish Societies. A letter has now been received from the Presidents of St. George's, St. Andrew's and St. Patrick's Societies requesting an extension of hours on the occasion of their Annual Balls and he proposes that a similar special concession be granted to St. George's Society in respect of their Annual Ball to be held next month pending revision of the existing Regulations by the incoming Council with a view to exempting such functions from

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the closing hour regulation. This proposal is unanimously approved.

1355/2 Erection of Victoria Nurses Home.- The Chairman reports that immediately prior to this meeting he was apprised by the Deputy Commissioner of Public Works that the purchase of the area of graveland adjoining the Country Hospital has not yet been accomplished.

The Minutes of the Meeting of the Watch Committee of March 14 are submitted and confirmed.- Structural Condemnation of Chinese Theatres.- 1131 Subsequent to the meeting of the Committee a report has been furnished by the Commissioner of Public Works to the effect that he has conferred with the proprietors of the three theatres concerned as a result of which he recommends that two of the theatres be closed down on expiry of the present leases in May and June next and that the licence in respect of the theatre in Hankow Road be renewed until expiry of the present lease of the land in April 1932. The Chief Officer of the Fire Brigade concurring in this proposal the above recommendation is approved.

1407 Rating of Load for Motor-Trucks.- It is noted that a reply has now been received from the French Municipal authorities intimating their approval of the over-load of 20% in respect of motor freight vehicles. The Chairman undertakes to impress upon the Commissioner of Police the Council's view as to the desirability of a thorough investigation of the system adopted for the rating of motor-trucks having regard to the allegations made by Messrs. White Cooper & Co.

5118/4 Police Rules & Regulations.- The Chairman informs members that with the concurrence of the Commissioner of Police the section relating to punishments of a discriminatory character has been removed from the above Rules and Regulations.

The Minutes of the Meeting of the Works Committee of March 18 are submitted and confirmed. - Public Landing Accommodation - Purchase of Cadastral Lot 2530.- 5201/2 In connection with the recommended purchase of the above area Mr. Bell states that as at low water the depth is insufficient, estimates for the conservancy of the same have been obtained from Dr. Chatley. The latter is prepared to undertake the necessary dredging work to ensure a depth of not less than 6 ft. at lowest low water at an initial cost of Tls.12,000; thereafter dredging work would be undertaken at an annual cost of Tls.6,000. Under this scheme a sufficient depth of water would be maintained

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for the discharge of cargo from ordinary lighters. It is also proposed to build two new roads for heavy motor vehicles to be utilised for the transport of cargo landed.

Mr. Sheppard is of the opinion that the need for the provision of additional landing facilities is exaggerated; while he favours the purchase of the above area at the price stated, which he regards as reasonable, he is opposed to the Council committing itself at the present time to heavy expenditure for the erection of transit sheds and the installation of machinery such as cranes etc., particularly in view of the Treasurer's observation as to the necessity of conserving the Council's funds. He therefore proposes that any additional expenditure should be deferred until further experience has been gained regarding the maintenance of the necessary depth of water and the cost thereof. Mr. Bell replies that the matter of transit sheds and machinery was only mentioned at the Works Committee meeting as illustrating to what extent this wharf might be developed. The present recommendation involves only the purchase of the land, the construction of a jetty and the necessary approach roads. He agrees that additional expenditure for purposes of further development demands most careful consideration on the part of the Committee and the Council. Upon Mr. Sheppard expressing his approval of the recommendation subject to the above reservation the Committee's recommendation is approved.

The Treasurer & Comptroller attends.

The Minutes of the Meeting of the Finance Committee of March 21 are submitted and confirmed.- Sale of the Electricity Department - Letter of Credit.- In reply to Mr. Bell's enquiry the Treasurer & Comptroller states that he has reason to believe that the Company will acquiesce in the proposal that the terms of the letter of credit be waived to the extent of Tls.5,000,000 without prejudicing the rate of interest to be received thereon. Mr. Sheppard states that he has discussed this proposal with the Chairman and suggested that a memorandum be furnished by the Treasurer & Comptroller showing clearly the arrangement to be entered into regarding terms of payment of this balance, for the consideration of the Committee. The Treasurer states that if this proposal is adopted the effect in brief is that instead of this amount being taken up in advance of requirements it would be called for at two months notice during the period July 1 to December 31 next as and when required. There would be no security for this payment other than that provided by the Mortgage.

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Upon his enquiring whether the Council feels it necessary to require some additional security for this sum Mr. Sheppard states that he favours extension of the terms of the Letter of Credit for a further six months even though the Council might be required to meet the relatively small expense of arranging this with the Bank. The Treasurer states that if the Council desires a special arrangement to be effected with the Company regarding this balance, he will obtain from them in writing their proposals regarding the recommendation now before the Council as also in respect of the extension of the Letter of Credit. Personally he is of the view that although the sum in question is material the amount is relatively small compared to the outstanding balance of the purchase price which is secured to the Council solely by the mortgage on the Company's assets. He has no reason to believe that upon the stipulated notice being given to the Company the instalments of the purchase price will not be immediately forthcoming; his sole reason for advocating that the terms of the Letter of Credit be waived to the extent of Tls. 5,000,000 is to avoid a loss of interest on this amount through inability to place same at an economical return. After discussion Mr. Sheppard's proposal is adopted that the Treasurer should consult with the Company with a view to obtaining their proposals for the extension of the Letter of Credit and report for the consideration of the Finance Committee.

Telephone Company Negotiations. - The Director General reports that M.

Verdier called on him yesterday and further discussed with the Treasurer & Comptroller and himself the French Council's proposals regarding the financial aspects of these negotiations. He gathered from M. Verdier that the proposals, the written text of which was received this afternoon, are such that agreement between the two Councils is possible. The Treasurer & Comptroller states that the essential points of difference were discussed with a view to reconciling the wishes of the two Councils and he anticipates that it will be possible to adjust these differences by the end of the week to such an extent as will enable the Advisory Committee to proceed. An atmosphere of friendliness pervaded the discussion in view of which he advocates both in the interests of the Company and of the public that no independent action be taken by the Council during the next few days as he is hopeful that

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a satisfactory agreement will be reached within that period. In this connection Mr. Bell's suggestion is adopted that the letter received from the French Authorities protesting against the Council's action in referring the franchise amendments direct to the Company without consulting the French Authorities and the Council's reply thereto be circulated to members.

Having regard to the Council's decision at its meeting on Monday last to reach a decision today in the matter of proceeding with the negotiations with the Company as also the time which has elapsed since these negotiations were initiated the Chairman deprecates the further delay proposed, particularly so as there is no assurance that agreement will be reached between the two Councils by the end of this week. He realises, however, that failure to reach agreement with the French Authorities, which might result in the establishment of a separate Company in the French Concession, will place the Telephone Company in a most difficult position and that in its interests postponement of decision for a further few days might be advisable. It is accordingly decided that decision in this matter be deferred until a report is received from the Treasurer as to the result of his further negotiations with the French Authorities which will be considered by the Council immediately his report is received. In the event of no agreement being reached at that time it is realised that the Council will have no alternative but to take independent action.

The Treasurer & Comptroller adds that in the course of an interview with the General Manager of the Company today he intimated in general terms the present position between the two Councils. Mr. Porter appreciated that the Council was doing its utmost to reach a satisfactory agreement with the French Authorities and that in the circumstances the delay of a further day or two was of less consequence than that a decision should be reached in the matter of the release of the machinery as to which a communication was recently addressed by the Company to the Council. Members agree that pending a decision being reached regarding the Franchise agreement no official reply be made to the Company as to the taking up of this machinery.

The Treasurer & Comptroller withdraws.

Annual Meeting of Ratepayers.- In welcoming the Councillors-elect for the ensuing Municipal year the Chairman states that their attendance has been invited in order that full consideration may be given to their views on the question of the admission of Press Representatives to Council Meetings, a resolution as to which will be moved by a ratepayer at the forthcoming Annual Meeting. The resolution advocating the admission under certain conditions of Press representatives to Council meetings is then read. The Chairman observes that similar resolutions have been moved on three occasions previously and defeated by a large majority. Personally he is in favour of admitting the Press under certain safeguards but on account of the lack of accommodation and the inexperience of the reporters on the staff of certain newspapers he proposes that the Council should agree to the admission of four Press representatives to be selected by the Press of Shanghai for the purpose of distributing information to all local newspapers. He realises however that under this proposal difficulty may be experienced by the Press in the selection of such representatives.

Mr. Sheppard is opposed to the proposal that Press representatives should be admitted to Council meetings on the ground that the official minutes of such meetings constitute an excellent and correct record of proceedings; there would be no guarantee that the deliberations and decisions at Council meetings would be correctly reported to the public by Press representatives, accordingly he favours the Council's official minutes or such portion thereof as may be deemed advisable being furnished to the Press subject to any editing which may be necessary. He does not regard as feasible the proposal that the local Press should be called upon to select a limited number of representatives to attend Council meetings particularly having regard to the various languages in which local newspapers are printed. Although in favour of greater publicity being given to Municipal matters he is strongly of the view that the proper means of achieving this is by granting the Press freer access to the Council minutes than has been done heretofore.

Mr. Hughes, whilst favouring greater publicity being given to Municipal matters, as advocated for many years during his period of office as Chairman of the Ratepayers' Association is also

opposed to the admission of Press representatives to Council meetings. He considers that the proper medium for the dissemination of official news is the Municipal Gazette which could with careful editing afford the publicity desired. He therefore proposes that the Council should prepare an amendment to the resolution to be moved at the forthcoming Annual Meeting opposing the admission of Press representatives but intimating its willingness to furnish additional information on Municipal matters through the official Gazette.

Having regard to the confidential and semi-confidential questions relative to land purchases, political questions, etc., which are discussed from time to time, Mr. Fukushima supports the view as to the undesirability of the admission of Press representatives to the Council Room.

Mr. Bell favours the Chairman's proposal that Press representatives be admitted to Council meetings under certain safeguards. In his view the demand for admission of Press representatives and also of the public will become so strong that sooner or later the Council will have no option but to concede this. Whilst some difficulty may be experienced in securing the selection of a limited number of Press representatives and although the Council's proceedings may be incorrectly reported, he considers that the proposal put forward by the Chairman merits a trial.

In agreeing that the admission of Press representatives is only a matter of time Mr. Brown states that he cannot conceive a more inopportune time than the present to agree to this proposal having regard to the investigation now being conducted by Judge Featham and of the confidential discussions which must follow the report on his findings. He therefore considers that at least during the current year the Council should oppose any resolution for the admission of Press representatives and during that period meet the desire for more publicity by furnishing greater details of Municipal matters through the medium of the Gazette.

In supporting Mr. Brown's contention Mr. Leslie considers that fuller details of Council deliberations might be supplied to all ratepayers in lieu of the existing system under which only a limited number of ratepayers obtain this information through the

medium of the Gazette or alternatively that steps be taken to ensure that copies of the Gazette reach all ratepayers.

Mr. Carney is of the opinion that if matters not on the agenda come up for discussion the presence of Press representatives will tend to discourage that free expression of view so essential to the satisfactory settlement of major questions.

The Director General states that this question is placed on the agenda today in order to decide what attitude the Council should adopt in regard to the moving of the resolution which has been read by the Chairman. The conditions under which the Council functions in Shanghai are different from those of the governing body of any city in the world. Under normal conditions the question of admission of Press representatives would not present great difficulty - owing to the existing abnormal conditions when so many questions which have to be dealt with by the Council have serious political aspects the full significance of publicity being given to such discussions may not be appreciated until the evil is done. Speaking as an ex-member of Council he is strongly of the view that the admission of Press representatives at the present time would be unwise and also would restrict a frank expression of view.

Whilst not challenging the above contention Mr. Bell points out that the Council could always require the withdrawal of Press representatives if it felt that a subject of a confidential nature was about to be introduced. Mr. Brown considers that if Press representatives were required to withdraw several times during a meeting the public would obtain the impression that greater secrecy than ever was being observed with the result that further misunderstandings would arise and criticism against the Council become intensified. He reiterates the view that the public demand for greater publicity could be met by furnishing the Press and the public with more detailed information regarding the proceedings at Council meetings.

Mr. Sheppard then proposes that the Council should adopt the attitude that it is impossible to concur in the proposals regarding the admission of Press representatives but that it should clearly intimate its willingness to afford greater publicity on Municipal matters in the manner outlined above.

Mr. Hughes suggests the advisability of the Council preparing an amendment in the event of the ratepayers being inclined to pass the resolution for the admission of Press representatives. The majority of members support this view and the Chairman undertakes in collaboration with the Director General to prepare the necessary amendment and a detailed statement outlining the Council's reasons for moving same and also to arrange for a proposer and a seconder for the amendment.

1199 General Hospital - Board of Governors.- It is decided to nominate Drs. Bryson and Dunn for re-election to the Board of Governors as also Messrs. Sheppard and Carney who intimate their willingness to serve in this capacity.

2331 Chairman.- It is decided to request Mr. A. W. Burkill to take the chair at the forthcoming Annual Meeting of Ratepayers. In the event of his being unable to do this Mr. R. E. S. Gregson will be requested to act as Chairman.

1388 Country Hospital - Board of Governors. - An advice from the Superintendent to the Country Hospital to the effect that Mr. T. Kikuchi will retire from the Board of Governors on the date of the forthcoming Annual Meeting of Ratepayers is submitted. Since Mr. Kikuchi is eligible for re-election it is decided to nominate him as a member of the Board for a further period.

The Director General reports that at the request of the donor of the Country Hospital he succeeded Mr. Arnhold as a member of the Board of Governors of the Country Hospital. Although technically this is contrary to the Deed of Gift which specified that the Council's representative on the Board should be a member of the Council, Mr. Rayner has forwarded a letter intimating his desire that he should remain a member of the Board notwithstanding the terms of the Trust Deed. In agreeing to the continuance of this arrangement members take the view that in order to regularise the position Mr. Rayner's letter should be attached to the Trust Deed and this course is agreed to.

1172 Council Procedure. - The Chairman reads a letter he has received from Mr. H. E. Arnhold in which it is proposed for the reasons stated that a dissenting member of Council should submit his resignation if he disagrees with the policy being followed and seeks to justify his dissenting policy. In conclusion Mr. Arnhold requests that his letter together

with the Council's reply be published in the Municipal Gazette. The Chairman reads a reply he has drafted and as this will be forwarded by him in his (the Chairman's) private capacity he does not propose that these letters should be published in the Gazette. By taking this course he realises that Mr. Arnhold may ventilate his views on this question at the forthcoming Annual Meeting of Ratepayers.

Mr. Bell is of the opinion that to avoid an undignified altercation at the Annual Meeting the letter and the reply should be given full publicity. Furthermore he requests that an addition be made to the Council's reply stating that its contents should in no way be construed as implying its agreement with the statements contained in Mr. Arnhold's letter. Although the inference of this is quite obvious he cannot accept the allegation that he has ever been a dissenting member of Council, in fact if members will recall the occasions when differences arose between Mr. Arnhold and himself the remainder of the Council invariably supported his own view, as against that of Mr. Arnhold. He therefore submits that the Council's reply should clearly state that the statements made by Mr. Arnhold are inaccurate and should publish both letters in the Gazette.

Mr. Sheppard observes that Mr. Arnhold prior to the election enunciated to the Press his policy regarding certain Municipal activities as did most of the candidates for election. It would therefore appear that his conduct in this respect was no different from that of other members of Council. Mr. French concurs with the Chairman as to the undesirability of any public controversy being entered into between the Council and Mr. Arnhold. In view of members acquiescence in his contention that Mr. Arnhold himself should more rightly be described as a dissenting member of Council, Mr. Bell considers it would be somewhat unfair to himself if publicity is given to the letters - and it may be assumed in any case Mr. Arnhold will cause these letters to be published in the Press - unless some reference is included to the effect that the Council does not accept Mr. Arnhold's statements as correct.

After discussion and in concurring that if the letters are published without some addition as proposed by Mr. Bell the public will be misled the Chairman's proposal is adopted that he should confer with Mr. Bell and the Director General with a view to the reply being

couched in such terms as will indicate clearly the Council's attitude regarding the inference contained in Mr. Arnhold's letter.

Qualifications of Councillors - Mr. G. E. Tucker's Candidature.- A memorandum prepared by the Director General stating that prior to the recent election the rental paid by Mr. G. E. Tucker was not sufficient to qualify him under the Land Regulations to be a member of Council is submitted. Just prior to the election a letter was received by the Commissioner of Revenue from the National City Bank in whose building Mr. Tucker occupied an office stating that he paid a rental of Tls.100 per month, i.e., an amount sufficient to qualify him to be a member of Council. Subsequent to the election a further letter was received from the Bank stating that as from the 11th of the month the monthly rental to be paid by Mr. Tucker would be Tls.25. The Director General submits that this correspondence might be regarded as casting a doubt upon the bona fides of Mr. Tucker's qualification and also as laying the Bank open to the criticism of having been a party to a transaction which is open to question. The Director General has reported this incident for the Council's information although he feels there will be little purpose in pursuing the matter further.

Mr. French states that he seconded Mr. Tucker's proposal when he stood for election. He was not aware at that time of the circumstances under which he qualified and although it would appear that the means adopted by Mr. Tucker are irregular, he submits that it is not unlikely that in the past other candidates for Municipal election may have adopted similar means. Owing to the impossibility of obtaining any amendment to the Land Regulations to prevent such practices he proposes and members concur that all possible steps should be taken by the Council in future to prevent any irregularities by prospective Councillors.

After discussion it is decided that no action be taken in respect of the report submitted by the Director General.

Traffic Facilities and Race Course Creek.- Relative to previous discussions the Commissioner of Public Works reports that the Stewards of the Race ^{Creek} Course have now intimated that they are not prepared to meet the Council's wishes regarding the abandonment of the Creek alongside the Race Course in order to provide additional parking facilities. Mr. Bell states that the Stewards regret their inability to accede

to the Council's request in this matter on the ground that if the Creek is abandoned the only means by which they could preserve the Race Course would be by the erection of a high wall. From an aesthetic point of view they would be most reluctant to do this. Unless such a wall were erected the Stewards have reached the conclusion that owing to the amount of rubbish which would be deposited on the track and the inconvenience and possible danger which would be caused by the close proximity of spectators and the noise of vehicles would render racing well nigh impossible. They therefore appeal to the Council not to reduce the amenities of this section of the road solely in the interests of traffic. He adds that the Stewards' decision was reached subsequent to the submission of the plans prepared by the Commissioner of Public Works illustrating the Council's proposals. After hearing Mr. Bell it is decided to take no further action in this matter for the time being.

The Municipal Gazette for Friday, March 28 is submitted in proof and authorised for publication.

The Meeting adjourns at 6.45 p.m.



Chairman.



Secretary.

At the Special Meeting of the Council held on Monday, March 31, 1930 at 4.30 p.m. there are:-

Present: Brig. General E. B. Macnaghten (Chairman)

Messrs. G. W. Shppard (Vice Chairman)

A. D. Bell

G. H. French

S. L. Hsu

P. W. Massay

Yu Ya Ching

The Director General,

The Treasurer & Comptroller, and

The Secretary.

Absent: Messrs. V. G. Lyman

K. Fukushima

T. Funatsu

L. T. Yuan.

The Minutes of the Special Meeting of March 24 are confirmed and signed.

Telephone Company - Negotiations.- With reference to the discussion at the last meeting the Treasurer & Comptroller reports that as a result of further conferences with M. Verdier, Director General of the French Municipal Council, a tentative agreement has been reached regarding the outstanding points between the two Councils in the matter of the Franchise agreement revisions and this he recommends for the Council's endorsement. This being approved and in expressing appreciation of the Treasurer's efforts which have resulted in a reconciliation of the points of view held by the two Councils in this respect he is requested to notify M. Verdier that the tentative agreement has been officially approved by the Council and of its desire to forward these revisions to the Company forthwith for the consideration of the Advisory Committee. The Treasurer undertakes to ascertain that M. Verdier has no objection to this proposal and also to request him to forward the proposed Franchise agreement revisions to the Company at the same time. He anticipates that M. Verdier will agree to this proposal, if, however, this is not the case he will advise the Council immediately.

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Members agree with the Chairman that no action should be taken by the Council regarding the Company's request for its consent to the release of certain machinery until the Advisory Committee has considered and submitted its recommendation regarding acceptance of any tender in the light of the proposed amendments of the Franchise agreement.

The Treasurer & Comptroller withdraws.

Application of the Stamp Tax Law in the International Settlement. - In a

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comprehensive memorandum submitted the Director General reviews the position as it has existed up to the present time regarding the Council's attitude in the matter of the imposition by the Chinese Authorities of the Stamp Tax on the Chinese residents of the Settlement. For the reasons set forth he concurs in the opinion of the Diplomatic Body that it is now an opportune time as well as equitable and just that some modification of the Council's attitude towards national taxation in the Settlement should be effected. He therefore recommends for adoption the proposal put forward by the Diplomatic Body that the Council should agree to the request of the Chinese Authorities that Chinese residents who do not comply with the Stamp Tax Law be prosecuted in the new District Court by the Council's Police Advocate upon application of the appropriate Chinese Authorities accompanied by sufficient evidence upon which to institute proceedings. He has discussed this question fully with Mr. Justice Feetham who is of the view that compliance with this request will tend to improve the relations between the Chinese Authorities and the Council. With the inauguration of the Chinese District Court tomorrow he regards it as highly desirable that the Council should accede to the request of the Chinese Authorities and thus retain in its own hands the power of prosecution for infractions of the Stamp Tax Law.

In the event of the Council agreeing to this proposal Mr. Sheppard submits that no prosecutions for infractions of this Law should be undertaken by the Police Advocate before the Council has been supplied with full details of each case. He recalls that permission was given for the operation of Stamp Tax Bureaux in the Settlement as a result of an arrangement between the then Chairman and the Diplomatic Body; this question not being submitted to the Council as a whole for its approval. Subsequently the Council was informed that such permission had been

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granted solely for the convenience of Chinese residents, who voluntarily desired to comply with the provisions of the Stamp Tax Law. The proposal now submitted whereunder the Police Advocate would be utilised for enforcement of the provisions of this Law is therefore a radical departure from the policy hitherto adopted by the Council. There is no reason to believe that an attempt may not be made to extend the provisions of this Law to the foreign community and he regards with the gravest concern any action on the part of the Council which would assist towards this end.

In this connection the Director General states that he has just completed a further memorandum which he has not had an opportunity of circulating to members, regarding the reorganization of the Legal Department as a separate department. With the inauguration of the Chinese District Court tomorrow and the change in the status of the foreign personnel he is of the opinion that it is imperative in the interests of the Settlement that there should be a liaison Department between the Council and the Chinese Courts, under the charge of an official having a much wider legal knowledge of the status of the Settlement and of the peculiar problems connected with it than the Police Department can reasonably be expected to have. Under the proposed reorganization scheme which he explains in detail Mr. Bryan would be in a more favourable position than hitherto for safeguarding the Council's interests. All cases of infractions of the Stamp Tax Law would in the first instance be carefully considered by the Police Advocate and in any case where doubt existed as to the legality of proceedings being instituted such would be referred to him (the Director General) for his opinion who in turn would, if necessary, refer same to the Council; he submits that under this system any attempt to abuse the provisions of the Stamp Tax could be frustrated. As in his view prosecutions under this Law may be numerous although largely of a minor nature he considers it impracticable to submit all these to the Council prior to proceedings being instituted by the Police Advocate.

Mr. Sheppard states that he regards prosecutions in respect of non-payment of any form of tax as falling within a different category from prosecutions for criminal acts. If the Council accedes to the request of the Chinese Authorities he sees no reason why it should not be given an opportunity of considering such cases prior to proceedings

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being taken even though this might involve a slight delay in the hearing of such cases. He cannot help feeling that unless from the outset the Council keeps itself fully informed as to the nature of the cases in respect of which proceedings are to be instituted an attempt may be made to apply the Stamp Tax Law to cases having no direct connection therewith. Translations of the provisions of the Stamp Tax Law are both vague and complex and he doubts whether the business residents of the Settlement, both Chinese and foreign, are thoroughly conversant with its requirements. He therefore deprecates the Council committing itself to sponsoring prosecutions for the non-payment of any Stamp Tax unless it first satisfies itself that an infraction of the Law has occurred.

The Director General reiterates that before any proceedings are taken the Chinese Authorities will be required to submit full details of every case to the Police Advocate and if he has any doubt as to the legality of the case he will submit same to him who in turn will at his discretion refer it to the Council. In the event of every case being referred to the Council it would have to be guided by the recommendation of the Police Advocate and himself.

Upon Mr. Sheppard enquiring whether it is the intention of the Chinese Authorities to enforce the Stamp Tax Law in the case of foreign nationals who have lost their extraterritorial rights Mr. Fessenden replies that ^{it} is stipulated in the agreement that the provisions of this law apply only to Chinese residents.

The Chairman is of the view and members concur that if the Council decides to meet the wishes of the Diplomatic Body in this matter reasonable notice should be given to the Chinese community of the Council's intention. It is considered that one month's notice as to this should be given as also that the full text of the Stamp Tax Law should be published by the Council.

After further considerable discussion in the course of which Mr. Sheppard adheres to his view as to the advisability of each case being submitted for the Council's consideration prior to proceedings being taken it is decided subject to one month's notice being given to Chinese residents and to the publication of the text of the Stamp Tax Law to agree to the request of the Diplomatic Body and to permit the Police Advocate to take such cases it being directed that in any case where doubt exists as to the legality of the proceedings being instituted that such be

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referred by the Director General to the Council. The Director General also undertakes to submit a weekly statement detailing the cases dealt with by the Police Advocate.

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The recommendation of the Director General regarding the reorganization of the Legal Department as outlined in his report is approved.

Captain E. I. M. Barrett - Termination of Services. - Mr. Bell states that 1013 he has received a letter from Captain Barrett who feels somewhat hurt that he has never been officially advised by the Council direct as to the termination of his services. The Secretary states that in accordance with the usual practice he was advised as to this by the Council's London Agents.

In view of Captain Barrett's length of service it is decided to include a reference to this in the speech to be delivered by the Chairman at the forthcoming annual meeting of ratepayers and to forward the relative extract to him with a covering letter.

The meeting terminates at 6.25 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, April 9, 1930,

at 4.30 p.m., there are:

Present:

Brig. General E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman).
 A. D. Bell
 K. Fukushima
 T. Funatsu
 S. L. Hsu
 P. W. Massey
 L. T. Yuan
 The Director General, and
 The Secretary.

Absent:

Messrs. C. H. French
 V. G. Lyman
 Yu Ya Ching.
 Messrs. M. S. Brown }
 J. W. Carney } Councillors-elect for
 A. J. Hughes } the Municipal Year
 T. Saito } 1930/31 attend.

The Minutes of the last meeting are read and confirmed, and signed by the

Chairman. - Sale of Electricity Department - Letter of Credit. -
 The Treasurer & Comptroller reports that he has arrived at a tentative agreement with the Shanghai Power Company for an extension of the letter of Credit up to December 31 next. The terms of this agreement which will involve a charge to the Council of approximately Tls. 3,000 are regarded as satisfactory and the arrangement made by the Treasurer is confirmed.

Admission of Press Representatives to Council Meetings. - The Chairman reports that the Vice-Chairman and himself have discussed this question with the proposer and seconder of this resolution and that they have intimated their willingness to withdraw same if an amendment on the lines of the second paragraph of the resolution is duly moved and seconded. The Chairman will accordingly propose this amendment for adoption and this will be seconded by Mr. Trenchard Davis. Mr. Hughes undertakes to speak briefly in support of the amendment. The Chairman

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invites members to furnish Mr. Davis with any further information which might be of assistance to him in speaking in favour of the proposed amendment.

The Minutes of the Special Meeting of March 31 are read and confirmed and signed by the Chairman. Application of the Stamp Tax Law in the International Settlement. The Director General reads two letters which he has addressed to the Senior Consul outlining the conditions upon which the Council agrees to prosecutions under the above Law being undertaken by the Municipal Advocate. These conditions have been published in the Chinese press. Since the last meeting he has ascertained that the maximum penalty which can be imposed for infraction of this Law is a fine of \$100 and in the course of conversation with the chief official of the Stamp Tax Bureau and Mr. Kwan a former Magistrate at the Mixed Court he gathered that they took the view that the first few cases to be taken will be in the nature of test cases and will result in the Chinese residents concerned complying with the requirements of this Law.

In connexion with the inauguration of the Chinese District Court he states that two days ago he received a report from the Chief official of the judicial police that the Court Authorities were not furnishing him with adequate records of cases dealt with as called for in the Agreement. He immediately took up this question with the Senior Consul who in turn brought the matter to the attention of the Consular Body. Failure on the part of the Court Authorities to supply records of cases to the judicial Police Staff is a distinct breach of the terms of the agreement and he is informed that the Senior Consul will make the strongest possible representations to the National Government to ensure that this requirement is fulfilled. In the event of these representations being unsuccessful the Council could, through the Police, take direct action but he is of the view, and members concur, that in the first instance diplomatic channels should be exhausted to remedy the conditions complained of.

The Minutes of the meeting of the Watch Committee of March 28 are submitted and subject to the following exception are confirmed. Application for Tavern Licence - 41A Kiangan Road. - The Chairman states that in view of the adverse police report on the manner in which this establishment is conducted the Committee recommended that the application for a tavern licence be refused as also that the existing restaurant .

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licence (with liquor at meals only) be withdrawn. On reconsideration and in view of the fact that the evidence on which the police report was based is a meagre nature, he is inclined to support the protest of the Chinese lawyer representing the proprietor that cancellation of the existing restaurant licence would constitute unduly harsh treatment. His proposal is accordingly adopted that a provisional restaurant licence be issued permitting liquor at meals only, and the proprietor warned of the consequences if the conditions thereof are not strictly complied with.

The Chairman adds that following the recommendation recorded by the Committee at its meeting the Police Department instructed this establishment to cease business. As this recommendation had not then been submitted to the Council the action taken by the Police was ultra vires. To avoid a similar recurrence the Secretary is directed to draw the attention of the Commissioner of Police to this.

The Minutes of the Joint Meeting of the Watch and Staff Committees of April 2 are submitted and confirmed.

Annual Meeting of Ratepayers - Chairman's Speeches.- The Chairman reads, in the order in which they will be delivered, the speeches relative to the various resolutions. In view of the resignation of Mr. Arnhold so near the expiration of his period of office Mr. Bell's proposal is adopted that a reference be included identifying him with the Council's activities during the greater period of the current Municipal year.

with regard to the provision of educational facilities Mr. Hughes suggests that a reference should be included foreshadowing that in the near future the Council, in order equitably to provide educational facilities for the various nationals comprising the community, may have to consider the desirability of hypothecating a definite percentage of the Municipal revenue for educational needs a portion of which might possibly be utilized for subsidizing educational institutions irrespective of nationality which conform to a certain standard.

Mr. Sheppard recalls his allusion to the increasing burden on the Budget of the expenditure incurred under the existing system on the provision of educational facilities and agrees as to the desirability of a definite policy being formulated.

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In agreeing that a brief reference on the lines indicated should be included the Council considers that this general question should be the subject of consideration by the incoming Council.

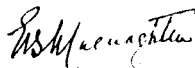
In respect to the reference to the negotiations with the Telephone Company, Mr. Bell dissents from the statement regarding the Company's attitude in the matter of the engagement of the expert from Home. Members concur that the speech as at present drafted is in this respect inaccurate and the Director-General undertakes to amend this, as also that portion dealing with the calling for tenders which as at present worded is somewhat ambiguous.

Hospital Facilities.- The Chairman alludes to an article which appeared in a recent issue of the North China Daily News under the caption "Victoria Nurses Home" in which it is alleged that nursing facilities are inadequate owing to the congested state of the Country and General Hospitals. In respect of the particular case cited a request has been made of the Editor for further particulars and the reply from a member of the staff of this paper is read. The Director General states that for a considerable period he called for a daily report as to the number of beds occupied at the Country and General Hospitals and on no occasion were there no vacant beds. In view of the misleading statements published and the implied criticism of the Council in the matter of the provision of hospital facilities the Chairman states that he proposes to pursue this matter further with the Editor.

Membership.- As presumably this will be the last meeting of Council during the current Municipal year the Chairman on behalf of those members who will serve on the incoming Council thanks the retiring members for their services and co-operation during the past year and voices his regret at their withdrawal from the Council.

The Municipal Gazette for Friday, April 11, is submitted in proof and authorised for publication.

The meeting terminates at 7.10 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, April 17, 1930, at 12 noon there are:-

Present:

Messrs. A. D. Bell
 H. S. Brown
 J. W. Carney
 K. Fukushima
 A. J. Hughes
 N. Leslie
 Brig. General E. B. Macnaghten
 Messrs. T. Saito
 G. W. Sheppard
 The Director-General, and
 The Secretary.

Election of Chairman.- Upon the proposal of Mr. A. D. Bell seconded by Mr. 1173 K. Fukushima, Brig. General E. B. Macnaghten is re-elected Chairman for the current Municipal Year.

In thanking his fellow members for the honour they have conferred on him and in expressing his conviction that he can rely on their co-operation and support during what may prove to be an unusually difficult year General Macnaghten assures them that he will take them into his confidence to the fullest possible extent.

Election of Vice-Chairman.- Upon the proposal of Brig. General Macnaghten 1174 seconded by Mr. Bell, Mr. G. W. Sheppard is re-elected Vice-Chairman. Mr. Sheppard states that he will be absent from Shanghai for approximately three months during the current year and enquires whether in the circumstances the Council desires that he should accept the Vice-Chairmanship. Members, however, unanimously decide to re-elect Mr. Sheppard as Vice-Chairman.

Constitution of Committees: Appointment to membership of the various Committees is approved as follows:-

Finance, Rate and Appeal.- Brig. General E. B. Macnaghten, Messrs. K. Fukushima, two Chinese members and the Chairman of the Watch and Works Committees.

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Watch and Defence.- Messrs. H. S. Brown, K. Fukushima, G. W. Sheppard and two Chinese members.

Works.- Messrs. A. D. Bell, A. J. Hughes, N. Leslie and one Chinese member.

Staff.- Messrs. J. W. Carney, N. Leslie, G. W. Sheppard and one Chinese member.

1881 Public Utilities.- Messrs. A. D. Bell, H. S. Brown, J. W. Carney, T. Saito, O. Okamoto and two Chinese members.

1805 Health.- Dr. A. C. Bryson, Dr. E. L. Marsh, Messrs. A. J. Hughes, C. Sakurazawa and two Chinese members.

5849 Board of Education.- Mr. A. D. Bell, Dr. Earle, Dr. Hawks-Pott, Mrs. Leslie and two Chinese members to be nominated by the Chinese members of Council.

In connexion with the constitution of the above Committee the membership of which is one in excess of that originally decided upon by the Council the Secretary states that Mr. Clear has advised him that he considers it most desirable that a member of Council should serve thereon to act in the capacity of liaison officer between the Council and the Board. As Mr. Bell's name is proposed for appointment to the Committee for Primary Schools he suggests that if he were willing also to serve on the Education Board his services thereon would be of particular value. In view of the above Mr. Bell agrees to serve on the Board.

5858 Chinese Primary Schools.- Mr. A. D. Bell, Mr. R. Calder-Marshall, Rev. G. W. Sheppard and two Chinese members.

1806 Orchestra and Band.- Messrs. A. J. Hughes and J. McNeill.

1803 Library.- Dr. H. Chatley, Messrs. E. Gordon Lowder and F. R. Barry.

Traffic.- Messrs. H. S. Brown, T. Saito, G. W. Sheppard and one Chinese member.

Land Commission.- Messrs. H. Berents, J. T. T. Brooke and N. I. Sparke.

1802 Public Recreation Ground.- Messrs. A. W. Burkill, J. W. Carney, R. W. Davis, A. M. Diniz and H. W. P. McMeekin.

Committee Membership.- The Chairman states that during his tenure of office 1172 he proposes as a member, ex officio, of all Committees, to attend Committee meetings when questions of unusual interest are set down for consideration. He wishes it to be understood that on such occasions he is attending in the ordinary capacity of a member of the Committee and does not desire to occupy the Chair at such meetings. He expresses

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his willingness however to deputize for Mr. Sheppard as a Committee member during the absence of the latter from Shanghai.

Treasurer & Comptroller - Special Leave of Absence.- In a report addressed 1133 to the Director General the Treasurer & Comptroller applies for special leave of absence for approximately 4½ months from about the middle of June next. After brief discussion and in recording the view that the Treasurer's absence from Shanghai in 1931 would not be in the interests of the Council this application is unanimously approved subject to the conditions outlined in the penultimate paragraph of his application.

Grants-in-aid to Hospitals.- Mr. Bell refers to the suggestion put forward 1116 by Dr. Maxwell of the Lester Institute advocating the appointment of a Committee to advise the Council in the matter of correlating the grants authorized to Hospitals etc. As the existing method of determining this is of a somewhat haphazard nature he considers Dr. Maxwell's suggestion worthy of consideration. It is realized that if such a Committee were appointed it could also advise the Council on the question of the provision of a Maternity Ward in the Northern District the lack of which has been given prominence to recently by the Press and/or the feasibility of this facility being provided by the General Hospital by means of the erection of an additional wing and of a special nursing staff or alternatively the provision of midwives to attend in their homes patients who cannot afford to pay the usual hospital fees.

Members agree that the above suggestions merit careful consideration and this question will be placed on the Agenda for a later meeting.

Council's Nominee on Board of Telephone Company.- A letter from Mr. P. W. Massey stating that he is resigning his position as the Council's nominee on the Board of Directors of the above Company, is submitted. In agreeing that the Council's nominee to the Board of a Public Utility Company need not of necessity be a member of Council and in view of the extensive knowledge Mr. Massey has acquired in connexion with the negotiations for the sale of the Company it is unanimously decided that he be requested to continue to act as the Council's nominee on this Board.

The meeting terminates at 12.25 p.m.

See below

W. H. Massey
Chairman.

Secretary.

At the meeting of the Council held on Wednesday, May 14, 1930, at 4.30 p.m.

there are:

Present:

Brig. General E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard
 A. D. Bell
 N. S. Brown
 J. W. Carney
 K. Fukushima
 A. J. Hughes
 S. L. Hsu
 N. Leslie
 C. S. Liou
 T. Saito
 Tsuyee Pei
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Comptroller
 The Director General, and
 The Secretary.

Membership.- On behalf of his foreign colleagues the Chairman extends a hearty welcome to the Chinese members upon their taking their seats on the Council. He states that at the last meeting he and Mr. Sheppard were elected Chairman and Vice-Chairman respectively. The Chinese members unanimously approve.

The Minutes of the meeting of April 9 are read and confirmed and signed by the Chairman.

5584/Hospital Facilities.- The Chairman reports that the statements contained in the article published in the "North China Daily News" have been disproved and the author warned by the Editor of the paper against the writing of future articles of this nature. Although he expected an official retraction would be published such has not yet appeared.

5612/Educational Facilities.- Members are informed that the Treasurer & Comptroller has been requested to submit his views and figures on the proposal definitely to hypothecate a certain proportion of the

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Municipal revenue for the provision of Educational facilities, thus limiting the Council's liability in this respect.

4488 Chinese District Court.- The Director General reports that as a result of reference to the Committee appointed for settlement of such questions the Council's interpretation regarding the furnishing to the Judicial Police of details of the processes dealt with by the Court has been upheld and that this question has now been amicably settled. He has received a report of the working of the Court for the month of April which shews that it has functioned without friction and that 94% of the cases brought by the Police have resulted in convictions. This result may be regarded as satisfactory.

No application has been received by the Municipal Advocate to prosecute under the Stamp Tax Law, it may thus be presumed that the notification giving warning that prosecutions for non-compliance with the provision of this act has had a salutary effect.

The Minutes of the meeting of April 17 are read and confirmed and signed by the Chairman. Constitution of Committees. Chinese members of Council and Committee members are appointed to the various Committees in accordance with the schedule annexed to these minutes. With regard to the constitution of the Board of Education, at the request of the Chinese members it is decided to elect, in addition to Mr. L. T. Yuan, two Chinese educationists to this Committee and these will be nominated by the Chinese members prior to the next Council meeting.

To meet the wishes of the Japanese community it is decided to increase the number of Japanese Committee members and Mr. Fukushima undertakes to forward the necessary nominations shortly.

The Minutes of the meeting of the Staff Committee of April 28 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of April 29 are submitted and confirmed.

The Minutes of the meeting of the Public Utilities Committee of May 9 are submitted and confirmed.

Telephone Company Negotiations.- The Chairman informs members that the Telephone Company has advised the Council that on the recommendation of the Advisory Committee it desires to accept the tender of the International Telegraph and Telephone Corporation and formally applies for the Council's approval of the transfer of the Franchise to that undertaking.

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The Director General states that from an interview he had to-day with M. Verdier he gathers that purely from a financial point of view he regards the offer recommended for acceptance as the least favourable of those received. In his view the subscribers will be worse off to the extent of Tls. 500,000 ^{plus per annum} than if the offer submitted by the Cable Telephone & General Trust Ltd. had been accepted. M. Verdier and the French Consul-General have discussed the matter and the former will prepare a statement with a view to justifying his contention for submission to the French Council in two weeks' time. Upon the Director General advising M. Verdier that in all probability the Council would endorse the recommendation of the Advisory Committee and of the Company the latter gave the impression that despite this the French Authorities might take independent action and refuse to transfer their franchise to this Company. He added however that his Council might endeavour to obtain more favourable terms from the I.T.T. than those at present put forward.

In his (the Director General's) view since the recommendation of the Advisory Committee confirms the findings of the expert brought out from England he is of the opinion that the Council should signify its willingness to transfer the franchise to the I.T.T.

Asked for his views the Treasurer & Comptroller states that until he has seen the statement to be prepared by M. Verdier it is impossible to express an opinion. It is conceivable that acceptance of the offer of the I.T.T. is slightly disadvantageous to subscribers after a number of years but not to any appreciable extent nor sufficient to warrant its rejection. He understands that the I.T.T. is prepared to amplify the terms of their offer. In brief they require a return of 8% and a further 2% will be placed to reserve. The setting aside of this definite amount will protect the business and is of importance to subscribers as well as to shareholders. If this is made clear it will go a long way to dispelling the impression that acceptance of this offer is not in the interest of the subscribers. In his opinion the Council should endorse the findings of the Advisory Committee.

Mr. Hughes is of the view that a grave risk will be taken in the event of a dual system being installed and deprives any action being taken by which the co-operation of the French Authorities would be lost. He anticipates however that public opinion of residents of

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the French Concession would be so strong as to prevent the Authorities taking independent action in this matter.

Members generally agree that there should be no unnecessary delay in proceeding with this matter, and Mr. Sheppard proposes that the Company be notified that the Council is prepared to transfer the franchise to the I.T.T. and at the same time advise them that it is understood that the French Municipal authorities are unwilling to take similar action.

Certain members take the view that it is hardly within the Council's province to warn the Company that there is the possibility that the French Authorities will not adopt similar action and as undoubtedly the Company will be apprised direct as to this they consider any mention thereof by the Council might tend to offend the susceptibilities of the French Authorities and thus add to the difficulty of settlement in the event of further discussions between the two Councils on this question.

Finally it is decided to notify the Company that the Council is prepared to transfer the franchise to the Company whose tender is recommended for acceptance and at the same time to inform them that it is understood that the French Authorities may not be prepared to take similar action and to add the suggestion that the Company should endeavour to reconcile the differences in view existing between the French Council and the Company.

Whilst agreeing that negotiations to this end should be initiated by the Company direct, in order to facilitate a settlement members request the Treasurer, if required, to assist the officials of the Company in respect of the examination or analysis of any financial statements prepared by M. Verdier.

General Hospital - Staff Superannuation Fund. - A letter from the Secretary of the above Institution requesting the Council's approval to the proposal that 80 shares with the Hongkong & Shanghai Bank be used in the first instance as security for the Hospital Staff Superannuation Fund is submitted.

Since the market value of these shares is approximately Tls.87,000 and as the present balance at credit of the Superannuation Fund is some Tls.6,200 the Treasurer recommends that a sufficient number of these shares be set aside each year of a value equivalent to the accumulated Superannuation Fund. This

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proposal is approved as is also that of Mr. Sheppard that a note be inserted in the Annual Balance Sheet to the effect that these shares are held in trust by the Bank and that the Superannuation Fund has a first call thereon to the extent of the total of the Fund.

The Commissioner of Public Works attends.

Structural Condemnation of Chinese Theatres.- In respect of the Council's decision to withdraw the licence of the Tien Chan Wu Dai Theatre upon expiry of the licence on June 30, letters from the legal representatives of the Owner and lessee thereof are submitted in which it is stated that the lease has been renewed for two years as from March 1 last and applying for renewal of the licence for this period.

The Commissioner of Public Works reports that during his interview with the licensee on March 19 last no indication was given that the lease had been renewed and it is noted that this was not referred to in the earlier letters received from Messrs. White-Cooper & Co. Mr. Harpur adds that the owner of the building was informed some time prior to March 1 that it was probable that this licence would not be renewed. In his view an explanation should be required as to the conditions under which this new lease was entered into.

Mr. Yuan states that contracts with Chinese actors are usually entered into for one year and if the licence is withdrawn on the date specified hardship will be inflicted on these employes as also on the licensees of the Theatre. He therefore proposes that the licence should be extended to cover the period of such contracts.

Mr. Harpur agrees that there would be no great objection to adoption of this proposal although he points out that the proprietors have been repeatedly warned that the existing licensees would not be renewed.

After discussion members decide that in order to obviate any hardship in respect of employes with whom contracts have been entered into by the management that the licence be extended not later than the end of the current year whereafter this will be finally withdrawn.

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Royal Asiatic Society - Application for Grant.- An application by the above Society for a grant of Tls.15,000 from Municipal Funds towards its new building is considered. In view of the Council's consistent policy to confine such grants to assist towards working expenses the Treasurer is unable to support this application and suggests that the Society be informed that if and when the proposed building is completed and it can be shown that by reason of improved facilities afforded the public the working expenses of the Society have increased an application for increased financial support would be favourably considered.

Certain members are favourably inclined towards the Society's application on the ground that its collection is of historic and artistic value and can be regarded as the nucleus of a museum and art gallery, neither of which is provided by the Municipality.

They agree however with the Treasurer that it would be impolitic and create an undesirable precedent to assist in the financing of capital requirements of local organisations.

The Treasurer's recommendation is accordingly endorsed.

Victoria Nurses Home.- The Chairman reports that no progress has been made in the matter of acquiring the graveland adjoining the Country Hospital upon which it is desired to erect the Victoria Nurses Home. The Commissioner of Public Works states that it would be possible to erect this on the Dunne property which has been purchased by the Council but that the building would touch the sides of the adjoining properties and also entail, prior to erection of the new building, demolition of the house which now accommodates a number of nurses. A more suitable site for the proposed home is that part of the Hospital site facing Avenue Haig and at present used as a vegetable garden but the erection of buildings on this portion of the site is definitely precluded by the terms of the Deed of Gift.

In view of the urgent need of this building the Chairman's proposal that in the first instance a cable be sent to the donor of the Hospital enquiring whether he would waive this stipulation in order that the Nurses Home may be erected thereon, is adopted.

Municipal Arbitration Committee. The Chairman requests members to give

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consideration to the question of the establishment of a Municipal Arbitration Board for the purpose of assisting towards the settlement of industrial disputes. Such a Board might be regarded as a Court of Appeal for employers and employees. He realises it would be necessary for such a Body thoroughly to investigate rates of wages, costs of living etc., but he considers it would serve a useful purpose in that a settlement of the differences which frequently arise between Public Utility Companies and their employees might be facilitated. Whilst he does not propose that this proposal should be discussed in detail today he requests members to give it their consideration prior to its being placed on the Agenda for a later meeting.

Re-Assessment of Land.- As the Council is committed to a re-assessment of 1803 land values during the current year and having regard to the view recorded by the Works Committee towards the end of last year relative to the constitution of the Body of Assessors the Chairman requests the Committee to give this question consideration and submit its report in order that the re-assessment may be proceeded with as early as possible.

Membership.- Mr. Saito informs members that as he will shortly be transferred to London he most reluctantly tenders his resignation as a member of Council. 1183

On behalf of the Council the Chairman expresses regret at Mr. Saito's departure and in accepting his resignation it is unanimously decided to co-opt Mr. C. Okamoto to fill the resultant vacancy.

Retirement of Commissioner of Public Health.- In respect of the impending 1076 retirement of Dr. C. N. Davis, Commissioner of Public Health, the Council desires to place on record its appreciation of the services rendered by him in that capacity and its best wishes for his future.

The Municipal Gazette for Friday, May 16, is submitted in proof and authorised for publication.

The meeting terminates at 6.20 p.m.

Sh. J. ...

Secretary.

W. ...
Chairman.

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Schedule to the minutes of the Council meeting of May 14, 1930.

<u>Finance Committee.-</u>	Messrs. Hsu Sing Loh and Z. C. Zing.
<u>Watch Committee.-</u>	Messrs. D. S. Chen and Yu Ya Ching.
<u>Works Committee.-</u>	Messrs. K. H. Ling and L. T. Yuan.
<u>Staff Committee.-</u>	Messrs. Li Ming and O. S. Lieu.
<u>Public Utilities Committee.</u>	Messrs. Tsuyee Pei and C. C. Woo.
<u>Health Committee.-</u>	Messrs. L. C. Chien and O. S. Lieu.
<u>Traffic Committee.-</u>	Mr. D. S. Chen.
<u>Board of Education.-</u>	Mr. L. T. Yuan and two Chinese Educationists.
<u>Chinese Primary Schools.</u>	Messrs. K. H. Ling and L. T. Yuan.

At the meeting of the Council held on Wednesday, May 28, 1930, at 4.30 p.m.

there are:

Present:

Brig. General E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

N. S. Brown

J. W. Carney

K. Fukushima

A. J. Hughes

S. L. Hsu

N. Leslie

O. S. Lieu

O. Okamoto

Tsuyee Pei

L. T. Yuan

Yu Ya Ching

The Treasurer & Comptroller

The Director General, and

The Secretary.

Absent:

Mr. G. W. Sheppard.

Membership. - On behalf of members the Chairman welcomes Mr. O. Okamoto upon his taking his seat on the Council.

The Minutes of the last meeting are confirmed and signed by the Chairman.

11/22 Telephone Company Negotiations. - For members' information the Treasurer & Comptroller reports that subsequent to the last Council meeting he further examined the statement put forward by the Cable Telephone & General Trust Ltd., and obtained additional information from the Telephone Company. From a careful perusal of the financial statement furnished by the Cable Trust it transpired that a sum of approximately Tls.3,000,000 should be added to their estimate of total capital. Thereafter he obtained additional information from Mr. Gill, the representative of the I. T. & T. and finally he arranged an interview last Wednesday with M. Verdier. M. Verdier opened the interview with the direct statement that the French Municipal Authorities favoured acceptance of the tender of the Cable Trust. M. Verdier submitted a carefully prepared and lengthy report which did not however take into account the error in the figure of capitalisation as published by this undertaking and which involved amendment of his comparative statements. Finally after

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an interview lasting for some 2½ hours the definite conclusion was reached that in view of all the circumstances relating to this matter and the undesirability of two types of automatic telephone systems being operated the joint acceptance of the tender submitted by the I. T. & T. was advisable. Following this agreement an endeavour was made to arrive at a formula which would overcome the objections raised by the French Municipal Authorities to acceptance of the tender submitted by the I.T. & T. Various proposals were considered, M. Verdier being of the opinion that a basis of 7% return and a maximum tariff rate of 11% would meet the case. After lengthy discussion however he agreed to accept a basis of 8% return and a maximum tariff rate of, say, 11% and to recommend acceptance of the I. T. & T. tender on the above lines. In a later interview M. Verdier stated that the favourable decision of his Council might be rendered difficult by certain political considerations and that in the period between these two interviews his report recommending acceptance of the offer of the Cable Trust had been circulated to all members of the French Council. He gave an assurance, however, that the agreement reached between the Treasurer and himself would be adhered to. The French Consul General has confirmed this undertaking.

As a result of a further interview he has had with Mr. Gill and the General Manager of the Telephone Company the former was prevailed upon to adopt a formula on the lines agreed with M. Verdier, the maximum tariff rate however to be fixed at 10½% as in his original tender, and Mr. Gill has undertaken subject to clarification of certain points to cable his principals in New York today for their confirmation. If their approval is accorded it will only remain for agreement to be reached between M. Verdier, Mr. Gill and the Telephone Company as to acceptance of a formula on the lines tentatively agreed between M. Verdier and himself. From his interviews with Mr. Verdier he gained the impression that the French Authorities appreciate the desirability of adoption of one system for the two areas; at the same time they desire to be in a position to convince subscribers in their Concession that the offer of the I. T. & T. is worthy of acceptance. Whilst further negotiations are primarily a matter for M. Verdier, the representative of the I. T. & T. and the Company he states his willingness to join in any further discussions if by so doing final settlement of this outstanding question will be facilitated. In view of the delicate nature of the pending negotiations members agree that the information furnished by the Treasurer should be regarded as strictly confidential.

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The Treasurer & Comptroller Withdraws.

5549/ Board of Education.- The Secretary states that Dr. Herman C. E. Liu and Dr. Y. H. Ou have been nominated by the Chinese members of Council to serve on the above Board and that the necessary invitations have been forwarded to these gentlemen.

5612/ Mr. Hughes' suggestion is adopted that a request be made to the Tientsin Municipal Council for information as to the system adopted in that city for the provision of educational facilities which are administered by a Board of Education and a certain sum hypothecated from the Municipal Revenue for the purpose.

The Minutes of the meeting of the Health Committee of May 13 are submitted, and subject to the following exception, are confirmed.

2300 Dr. Bowen's Services.- Mr. Hughes refers to a report received from the Acting Commissioner of Public Health just prior to this meeting to the effect that Dr. Bowen is perfectly willing to continue as Superintendent of the Country Hospital under the existing arrangement, but adds that should a deadlock arise he would, in order not to sacrifice his present favourable financial position, prefer to remain as Superintendent and Radiologist at the Country Hospital. Speaking as the Chairman of the Board of Governors, the Director General assures the Council that the only reason this question has been raised by the Governors is in order to ensure the indefinite retention of Dr. Bowen's services as Superintendent.

Upon Mr. Hughes stating that this aspect was appreciated by members of the Health Committee, the Chairman expresses the view that taking this and other factors into consideration, notably that of Dr. Bowen's desire to remain in the permanent service of the Hospital, it might be advisable to agree to his permanent transfer to that Institution.

Mr. Leslie is unable to endorse this proposal on the ground that so far as his information goes no maximum pay for the post of superintendent has been laid down, accordingly any additional pay which the Governors of the Hospital may authorise for this post will indirectly have to be borne by the Council having regard to the fact that it is responsible for making up the annual deficit of the Hospital. He is therefore of the opinion that this factor should be taken into consideration before decision is arrived at.

Mr. Hughes points out that so far as the general public is concerned the administration of the Country Hospital is a public

service.

The Director General states that he would deprecate any friction arising between the Governors of the General Hospital and the Council; in the event of the Council deciding that Dr. Bowen should return to the Municipal service he would recommend the Governors to accept this arrangement; on the other hand should the Council decide that it was equally in the interest of the community for Dr. Bowen to remain as Superintendent of the Hospital the Governors would welcome such a decision.

Mr. Bell supports the Chairman's proposal that Dr. Bowen should be transferred permanently to the staff of the Country Hospital and that steps should be taken to appoint some other medical officer for duty as No.2 of the Health Department. In this connexion the Director General points out that the Governors have agreed that if Dr. Bowen is transferred to the staff of the Hospital he will be permitted to continue his radiology work at the Country and General Hospital. With regard to the point raised by Mr. Leslie he states

that so far as his recollection goes the maximum emoluments for the post of superintendent of the Hospital have already been laid down by the Board of Governors but without reference to the minutes he is unable to state whether the pay at present drawn by Dr. Bowen constitutes the maximum for the post.

After further discussion members agree in principle as to Dr. Bowen's transfer to the permanent staff of the Country Hospital; before recording definite decision however they desire further information -as to the maximum emoluments which have been laid down by the Board of Governors for the post of Superintendent in order to ascertain the effect of this on the Council's financial liability and to provide a comparison with the emoluments of this post and those of similar responsibility in the Health Department. The Director General undertakes to furnish a report as to this.

4716 Hospitals and Nursing Services.- In confirming the Committee's recommendation that a Commission be appointed to advise the Council on the above services Mr. Hughes' suggestion is adopted that the question of the feasibility or otherwise of the erection of a foreign isolation hospital on the Council owned site opposite the Country Hospital be referred to the Commission for its recommendation.

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Mr. Hughes states that this question was the subject of an informal discussion yesterday by the medical members of the Committee and Dr. Dunne at which he was present. Drs. Bryson and Dunne were in favour of the proposal but Dr. Marsh put forward cogent reasons for opposing the erection of an isolation hospital on this site.

The Commissioner of Public Works attends.

The Minutes of the meeting of the Works Committee of May 20 are submitted and confirmed. With regard to Victoria Nurses Home the Deputy Secretary states that an appointment has been arranged at the British Consulate for tomorrow for the purpose of verifying the fangtans in respect of the graveland adjoining the Country Hospital. If these prove to be satisfactory, the declaration of trust has already been executed and provided an agreement is secured for the removal of the graves it would appear that the last obstacle to acquisition of this area has been removed.

In connection with the telegram which was despatched by Mr. H. E. Arnhold to Mr. Rayner relative to the Council's request for his permission to erect the Nurses Home on the southern portion of the Country Hospital site members concur with the Chairman that the allegation contained therein that this request was at the personal instigation of General Macnaghten is not in accordance with fact since this was put forward only after this question had been discussed at the last meeting of Council.

New Town Hall:- Mr. Tsuyee Pei suggests that in view of the uncertain future status of the Settlement and the possibility of a Town Hall being required which would accommodate a greatly increased number of ratepayers decision on the type of building to be erected should be deferred.

The Commissioner of Public Works states that the existing site of the Central Police and Fire Stations would only permit the erection of a building of a size approximately that of the Town Hall and that in any case this site would not become available for some two years.

In the event of a larger building being required it would be necessary to obtain an alternative site and he suggests it might be advisable to take early steps to secure this rather than defer action for two years.

Members agree that the view advanced by Mr. Pei should be borne in mind and the Commissioner is requested to keep the Council informed in the event of any suitable site becoming available in the near future.

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The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Staff Committee of May 13 are submitted and confirmed.

Tax Bureaux-in the Settlement.- The Director General reports that a branch office of the Kiangsu Special Tax Bureau for Silk, Flaxen and Wollen Fabrics was opened at No.72 Szechuen Road towards the end of last month. At his instigation the Police investigated as a result of which he addressed the Consular Body as to whether they had any objection to this Bureau functioning in the Settlement. The Senior Consul advised adherence to the policy under which the Settlement authorities insist on being consulted before a Chinese Government department is opened in the Settlement permission being accorded only on satisfactory assurances from the competent Chinese Authorities that such a department will not engage in activities inconsistent with its establishment in the Settlement. As these requirements have not been met in this case the Senior Consul suggested that they be communicated to the branch tax office and that it be requested to cease functioning until the matter had been arranged with the authorities concerned. The necessary action to this end has been taken by the Police department and the branch office has for the time being ceased to function. He adds that some doubt exists as to whether this branch tax office is under the direct control, or functions with the approval of the Central Government.

House Numeration.- The recommendations contained in the report submitted by the Special Committee appointed by the Council to advise as to a modified system of house numbering in respect of new roads and other roads as and when re-numbering becomes necessary are unanimously approved.

Mr. W. G. Clarke.- A renewed application from Messrs. Ellis & Hays on behalf of their client Mr. W. G. Clarke that he be granted equal treatment to that extended to Capt. Barrett upon the termination of his services is formally submitted and will be referred to the Staff Committee for its recommendation.

Film Censorship Board.- It is decided to address invitations to serve on the Board of Film Censors for the current Municipal Year to the following:- Messrs. T. P. Givens, Gordon Lowder and Kuan Chun, Mrs. W. B. Lunt and Mrs. V. G. Lyman. A Chinese lady will also be invited to serve on the Board this nomination to be put forward by the Chinese members of Council.

Use of Chinese Language in Council's documents.- A letter from the Chinese Ratepayers Association advocating that the Chinese language be adopted for the Council's official documents is submitted. In comment the

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Director of Chinese Studies states that with an increased staff the preparation of a Chinese version of the weekly Gazette and Annual Report and Budget can be undertaken.

After discussion it is decided to issue a Chinese version of the Annual Report in a condensed form; With regard to the publication in Chinese and distribution of the Municipal Gazette to the Chinese community, which it is anticipated may present some difficulty, the Chinese members are requested to give this question their consideration and submit their proposals to the Council.

Undesirable Press Advertisements.- A letter from the Bureau of Public Health of the Special Municipality of Greater Shanghai drawing attention to the advertisements appearing in newspapers published in the Settlement relative to cures for Venereal Diseases and requesting the Council's co-operation for the purpose of prohibiting such advertisements is considered. The Council is also requested to instruct its police to search shops and prohibit the sale of these advertised cures.

The Municipal Advocate reports that under certain conditions prosecutions in respect of the sale of patent medicines and the publications of advertisements might be instituted under the Chinese Criminal Code and that as regards the sale of aphrodisiacs prosecutions under Art. 46 of the Police Regulations would most probably be successful. Byelaw 34 authorizes the Council to licence shops which sell "proprietary or patent medicines" and a licence condition prohibiting the advertisement of venereal disease and birth control patent medicines would seem not to be unreasonable.

The Director-General states that from his study of the Chinese Criminal Code it would appear to be a comparatively simple matter to institute prosecutions for the offences referred to which are covered by that Code; on the other hand the Police Department might be placed in a difficult position in conducting such prosecutions inasmuch as the remedies sold must be proved to be fraudulent and injurious to the public health. The Council however has no power to control press advertisements.

Members agree that co-operation with the Chinese Authorities in this matter is most desirable but before recording definite decision it is directed that specimen advertisements be obtained to which exception is taken in order to furnish the Council with fuller information on this subject. On receipt of these the Director General will report further as to what measures the Council can adopt in order to afford the

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co-operation desired by the Chinese Authorities.

Census. - It is directed that the necessary arrangements be made for the 1928 quinquennial census to be taken in October next, the date for this being tentatively fixed for October 22.

Captain E. I. M. Barrett. - A further application from Captain Barrett 1928 for additional financial benefits following the termination of his services is submitted. In view of the information contained in memoranda submitted by the Director General and the Treasurer & Comptroller and the ~~ex~~ gratia payment to Captain Barrett recently authorised by the Council, members are unable to entertain this application.

Special Meeting of Ratepayers. - An account is presented by the British 1929 Chamber of Commerce for expenses incurred in connexion with the Special Meeting of Ratepayers amounting to Tls.609.10. Members regard this amount as rightly chargeable to public funds and authorise payment thereof accordingly.

Kidnappers Activities. - Mr. Tsuyee Pei refers to the outrage which 1929 occurred yesterday on one of the Municipal controlled roads when a prominent Chinese resident was kidnapped after one of his guards had been killed and another wounded. He states that the Chinese community, particularly those of the wealthier classes, are greatly perturbed at this occurrence and would welcome any information as to what steps are being taken under the recent police re-organization scheme to prevent such outrages.

The Chairman replies that only recently he called for a police report on this question from which he learned that as the result of the much closer co-operation which now exists between the Municipal Police and those of the French Concession and the Greater Shanghai area the number of crimes of this nature has materially decreased. Whilst it is well-nigh impossible entirely to prevent outrages such as occurred last evening the Police of the various areas are concentrating in making it more difficult for this type of criminal to secure places to take their victims. In his mind no doubt exist that kidnapping outrages are directed by a powerful and wealthy organisation and he suggests that the Chinese members might be of assistance in obtaining information which might lead to its identity. He assures the Chinese members that the question of serious crime in the Settlement has engaged his unremitting attention during the past year and he will again take up this matter with the Commissioner of Police with a view to ascertaining whether any measures other than those already in force can be taken for more effective suppression.

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In order to allay the anxiety of Chinese residents a member's suggestion is adopted that a statement be published to the effect that since the introduction of certain measures and with the closer co-operation of the Police of the three areas the number of these serious crimes has diminished.

The Municipal Gazette for Friday, May 30, is submitted in proof and authorised for publication.

The meeting terminates at 6.40 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 11, 1930, at 4.30 p.m.

there are:

Present:

Brig. General E. B. Macnaghten (Chairman)
 Messrs. A. D. Beil
 H. S. Brown
 J. W. Carney
 K. Fukushima
 A. J. Hughes
 G. L. Hsu
 W. Leslie
 O. S. Lieu
 L. T. Yuan
 Xu Ya Ching
 The Director General, and
 The Secretary.

Absent:

Messrs. O. Okamoto
 Tsuyee Pei
 G. W. Sheppard.

Retirement of Municipal Comptroller. - Mr. Pon Kuck Hien, accompanied by ²⁹³⁰ the Acting Treasurer & Comptroller, attends and as a sign of esteem and in appreciation of his services over a period of forty eight years the Chairman, on behalf of the Council, hands him an engraved salver. The Chairman refers in appreciative terms to the faithful service rendered by Mr. Pon in the interests of the Foreign and Chinese ~~Communities~~ and expresses the hope that he will live for many years to enjoy his retirement.

In thanking members of Council for this expression of appreciation and token of its esteem and in voicing his gratitude for the consideration he has always received from the Council and its officials Mr. Pon replies that it is a matter of gratification to him that by the Council's choice in the appointment of his successor the position of Municipal Comptroller is retained in his family.

The Minutes of the last meeting are confirmed and signed by the Chairman.

²¹⁰⁰ Dr. Bowen's services. - The Director-General reports that he has ascertained that the maximum pay for the post of Superintendent of the Country Hospital has been fixed by the Board of Governors at Tls.1350. per mensem, exclusive of board and quarters. His present rate of remuneration which is ^{fixed} for a period of three years is Tls.1000.

per se. In fixing the scales of pay for the Hospital staff the Board of Governors has endeavoured so far as possible to conform to the scales of pay obtaining in the Municipal service for posts of equal responsibility. In a recent interview Dr. Bowen informed him that an additional reason for desiring to remain as Superintendent of the Hospital is that he is of approximately the same age as Dr. Jordan, consequently in the event of his returning to the Health Department as its No.2 it is unlikely that he would be able to qualify for the position of Head of the Department before he reached the normal retiring age. It has been definitely laid down by the Governors of the Hospital that in the event of Dr. Bowen being transferred to the permanent staff of the Hospital he will be permitted, without charge to the Council, to continue his duties as Radiologist at the Country Hospital and also at the General Hospital should Dr. Chambers, the radiologist at that Institution, for any reason be unable to undertake this work.

Until the responsibilities and duties of this post are more clearly defined Mr. Leslie is doubtful as to the propriety of agreeing to Dr. Bowen's permanent transfer to the Hospital on the ground that the total maximum emoluments exceed those authorized for the post of the No.2 of the Health Department.

Upon it being explained however that the system under which the Country Hospital is administered necessitates medical qualifications for the holder of the post of Superintendent and having regard to the fact that Dr. Bowen will continue to perform his duties as radiologist without extra remuneration it is decided that the Board of Governors be informed that the Council agrees to the transfer of Dr. Bowen to the permanent staff of the Country Hospital.

5600/ Use of Chinese Language for Council's official documents. - As the Chinese members of Council are not yet in a position to submit their proposals on this question, decision thereon is deferred to a later meeting.

1486 Undesirable Press Advertisements. - The Director-General reports that he has perused translations of the advertisements submitted by the Bureau of Public Health of the Special Municipality of Greater Shanghai and after consultation with the Municipal Advocate he is of the opinion that so far as concerns advertisements relating to the sale of aphrodisiacs prosecutions can be instituted. With regard to advertisements relating to birth control and the cure of venereal diseases he states that the prohibition of such advertisements is only possible upon the Council being able to prove that these remedies

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are fraudulent or detrimental to the public health. He is doubtful whether the Council could successfully institute prosecutions in such cases. His proposal is therefore approved that so far as advertisements in respect of aphrodisiacs are concerned the local press be warned that these are illegal and that proceedings will be instituted if this warning is ignored.

The Minutes of the meeting of the Works Committee of June 3 are submitted and confirmed. With regard to:- Victoria Nurses Home. In respect of the Committee's recommendation the Director-General states that Mr. Arnhold the late chairman was not entirely satisfied with the plans for this building which were drawn up by the Public Works Department. He therefore commissioned Mr. Wilson of Messrs. Palmer & Turner to prepare sketch plans and authorized payment, for a complete set of building plans, of Tls.1500. Mr. Arnhold was actuated in this course by the opinion that the Public Works Department were not sufficiently conversant with the requirements of a building of this nature, and therefore considered it advisable to obtain independent expert advice. The Director-General is not certain whether the sketch plans to be submitted by Messrs. Palmer & Turner were to be prepared on the assumption that the building would be erected on the Council's site situated opposite the Country Hospital, or upon the so-called grave land.

Members direct that enquiries be made of Messrs. Palmer & Turner as to whether the Commission given them by the late Chairman of Council for the preparation of these sketch plans is regarded as binding.

With regard to Mr. Harpur's enquiry as to the extent of the accommodation to be provided in this building the Director-General states that it has been definitely agreed that accommodation should be provided for 125 nurses; this provision being regarded as necessary for marginal requirements.

After discussion Mr. Bell's proposal is adopted that the permanent officials concerned be required to submit their recommendation as to the administration and control of the Home, and its requirements from the point of view of accommodation.

Telephone Company Negotiations. - The Chairman reports that in the course of an interview with the French Consul-General to-day he informed him that the Council was of the opinion that in the interest of the telephone subscribers of the International Settlement the Council was of the opinion that a published declaration of policy was called for. Mr. Koschlin earnestly requested that no statement should be

issued by the Council until after Monday next when this question would come before his Council for final decision following which he expressed the hope that the Councils would be in a position to issue a joint statement. He acquiesced in this proposal on the understanding that if the French Municipal Authorities by that date were unable to reach agreement with the Council regarding assignment of the franchise to the I.F. & T. the Council would issue its statement on Tuesday. He then reads the proposed statement for issue to the press and this is approved.

Mr. Yuan states that the Chinese members of Council have been urged by the Minister of Communications of the National Government to request the Council to defer decision regarding the transfer of the franchise until the Government has had an opportunity of submitting its proposals to take over control of the Telephone Company. Upon his enquiring as to whether the Council has received any communication from the Consular Body on this question the Chairman replies in the negative. Mr. Yuan states that this being the case the Chinese members will address the Council officially on this subject.

Members take the view that the desire of the National Government officials to acquire control of the Telephone undertaking is not a sufficient reason for delaying progress in this matter to the detriment of the community since the Chinese Authorities can as easily negotiate with the purchasing Corporation for its acquisition as with the existing Company.

Hospitals and Nursing Services Commission - Terms of Reference. - The terms of reference to the above Commission as recommended by the Acting Commissioner of Public Health are approved as are also his proposals that Dr. T. B. Dunn be invited to serve thereon and that Mrs. L. Larsen, an employee of the Health Department, be deputed to act as Secretary to the Commission.

Mr. Bell's proposal is adopted that an additional Chinese medical practitioner be invited to serve on the Commission and the Chinese members undertake to forward the necessary nomination to Dr. Jordan as early as possible.

Pawnshop Regulations. - A letter from the Chinese Rate-payers Association petitioning the Council to adopt licensing regulations in respect of Pawnshops similar to those in force in the Greater Shanghai Area is submitted.

The Director-General states that about a year ago the Greater Shanghai Authorities transmitted a similar request through the Senior Consul. Compliance with the demand in the form presented

would have been tantamount to abrogation by the Council of its powers under the Land Regulations and Byelaws and since obviously the Council could not permit an outside body to legislate in this matter within the Settlement this proposal was rejected. He gathers that the latest application has for its primary object the imposition in the form of a condition in the licence of a restriction in respect of the amount of interest charged by pawnshops and provided it is clearly understood by the neighbouring Chinese Authorities that if the Council complies with their request to this extent it is not construed by them as an admission on our part that Chinese laws and regulations regarding subjects covered by the Land Regulations and Byelaws have any legal effect ipso facto within the Settlement he is prepared to recommend that this question receive favourable consideration.

Mr. Yuan states that the Chinese members of Council have been requested to urge the Council to revise the licence conditions in respect of pawnshops to bring them into line with those in force in the neighbouring Chinese territory and he confirms the Director-General's interpretation that the question of limitation of interest rates is a first consideration.

The Director-General then proposes that subject to the concurrence of the French Municipal Authorities the Council should intimate its willingness to impose a licence condition limiting interest rates to those imposed by the Chinese Authorities.

The Secretary states that he has discussed this question with Mr. Verdier who informed him that he was of opinion that his Council would agree to the imposition of a licence condition limiting the rate of interest to 20% per annum. He concurred however with the Commissioner of Revenue that such a restriction would undoubtedly have the effect of rendering impossible the continuation of the smaller pawnshops. He points out that the maximum interest rates proposed by the Greater Shanghai Authorities are in excess of those authorized by the National Government and should the Council comply with their request it may lay itself open to criticism for flouting the laws promulgated by the higher authority. He adds that the number of pawnshops in the Settlement is vastly in excess of those in Nantao and Chapel; it is not unlikely therefore that strong opposition may be encountered from the Pawnshops' Guild if the Council decided to impose an interest rate restriction on the greater number of pawnshops under its jurisdiction.

Upon the views of the Chinese members being requested on

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this point Mr. Hsu states that the limitation imposed by the Greater Shanghai Authorities has been in force for some months and, so far as he is aware, is working satisfactorily.

In view of the importance of the pawn-broking business as viewed by the poorer classes of the Chinese community Mr. Hughes deprecates any hasty decision being taken in this matter which might possibly lead to disturbances. He alludes to the remarks of the Commissioner of Revenue that even with maximum interest rates of 2% and 3% per mensem certain pawnshops in Chinese territory have had to cease business. He therefore suggests that advice might be taken from someone conversant with this type of business as to what rate of interest can be regarded as equitable from the point of view of all concerned.

Since the regulations promulgated by the Greater Shanghai Authorities have already been subject to revision Mr. Bell suggests that no action be taken by the Council until these prove to have been assessed on a workable basis. Whilst agreeing that co-operation with the Chinese Authorities in this matter is most desirable he considers it might be advisable for the Council to ascertain that the restrictions imposed by the Chinese Authorities are working satisfactorily before committing itself to the imposition of regulations which subsequently might require further revision.

After further discussion, and on the assurance of the Chinese members that the proposed rates of interest are regarded as equitable it is decided, subject to the concurrence of the French Municipal Council, to inform the Greater Shanghai Authorities that the Council will impose a licence condition limiting the rates of interest to those authorized in respect of pawnshops in the territory under their jurisdiction.

Educational Policy. - With reference to the minute of the meeting of May 14 5612/1 a copy of a memorandum prepared by the Treasurer & Comptroller on the proposal to hypothecate a definite proportion of the Municipal Revenue for the provision of Educational facilities is submitted. Members endorse the Treasurer's view that until such time as a definite educational policy has been formulated by the Council it is impracticable to assess the proportion of the Municipal revenue to be devoted to educational purposes. Consideration of this question is accordingly deferred.

5549/4 A report by the Superintendent of Education outlining the Terms of Reference to the Board of Education is read and the proposals contained therein are adopted.

Closing Hour of Houses of Public Entertainment. - With reference to the

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decision reached at the meeting of March/2 it is unanimously decided that applications from bona fide National Societies for an extension of the closing hour regulation to 4 a.m. without fee on the occasion of their Annual Balls be approved. The various National Societies will be so informed, alteration to the existing Closing Hour Regulations being regarded as unnecessary.

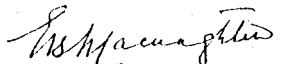
Legal Department - Staff.

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The Director-General proposes that with a view to economy and to ensure greater efficiency certain police Inspectors who on the Council's behalf conduct prosecutions in the Special District Court be replaced by junior Chinese lawyers and the foreign police officers concerned returned to the Police Department for ordinary police duty. This proposal is unanimously approved.

The Municipal Gazette for Friday June 12 is submitted in proof and authorized for publication.

The meeting terminates at 6.20 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 25, 1930, at 4.30 p.m.

there are:

Present:

Brig.-General E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

H. S. Brown

J. W. Garney

K. Fukusima

A. J. Hughes

S. L. Ksu

N. Leslie

O. S. Lieu

O. Okamoto

L. T. Yuan

Tu Ya Ching

The Director-General, and

The Secretary.

Absent:

Messrs. Tsuyes Pei

G. W. Sheppard.

The Minutes of the last meeting are confirmed and signed by the Chairman.

The Minutes of the meeting of the Works Committee are submitted and, subject to the following exception, are confirmed.

114) Advertising Boards and Boardings. - In view of the shortness of the notice which would be given if the Committee's proposal as to the revised regulations and scale of fees for advertisements on boards and boardings were given effect as from July 1 it is decided that these be published as becoming effective from August 1 next.

5114/8 Purchase of Incineration Plant. - Upon Mr. Brown suggesting that the services of an independent firm to supervise the shipment etc., of this plant is unnecessary and that alternatively the Council should under its contract with the suppliers safeguard itself against any delay in arrival, defect in the machinery etc., Mr. Bell points out that Messrs. Pook & Co. regard themselves under their contract with the Council as entitled to undertake this type of service in consideration of a fixed scale of remuneration. Upon the Commissioner of Public Works attending at a later stage of the meeting he states that as the tendering Company will send a representative to Shanghai to supervise the erection of the incinerator he does not regard the supervision of shipment by an outside party as absolutely essential,

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particularly as he has every reason to believe that any reasonable proposal regarding the financing of this transaction with a view to safeguarding the Council's interests will be agreed to by the Company.

In view of the terms of the contract with Messrs. Pook & Co. it is decided in respect of this particular transaction that they be advised that as shipment will be from a German port and their services in the capacity of supervisors thereof will not be required they be asked to accept a modified scale of remuneration in respect of this shipment.

5225/13 It is also decided prior to renewal in October next to give consideration to the terms of the Council's contract with Messrs. Pook & Co. with a view to ascertaining precisely the services rendered by them as the Council's London Agents, and the advisability or otherwise of variation in the amount of the retaining fee having regard to the fact that through the sale of the Electricity Department the amount received by them as commission has diminished and having particular reference to the fact that their services in connection with a transaction such as is now contemplated, may not be required.

For purposes of record Mr. Hughes desires that reference be made in these minutes to the fact that the decision to purchase a particular type of incinerating plant was reached as a result of the recommendation put forward by the Works Committee prior to the constitution of the existing Committee.

Mr. A. G. Clear attends.

The Minutes of the meeting of the Education Board of June 13 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of June 19 are submitted, and subject to the following exceptions are confirmed.

3160 Russian Detachment - Terms of Service. - Prior to confirmation by the Council of the Committee's proposals regarding the improved terms of service of this Detachment, the Commandant's action in communicating these to the members of the Detachment is regarded as irregular although it is noted that this announcement has led to the withdrawal of a number of resignations from members of the Detachment.

With regard to Mr. Clear's suggestion that the revised scales of pay for officers of the Detachment might be still further improved members support Mr. Bell's contention that this proposal merits favourable consideration.

Mr. Clear is accordingly requested to submit his further proposals on this question for the consideration of the Staff Committee.

Committee it is decided that this be assessed on the actual pay drawn and that for this purpose allowances for rations etc., provision of quarters etc., be not taken into consideration.

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Superannuation and Exchange. - Mr. Clear submits further memoranda outlining the financial aspects of the Council's liability in the event of adoption of the scheme put forward by him for the Committee's consideration being extended to all employees who have left the Council's service during the period that the value of the Tael has fallen below 2s/6d. In his opinion this scheme, if approved, should be limited to employees who have completed at least six years' service under agreement or who have been invalided from the service. Such limitation would reduce the amount of the Council's liability shown in his report.

Mr. Leslie is of the opinion that whilst the Scheme put forward is ~~inexpensive~~ and of little financial consequence to the Council he is not entirely in favour of its adoption on the ground that it is based on the assumption that eventually the Tael will appreciate to the Sterling value of 2s/6d. As this situation is hypothetical he is of the view that a more suitable way of dealing with the situation would be the issue of a lump sum in each case with a view to finality so far as concerns the Council's liability. Mr. Carney considers that in any case a time limit of say from three to five years should be stipulated so far as concerns the Council's responsibility for continuation of this "make up" payment and also that if the value of the Tael should further depreciate after the amount of this payment has been assessed by the Council at the time of any employee leaving the service no additional financial liability should accrue to the Council.

Mr. Clear points out that four employees have left the Council's service during the period when exchange was in the neighbourhood of 1s/5d. to the Tael and in his proposal that any scheme of relief finally adopted by the Council should be applicable to these cases members unanimously concur.

After further discussion it is decided that the question of the issue of a lump sum payment as against the proposal to afford relief by quarterly "make up" payments be referred to the Committee for its consideration and recommendation.

The Commissioner of Public Works and the Acting Commissioner of Public Health attend.

4255 Victoria Nurses Home. - The Chairman reports that as a result of a

conference between the Superintendent of the Country Hospital, the Commissioners of Public Health and Works and the Deputy Secretary, agreement has been reached that the proposed home should provide accommodation for a total number of 100 sisters and probationer nurses. With regard to the sketch plans which the late Chairman of Council commissioned Messrs. Palmer & Turner to prepare, owing to the heavy cost of obtaining complete building plans from an outside firm and on account of Mr. Harpur's desire that there should be no dual control in supervising the erection of this building the Chairman's proposal that Messrs. Palmer & Turner be paid the agreed amount of Tls. 1500. for these sketch plans after which preparation of the building plans will be undertaken by the Public Works Department, is approved. Mr. Harpur is accordingly authorized to proceed with these.

With regard to the discussion on the future administration of the Force, which question also was discussed by the officials concerned since this question is not regarded as a matter of urgency this is left for further consideration at a later date.

The Commissioners of Public Works and Health and Mr. A. C. Clear withdraw.

1725 Telephone Company negotiations. - For members' information the Chairman outlines the progress which has been made since the last meeting relative to the proposed sale of the Telephone Company.

With regard to the Company's application for withdrawal of the restriction on the release of additional rotary equipment, it is decided to address the Company forthwith withdrawing this restriction on the understanding that the order for this equipment will not be placed until after adoption of the resolution to be moved at the meeting of Shareholders which has been convened for Friday next.

Mr. Bell alludes to the reference in the letter addressed by the Chairman to the Chinese members of Council, to previous communications which have been transmitted through the Consular Body from Chinese Government officials relative to the sale of the Company and states that this is the first intimation he has had that such communications had been received.

The Director-General states that in August and September last during his absence from Shanghai two communications on this subject were received through the Consular Body from the Chinese Ratepayers Association and the Chinese Minister of Communications respectively. The letter from the latter was replied to personally by the late Chairman without reference to the Council and he has only

learned of this since the last Council meeting. No copy of this reply could be found in the Council's archives but on being informed by his Secretary that such a communication had passed between the Consular Body and the late Chairman he obtained from the Senior Consul a copy of the letter from the Minister of Communications and Mr. Arnhold's reply thereto.

He points out however that since the communication received last September, no further letter was sent in by the Minister of Communications until June 14, although it was a matter of public knowledge during that period that negotiations for the sale of the Company were proceeding.

In his latest letter the Minister of Communications protested against the sale of the Company to a foreign undertaking and particularly against the grant of a franchise for a period of 40 years, which he states, the Chinese Government will not recognise. He is preparing a reply to this letter which will be circulated to members before despatch. It would appear that there is some disapprehension on the part of the Minister of Communications regarding the status of the Consular Body and the Council in the matter of the sale of the Company. The sale of the latter, being a private undertaking, rests entirely with the Shareholders, and is not a matter in which the Consular Body or the Council could intervene.

Upon Mr. Yuan stating that the Chinese Government take the view that the telephone service should be owned and administered by the Government, the Director-General points out that in Western countries it is generally accepted that telephone services are more efficiently and economically administered by private undertakings than by the Government. In his opinion, in which the Senior Consul concurs, the proposed sale of the Company will in no way prejudice the National Government should they seriously desire to negotiate for its purchase.

Upon Mr. Yuan suggesting that the Council should reconsider its decision to assign the franchise to the new Company the Director-General points out that the tendering Company has already been notified of the willingness of both Councils to do this. Upon Mr. Hsu stating that the action of the Councils in granting a 40 year franchise ties the hands of the Chinese Government Mr. Bell replies that the Minister of Communications has already intimated that his Government will not recognise this.

Mr. Brown suggests that the wishes of the Chinese members might be met if a clause were inserted in the agreement to the effect that the franchise granted does not preclude negotiations being opened

by the Chinese Government for acquisition of the undertaking. Although such a clause would merely constitute a statement of the obvious it might meet the wishes of the National Government. The Deputy Secretary states that provision is made in the agreement for the repurchase of the undertaking by the Council subject to the prescribed notice being given. In the event of the Chinese Government purchasing the undertaking the transfer of the franchise would be a matter of negotiation between the Government and the Council.

After further discussion and in noting that no application as to this was received from the Minister of Communications until the relative negotiations had been concluded it is agreed that at this stage the Council has no power to rescind the agreement in the matter of the assignment of the franchise. The action taken by the late Chairman in replying to the earlier letter received from the Minister of Communications without reference to the Council is regarded as irregular.

1414 Salaries Commission Report. - The Chairman proposes that the Report of the Salaries Commission, which has been in the hands of members for the past two weeks, should now be referred to the Staff Committee for its consideration. This proposal, as also that it be referred to the Heads of Departments for comment is approved. Mr. Bell's suggestion that any employees whose prospects may be adversely affected by adoption of the recommendations put forward by the Salaries Commission should be the subject of the Committee's early consideration is also endorsed.

The Chairman further suggests that a copy of the Report be forwarded to the President of the Foreign Staff Association. In support thereof he states that this Association which is representative of the entire foreign staff was formed with the Council's approval and the withholding of the report from the Association may lead to misunderstanding on the part of its members.

Certain members however are unable to concur in this proposal on the ground that the transmission of the report officially to the President of the Association would be tantamount to an admission on the part of the Council that the Association should be consulted before decision is reached on the findings of the Commission. By a majority vote it is decided that whilst there is no objection to the Report of the Commission being transmitted unofficially to the President of the Association this be not forwarded to him officially.

5464/ General Hospital - Staff Superannuation Fund. - With reference to the minute of the meeting of May 14 a further letter has been received from the Secretary of the above Institution to the effect that the Governors regard the scheme suggested by the Council as likely to introduce an

element of uncertainty as regards the security for the Fund which they do not wish to arise and further would necessitate this question being dealt anew with each year.

After brief discussion members concur in the view of the Director-General that so far as the Council is concerned this matter is relatively unimportant and decide that the original proposal put forward by the Board of Governors for securing the amount standing to the Staff Superannuation Fund be formally approved.

Annual "Basket" Fair. - Relative to the minute of the meeting of May 29, 1929, the Commissioner of Public Enquires whether the Council proposes taking any steps for restricting the above fair to its legitimate requirements. Since this question is not regarded as urgent it is decided to defer consideration thereof to a later meeting.

Issue of Annual Report and Gazette in Chinese. With reference to the minute of May 23 the Secretary reports that the Chinese members of Council have suggested that 2500 copies of a Chinese edition of the Gazette should be printed and distributed to members of the Chinese Ratepayers Association and to Chinese Public Bodies such as the Chamber of Commerce etc. With regard to the printing thereof he suggests that this might be undertaken either by the Sin Wan Pao or the Shun Pao. In reply to enquiry Mr. Yuan states that a list of the names and addresses of the members of the Chinese Ratepayers Association would be furnished by the Association and that copies be forwarded to each member through the post. Upon his stating however that the Chinese members would prefer to give further consideration to the question of the printing and distribution thereof, decision is deferred until the next meeting.

Publication of Gazette in Russian language. An application by the Slovo Publishing Company that it be permitted to publish a Russian edition of the Gazette at its own expense provided the Council will publish in the columns of the Slovo all municipal notifications which appear in the Russian press is submitted.

In recording the view that publication of the Gazette in the English and Chinese languages is called for members regard the issue of editions in other languages as impracticable. The above application is therefore disapproved.

Waterworks Company Directorate. - To replace the late Mr. V. G. Lyman, one of the Council's nominees on the Board of Directors of the Shanghai Waterworks Company Ltd. it is unanimously decided to nominate Mr. A. D. Bell to fill this vacancy.

3605 Board of Film Censors. - The nomination ^{by} ~~of~~ the Chinese members of Mrs. Wai-tsung New Hsia to serve ~~on~~ the Board of Film Censors is approved. The Municipal Gazette for Friday June 27 is submitted in proof and authorized for publication.
The meeting terminates at 6.45 p.m.

W. H. Macgregor

Chairman.

S. H. Edwards

Secretary.

At the meeting of the Council held on Wednesday, July 9, 1930 at 4.30 p.m.

there are:

Present:

Brig.-General E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

H. S. Brown

J. W. Carney

K. Fukushima

A. J. Hughes

S. L. Hsu

N. Leslie

O. S. Lieu

O. Okamoto

L. T. Yuan

Yu Ya Ching

The Director-General, and

The Secretary.

Absent:

Messrs. G. W. Sheppard

Tsuyee Pei.

The Minutes of the last meeting are confirmed and signed. Telephone Company

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Negotiations. - The Director-General states that a slight error occurs in this minute. The letter he referred to which was replied to by the late Chairman of Council and which up to the date of the last meeting could not be traced was the one received from the Chinese Ratepayers' Association and, not as recorded, from the Minister of Communications.

Mr. Fessenden adds that in the course of interviews with the British and American Consuls-General he was informed that the Consular Body is strongly of the view that whilst the existing status of the Settlement is maintained they could not countenance any suggestion that the Telephone Service should be controlled by the National Government. For the guidance of the Council in connection with any further negotiations on this general question he deems it advisable to call attention to the attitude of the Consular Body thereon.

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Advertisement Boards and Boardings. - The Deputy Secretary reports that so far as concerns the revised regulations governing the display of advertisements no objections have been forthcoming. Exception has however been taken to the proposed scale of fees from certain quarters on the ground that they are somewhat excessive. Although the proposed scale comes within the ambit of those provided for in

the previous Budget the point has been made by parties who hitherto have escaped taxation that contracts have been entered into which did not take the proposed charges into consideration.

The Chairman's suggestion is adopted that in order not to inflict hardship in cases where contracts have been entered into the proposed scale of fees be not given effect until January 1 next.

5311/s Contract with Messrs. Pook & Co. - The Director-General states that since the last meeting he has perused the form of the contract with Messrs. Pook & Co. and has reached the conclusion that the transaction for the purchase of the incinerating plant does not fall within the provisions thereof. It is accordingly decided that if this is the case and if this question has not been taken up with Messrs. Pook & Co. no communication be addressed to them regarding this purchase, the question of any variation in the terms of their contract upon renewal to be dealt with as a separate issue.

The Minutes of the meeting of the Watch Committee of June 30 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of June 30 are submitted and confirmed.

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

5711 The Minutes of the meeting of the Staff Committee of July 4 are submitted and with the exception of the section dealing with the recommendations of the Salaries Commission are confirmed. It is decided to defer confirmation of these recommendations until the complete section dealing with terms and conditions of Service has been reviewed by the Committee.

5722 Telephone Company - Franchise. - In amplification of his memorandum on the above question which has been circulated to members the Deputy Secretary makes the following statement.

Since submission of the draft franchise of the I. T. & T. a series of conferences has taken place with their representatives and legal adviser as also with M. Verdier and his colleagues. So far as the Council is concerned this draft follows closely on the lines of the memorandum dated April 2 but since different terms have since been agreed with the French Council a certain hiatus exists which must be bridged in order to ensure that a uniform franchise should be granted by both Councils. So far as this Council is concerned the permanent officials are in a position to submit an agreed draft early next week. M. Verdier has however drawn up a varied form of franchise which materially differs

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from the basis upon which the I. T. & T. submitted its tender for purchase. He therefore suggests it would be advisable to adhere to our draft franchise in order to ascertain precisely upon what points both Councils are agreed. The principal deviation from the memorandum of April 2 is in the matter of auxiliary services. On this point the Council has held that other considerations being equal the purchasing Company should have preference in the matter of providing such services. Mr. Gill has emphasized that his Corporation does not seek any monopoly in this respect since it is not inconceivable that an outside party might attempt to compete with the Corporation with the sole object of obstruction. He does however desire that provision for this permissive right be included in the Franchise in order that his Company may be in a position to make provision for such services at the time the entire system is re-conditioned.

At the Council's request provision has been included in the draft franchise to ensure that sufficient exchanges are provided to give the Settlement a self-contained network as distinct from those established in connection with services provided in other areas.

The requirements of the Police, and Public Works Departments and the Fire Brigade have been complied with so far as the laying of cables and other matters are concerned. Mr. Gill's proposal that 650 pairs of overhead wires be installed as against 315 originally stipulated has with the concurrence of the Public Works Department and the French Municipal Authorities been agreed to.

The agreement reached that the tariff rates will not be increased *beyond the Anson rates* within three years of completion of conversion to the automatic system will be embodied in an exchange of correspondence to be attached to the agreement. The provision in the franchise agreement for suspension of the service in the case of subscribers residing on extra settlement roads failing to pay Municipal taxation has been extended to apply to subscribers within the settlement.

Another deviation from the terms of the existing franchise agreement is that in the event of the Council giving the prescribed notice to re-purchase the undertaking the purchase price must be based on the value of the business as a going concern as against the value of its physical assets. In connection with the re-purchase of the undertaking the term "goodwill" has been expressly excluded with the consent of the purchasing undertaking since the Council holds the view that in the goodwill of the business is included the benefits of the franchise granted to the undertaking.

With regard to the financial clauses of the franchise agreement a somewhat wide divergence in the phraseology of these as drafted by the

Council and the French Municipal Authorities is apparent and will require reconciling.

Upon Mr. Lieu enquiring whether the underlying intention of the franchise agreement is to promote an extension of the service to such outside areas as Pootung etc., the Deputy Secretary replies that whilst there is nothing in the agreement to prevent such extensions, negotiations therefor would have to be conducted by the Company and the Authority controlling the area in which an extension of the service was desired. Under the terms of the franchise the Council can however call upon the Company to enter into negotiations with the appropriate authority for the extension of the service and would afford all possible assistance to this end.

After hearing the Deputy Secretary it is resolved that a Committee consisting of Messrs. Brown, Carney, Lieu and Okamoto be appointed to consider the franchise and any modifications which may be suggested and thereafter submit same for the Council's final approval. It is also decided that the Council's legal Adviser be required to attend these discussions.

Gaol congestion. - The Chairman states that he has suggested to the Director-
5670/General the desirability of requesting (through the Senior Consul) the Chinese Government to establish a penal settlement with a view to relieving the congestion at the Gaol. At the present time there is a very large number of long term prisoners incarcerated in the Gaol whose services cannot be utilized in any capacity and whose continued accommodation under these conditions constitutes an unfair burden on the Ratepayers. The Director-General has informed him that in the past the Council has consistently adhered to its policy not to hand over the custody of prisoners convicted within the Settlement. The Director-General states that at the time negotiations were proceeding for the change of status of the Provisional Court, the Chinese Authorities put forward a demand for the complete control of the gaols in which Chinese prisoners were accommodated. The late Chairman and himself stated they were of the opinion that the Council would not agree to this proposal. He expressed the view however that the Council might favourably consider the handing over of long term prisoners to the Chinese Authorities subject to the entire cost of their maintenance being borne by the Chinese Authorities. The Chinese Government however did not feel that it had sufficient funds available to provide the necessary gaols etc., for this purpose.

The Council's previous policy has been actuated by the fear that it was not unlikely a number of dangerous criminals might be released if it relinquished their custody and also on account of the fact that the Chinese Authorities had not adopted prison regulations on modern lines, nor did they possess the necessary facilities for housing the prisoners.

After brief discussion and in agreeing with the Chairman that the conditions at the Gaol so far as long term prisoners are concerned are far from satisfactory members record the view that any radical departure from the Council's previous policy should not be made without the most serious consideration from every aspect. It is therefore decided to give this matter further consideration before arriving at a decision.

Issue of Annual Report and Gazette in Chinese. - With reference to the minute 5100/ of the last meeting Mr. Yuan states the Chinese Ratepayers Association is most willing to assist the Council in the distribution of a Chinese edition of the Gazette. He has discussed with the Secretary the Association's proposal that copies thereof be distributed through the post but Mr. Edwards has pointed out that this procedure would be somewhat expensive. The Chinese members therefore desire further to consider this question before decision is reached.

Annual "Basket" Fair. - Relative to the minute of the last meeting Mr. Yuan 5108/ states he understands it is possible the Temple property may soon be sold. In this event the annual "Basket" Fair would be abolished. As decision on this question is not urgent it is decided to defer consideration thereof until the end of the current year.

Accommodation for Anti-aircraft Guards. - A request from His Excellency the 5118/ Governor of Hongkong forwarded through the British Consul-General that the Council will, upon payment, provide accommodation for Russian guards engaged on Empress steamers whilst awaiting a return steamer is submitted.

The Commandant has reported that he is prepared to furnish the necessary accommodation with the Russian Detachment.

The Chairman is of the opinion that as these guards are more highly paid than members of the Russian Detachment their accommodation with the Russian Detachment may have the effect of unsettling members of the Detachment to the detriment of discipline. For this reason he suggests that if this application is approved permission should in the first instance be accorded for three months/only in order to enable the Council to ascertain its effect upon the Detachment.

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In view of the importance to British Shipping of the services of these guards members take the view that the Council should assist as far as possible in this matter and since the Hongkong authorities desire that these men should remain under discipline during their stay in Shanghai it is decided that the request be acceded to as a tentative measure.

In the event of the Chairman's fears being realized the question of providing alternative accommodation for these guards will be considered.

Annual Recess. In view of the number of questions requiring the Council's attention the Chairman proposes that the customary procedure should be departed from and that the Council should not go into recess this year.

The Director-General states that in previous years the Council has always gone into recess, which procedure was adhered to during 1925 and 1927 when the Council was faced with very grave issues. Although officially the Council goes into recess with a view to enabling members of Council and the permanent officials to take a vacation it has always been found that if any urgent matter arises it has been possible to convene a meeting and obtain the necessary quorum to deal with the situation. Although there are a number of important questions pending he cannot agree that they are of so urgent a nature as to warrant departure from the customary procedure as suggested by the Chairman.

The Chairman states that in the event of there being no recess this year he does not suggest that any of the permanent staff should for this reason be deterred from taking their annual short leave. In any case he considers that certain of the Committees should continue during the period of the recess.

After discussion members generally favour adherence to the existing policy and decide that the Annual Recess shall extend from July 31 to September 2.

The Municipal Gazette for Friday July 11/30 submitted in proof and authorized for publication.

The meeting terminates at 6.30 p.m.

W. H. ...
Chairman.

W. H. ...

Secretary.

At the meeting of the Council held on Wednesday July 23, 1930 at 4.30 p.m.

there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

N. S. Brown

J. W. Carney

K. Fukushima

A. J. Hughes

S. L. Hsu

N. Leslie

O. S. Lieu

O. Okamoto

L. T. Yuan

Yu Ya Ching

The Director-General, and

The Secretary.

Absent:

Messrs. G. W. Sheppard

Tauyee Pei.

The Minutes of the last meeting are confirmed and signed by the Chairman.

Issue of Annual Report and Gazette in Chinese. - The offer put forward by
5400/1 the Chinese members that copies of the Chinese edition of the Gazette be
forwarded to the Chinese Ratepayers' Association for distribution at the
Council's expense is accepted.

The Secretary states that arising out of this decision it will be necessary to engage additional translating staff as also to obtain additional office accommodation. It is decided to refer these questions to Mr. Clear in order that concrete proposals may be placed before the Council immediately after the Recess.

Local Rice Situation. - Mr. L. T. Yuan undertakes to serve as the Council's
1687 representative on the Committee to be constituted for the purchase, distribution etc., of rice which is being undertaken with a view to alleviating the existing local situation. Authority is also given for payment of the Council's contribution of \$100,000. for this purpose.

Constitution of Committees. - In accordance with the decision reached at the meeting of May 14 last additional members are elected to the under-mentioned Committees as follows:-

<u>Works</u>	Mr. T. Funatsu
<u>Staff</u>	Mr. J. Inouye
<u>Education</u>	Mr. T. Murakami
<u>Traffic</u>	Mr. K. Kuroda (in replacement of Mr. O. Okamoto)

The Minutes of the meetings of the Staff Committee of July 11 and 18 are submitted and confirmed with the exception of the section relating to the Salaries Commission Report.

The Commissioner of Public Works attends.

The Minutes of the meeting of the Works Committee of July 15 are submitted and confirmed. Purchase of "Graveland" adjoining Country Hospital. - In 4255/2 order not to establish an undesirable precedent it is decided by a majority vote that no further payment be made to Mr. T. R. Crank in respect of the assistance rendered by him in connection with the acquisition of the above area.

Additional Public Parks. - The Commissioner of Public Works illustrates 5595/1 on a plan submitted the various areas which are available for additional public parks. Subject to the financing of these purchases being possible, which question will be referred to the Finance Department, it is decided that negotiations be entered into for the purchase of the area in the Northern District and also for the Western District Area in the vicinity of Singapore Road.

Jessfield Park. - On the recommendation of the Commissioner of Public Works it 1937 is decided, until further notice to extend the closing hour of this park to 11 p.m. as a temporary measure. The installation of additional acetylene lamps in the Park is authorized.

The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Education Board of July 16 are submitted and confirmed.

Western District Primary School. - The proposal put forward by the Chinese 3720 members that in order to provide primary educational facilities in the Western District prior to the new School building being available, the house No. 84 Avenue Road be leased for a period of one year is approved, subject to reports being received from the Public Works Department and Fire Brigade that the house is suitable for the purpose of a school.

The Commissioner of Revenue attends.

House Renumeration. - Letters from residents of Bubbling Well Road complaining 1042 of the proposed alteration in the numbering of houses and particularly against the designation of "passage" are submitted. In agreeing that these complaints merit sympathetic consideration it is agreed that the designation to which exception is taken might be replaced by the term "terrace"

or "approach". Members undertake to give this matter further thought with a view to decision being reached at the next meeting.

The Commissioner of Revenue withdraws.

The Acting Treasurer & Comptroller attends.

Redemption of Sterling Loan 1920. - An application from the Sun Life Assurance

1106 Company of Canada that they be exempted from the Bank's charges incurred in connection with the redemption of the above loan is submitted.

At the outset members are inclined favourably to consider this application. The Acting Treasurer however states that the terms of this issue provide that the principal will be paid by the Council's cheque on the Hongkong and Shanghai Bank in London. The Company has in the past lodged no objection to the payment of interest warrants by this method nor have any requests been received from other holders of this loan that they should be exempted from the customary bank charges.

In view of the Acting Treasurer's statement members agree that an undesirable precedent would be created if the Council intervened in a matter which solely concerns the Company and the Bank. It is accordingly decided that no action be taken by the Council.

Mr. E. P. Oliver attends.

Shanghai Waterworks Company Ltd. - Proposed Surcharge on Existing Water Rates. -

1108 An application by the Waterworks Company for the Council's sanction of an immediate surcharge on existing water rates for the reason that on account of the recent depreciation in the value of the Tael it may not be able to pay the fixed (sterling) dividends for the current year, with adverse comment by the Finance Department is submitted.

In realizing that an increase in the water rate sooner or later is inevitable certain members take the view that for this reason it is desirable to authorize a relatively small increase at the present time rather than to withhold such sanction and later be compelled to authorize a more substantial increase. The view is also expressed that the inability of the Company to meet the dividend payments this year may react to its detriment in securing additional capital.

Other members are of the opinion that on account of existing conditions the present time is inopportune to impose a further burden on the consumer.

The Director-General states that the Directors have recently decided to reduce the customary interim dividend and he recalls that the entire scheme of capital development was deferred at the request of the Council in order to avoid an increase in the tariff rate.

Upon the Acting Treasurer suggesting this may be a suitable

occasion again to take up with the Company the question of metering the Director-General points out that apart from this project requiring a very considerable capital outlay the Company has deferred consideration thereof by reason of the political issues involved. The introduction of a metering system would result in higher charges being imposed on small Chinese dwelling houses and a decrease in the amount paid in respect of foreign residences. For this reason the Company has hesitated to proceed in this matter.

After considerable discussion it is decided to call for a further report from the Finance Department outlining any proposals under which, and ignoring the factor of dividend payments, a proportionate relief might be afforded the Company and thus obviate the necessity later of imposing in a single measure a substantial increase in the water rate. Decision on this question is accordingly deferred until the next meeting.

Apart from the question of an increase or otherwise of the tariff rate Mr. Brown enquires whether the Council is satisfied that the Company is producing water as cheaply as possible. Despite the fact that a world known expert has reported favourably on the undertaking he considers that his investigation may have concentrated on the purity of the water supply rather than on the adequacy of the plant and methods of production.

In view of the vital importance to the community of a pure water supply at the cheapest possible rates he suggests the Council should consider the advisability of obtaining the opinion of an expert as to this. It is decided further to consider this question at a later meeting; in the meantime the Director-General suggests that members should if they so desire inspect the Company's plant.

The Acting Treasurer & Comptroller withdraws.

Telephone Company Franchise. - The Deputy Secretary reports that a meeting of the Special Committee appointed to consider the terms of the franchise has been held and agreement reached with the representatives of the I. T. & T. except on two points.

The first point is as to whether in the event of the Council not exercising its option to re-purchase at the stipulated periods the franchise becomes extended automatically. Upon his outlining the views advanced by Mr. Gill in this respect it is decided to confirm the interpretation of the relative clause as construed by the I. T. & T. and the French Municipal Authorities.

With regard to auxiliary services it is decided to continue these negotiations on the basis of a permissive right to supply these services

being granted without any monopoly qualifications. The Deputy Secretary undertakes to notify M. Verdier of this decision with a view to securing his agreement to the insertion of a similar clause in the franchise granted by his Council.

Upon Mr. Hsu suggesting that in order to meet the wishes of the National Government ~~the initial period in which the Council can exercise its option to re-purchase should be reduced or alternatively that~~ a qualifying clause be inserted to provide for any change of status of the Settlement within that period, it is pointed out that as such a proposal would render nugatory the basis upon which the I. T. & T. have submitted their tender, adoption of such a proposal is impracticable.

Mr. E. P. Oliver withdraws.

Commandant of Volunteers. - In a report submitted Colonel Orpen-Palmer informs 1811 the Council that his engagement as Commandant expires in January next. After brief discussion it is decided to make the necessary representations to the British War Office Authorities for the appointment of his successor.

3614 Extra-Settlement Roads - Encroachment. - The Chairman alludes to the recent action of the Chapel Electricity & Waterworks Company in erecting an electricity main across the Jessfield Road. In deprecating such action at a time when negotiations as to the status of extra-settlement roads are pending he reads a letter which he proposes to address to the Senior Consul lodging the Council's protest against this action. This is approved.

Mr. Brown suggests that the Chinese members of Council might take up this question with the Chinese Authorities with a view to obtaining an undertaking that such trespass will not be permitted pending agreement being reached as to the status of these roads.

Mr. Lieu replies that a Committee of the Chinese members has been deputed to discuss this matter with the Mayor of Greater Shanghai and that immediately upon his return to Shanghai they will take up this matter with him and advise the Council as to the result of these discussions. Mr. Fukushima expresses the hope that when this important matter is under discussion the Chinese members will consult with their foreign colleagues during the period over which the discussions with the Chinese Authorities is extended.

4062 Commissioner of Police. - In view of the eminently satisfactory services rendered by Major Gerrard during his temporary service with the Council and in the interests of the community Mr. Brown suggests the desirability

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of securing his permanent services as Commissioner of Police. Having regard to the confidence reposed in Major Gerrard by the community and members of the Force the Director-General supports this proposal. He states he has reason to believe Major Gerrard would agree to remain in the service of the Council subject to satisfactory terms being offered.

The Director-General is requested prior to the next meeting to ascertain if, and upon what terms, Major Gerrard would be willing permanently to remain in the Council's service. In the meantime as Mr. Martin has been given to understand that he would be appointed to the post of Commissioner at the expiry of Major Gerrard's temporary period of service it is directed that the relative files be circulated in order to ascertain precisely to what extent the Council is committed in this respect.

The Municipal Gazette for Friday July 25 is submitted in proof and authorized for publication.

The meeting terminates at 7 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday July 30, 1930, at 4.30 p.m.

there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

N. S. Brown

J. W. Carney

K. Fukushima

A. J. Hughes

S. L. Hsu

N. Leslie

O. S. Lieu

O. Okamoto

L. T. Yuan

Yu Ya Ching

The Director-General, and

The Secretary.

Absent:

Messrs. G. W. Sheppard

Tsuyee Pei.

Mr. A. C. Clear attends.

The Minutes of the last meeting are confirmed and signed by the Chairman.

The Acting Treasurer & Comptroller attends.

5595/1
Additional Public Parks. - With reference to the minute of the last meeting, in a report submitted the Acting Treasurer suggests that no commitments be entered into in respect of new park sites until the Council's position is more clearly defined with regard to other matters of importance such as educational facilities, hospital extensions etc. He states that although it is anticipated there will be a surplus on the extraordinary Budget at the end of the current year it is not impossible that unforeseen expenditure in respect of other items of major importance may become necessary. The Director-General submits that it is unwise for the Council to embark on individual projects entailing large capital sums without reviewing as a whole the Council's financial position. From the proceeds of the sale of the Electricity Department the amount available for capital requirements is some Tls.30,000,000. and it can be estimated that each year approximately Tls.8,000,000. will be required. When the proceeds of this sale are exhausted the Council may be placed in a difficult position in suddenly having to revert to a restricted programme if during the next few years capital expenditure is authorized on an unduly heavy scale.

In agreeing that the council should review its financial position as a whole before proceeding with further capital projects the Chairman regards the provision of a park in the Northern District as of major importance and suggests that negotiations for the purchase of this area might be proceeded with.

Mr. Brown proposes that before decision is taken a report be called for from the Commissioner of Public Works giving detailed information as to the area and realizable value of undeveloped surplus land in the Council's possession. He suggests it may be possible to dispose of certain of these areas and purchase additional park sites from the proceeds thereof.

It is decided to call for this information and also in the meantime to take up from the Shanghai Land Investment Co. the option expiring on September 30 to purchase Cad. Lot 283.

3720 Western District Primary School. - On the recommendation of the Commissioner of Public Works and subject to the endorsement of the Education Board it is decided to enter into a lease of the premises No.88 Avenue Road for a period of one year. Expenditure of an estimated sum of Tls.2000. for the necessary repair work is authorized.

The Commissioner of Revenue attends.

1042 House Renumeration. - The Commissioner of Revenue is authorized to withdraw the designation "passage" and at his discretion to substitute therefor the terms "Court" "Lane" or "Terrace" the view being held that in certain cases no additional designation is called for. It is also decided that in respect of Chinese dwelling houses the term "Lane" be substituted for "passage".

The Commissioner of Revenue withdraws.

1062 Commissioner of Police. - In accordance with the Council's directions at the last meeting the Director-General reports that he has obtained from Major Gerrard an outline of the terms upon which he would be prepared to accept permanent service with the Council. Briefly Major Gerrard proposes that he should proceed next Spring on the leave due to him under his terms of service with the Indian Government thereafter severing his connection with the Government and return to the Council's service in November 1931. He requests that he then be placed upon the maximum pay for the post, half of his salary to be paid at the fixed rate of 2s6d to the Tael; that he should receive superannuation but no pension benefits, be provided with an official residence subject to a deduction of 10% of his pay and with official locomotion or a more adequate allowance for this purpose than he at present receives.

In regarding the terms of this offer as reasonable and in accepting them in principle it is decided to refer same to the Watch Committee for its detailed consideration and report, particularly the requirement that half salary should be paid at a fixed rate of exchange, the view obtaining that approval of this proposal might have a re-action on the terms of service of other Municipal employees. The Committee is also requested to submit its recommendation as to the most suitable means of disposing of the question of Mr. Martin's loss of prospects having regard to the undertaking given him that he would succeed to the post of Commissioner upon the termination of Major Gerrard's temporary service.

1811 Commandant of Volunteers. - A memorandum by Mr. Clear outlining terms for the appointment of a successor to Col. Orpen-Palmer is submitted. In expressing the opinion that the existing terms are sufficiently attractive to secure a suitable officer for this post Mr. Brown enquires whether it is absolutely necessary to engage an officer serving on the active list. He suggests it might be more economical to engage an officer on the retired list. The Secretary points out that if this course were adopted it is unlikely that the War Office would assist the Council in making this or any future appointment and that in the past the Council has attached importance to obtaining an officer conversant with the most modern methods. Mr. Brown suggests that this qualification would be met by engaging an officer who has only recently been placed on the retired list.

After discussion it is decided to refer this question to the Watch Committee for its recommendation at which time the Committee will also consider whether it might not be in the interests of the Council to request Col. Orpen-Palmer to extend his period of service for some months in the event of it being decided to engage an officer on the retired list but whom it might not be possible to obtain before the expiration of Col. Orpen-Palmer's term of service in January next.

The Minutes of the meeting of the Traffic Committee of July 21 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of July 25 are submitted and with the exception of the section dealing with the Salaries Commission Report are confirmed.

5550/1 Resident Pathologist. - Mr. Clear reports that he hopes to arrange for one of the junior pathologists to reside in the flat in the Municipal Compound it being proposed to provide a certain amount of furniture therefor at an approximate cost of Tls.1000/1200.

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5647/1 Foreign Staff Association and Low Exchange. - The Committee's recommendation that exchange compensation be paid to employees having domicile in a gold currency country on the basis proposed is endorsed. Having regard however to the cost involved by adoption of this proposal it is decided that in the event of the value of the Tael dropping below 1s4d, further to consider whether the exchange compensation should continue to be based on this figure or alternatively on the prevailing rate of the day.

4605/3 Gaol Reformatory. - The Chairman suggests that consideration be given to changing the present suggested site of the Reformatory at the Ward Road Gaol. He considers it undesirable that the inmates of the Reformatory should be in such close proximity to the prisoners in the Gaol: further no recreational facilities would exist for the warders of the gaol if the piece of ground is occupied by the Reformatory. It is decided to refer this question to the Watch and Works Committees for their recommendation.

Mr. E. P. Oliver attends.

Shanghai Waterworks Co. Ltd. - Application for surcharge on existing water rate.

1908 As directed at the last meeting a further memorandum on this question has been prepared by Mr. E. P. Oliver of the Finance Department in which he suggests that as a compromise the proposed surtax be limited to 25% on the existing charges to become effective as soon as possible and that the present Tariff Period be extended to December 31, 1931.

Upon the views of the Chinese members being requested they state they are opposed to any increase in the tariff rate particularly as the re-assessment now proceeding will result in increased rentals and consequently a higher charge for water.

Mr. Oliver refers to his alternative suggestion that the Council might prefer to leave this question in abeyance for say six months in order to ascertain whether any appreciable rise in exchange will take place during that period.

Mr. Lieu is of the opinion that the Chinese community might object less to the installation of a metering system than to an increase in the rate.

Mr. W. R. Walter attends and in reply to questions states that a metering system would take from two to three years to instal and the cost thereof would be approximately Tls.2,000,000. The installation of a metering system would result in an economy of water consumption and would tend to reduce the existing rates. It is not however practicable to instal meters at the demand of a householder pending decision being reached as to the general installation of the system. He states that if and when the Council requires installation of the metering system his

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Company will be prepared to undertake this.

After Mr. Walter has withdrawn it is decided that early notice be given to the Company to proceed with the installation of meters.

As a result of further discussion on the Company's application to impose a surtax on the existing water rate it is decided subject to the Company undertaking to extend the present tariff period to December 31, 1931 to agree as a provisional measure to an increase of 25% to be effective as early as possible, the Company to be informed that in the event of the sterling value of the Tael appreciating to 2s0d the question will be reconsidered by the Council. For the reason put forward by Mr. Bell it is decided not to accept the Company's offer that to afford some measure of relief to consumers the rental limit for purposes of assessment of the water rate be reduced to Tls.150 per mensem.

A letter from the Company extending an invitation to members to visit the extension and additions to its plant is noted and it is decided to leave it to individual members who desire to visit the plant to make the necessary appointment.

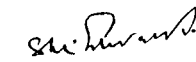
Telephone Company Franchise. - The Deputy Secretary states that following a further meeting of the Special Sub-Committee yesterday all outstanding points between the Council and the Representatives of the I. T. & T. have been agreed. These he refers to in detail and adds that a clean draft of the agreement will be prepared forthwith and forwarded to the Company's representatives and members of the Sub-Committee for initialling and copies supplied to members of Council for information.

With regard to the sum of Tls.2000,000. loaned by the Council to the Mutual Telephone Company, as the rate of return on this sum is advantageous to the Council it is decided to continue the loan to the new Company on the understanding that a first mortgage would be granted, an endeavour however to be made for its repayment at three months' notice instead of six months' notice as at present.

The Municipal Gazette for Friday August 1 is submitted in proof and authorized for publication.

The meeting terminates at 6.40 p.m.


Chairman.


Secretary.

At the meeting of the Council held on Wednesday September 3, 1930, at 4.30 p.m.

there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

N. Leslie

O. S. Lieu

O. Okamoto

El T. Yuan

Yu Ya Ching

The Director-General, and

The Secretary.

Absent:

Messrs. N. S. Brown

A. J. Hughes

G. W. Sheppard

Tsuyee Pei

The Minutes of the last meeting are confirmed and signed by the Chairman. Commissioner of Police. - The Chairman refers to communications which have passed between the British Consul-General and the Indian Government relative to the retention of Major Gerrard's services. Major Gerrard is also in communication with the Inspector-General on this question and his reply is awaited.

Commandant of Volunteers. - The Chairman suggests the name of Lieut.-Col. J. M. Colchester-Wemyss O.B.E., late The Royal Scots as a possible successor to Col. Orpen-Palmer. Although this officer has not commanded a battalion the Chairman is of the opinion that the experience he has gained in his previous appointments may qualify him for the post of Commandant. His proposal is therefore adopted that before other steps are taken to appoint a successor to Col. Orpen-Palmer, Lieut.-Col. Colchester-Wemyss, who is at present engaged as District Officer and Magistrate at Weihaiwei, be requested to come to Shanghai for an interview.

The Minutes of the meeting of the Staff Committee of August 1 are submitted, and with the exception of the section dealing with the Salaries Commission Report, are confirmed.

The Minutes of the meeting of the Watch Committee of August 6 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of August 27 are submitted.

and subject to the following exceptions are confirmed.

(225) Debenture Trust Deed. - In connection with the Committee's recommendation that steps be taken to appoint specially qualified individual Trustees on the lines proposed, Mr. Bell states that Mr. G. H. Wright has suggested to him that final decision in this matter be deferred until he has had an opportunity of expressing his views. He gathered that Mr. Wright took the view that as this matter had gone so far between the Council and the Bank the latter might regard the Council's action in discontinuing negotiations at this stage as somewhat discourteous.

In respect of the Legal Adviser's suggestion that the Treasurer should interview the officials of the Foreign Office in London with a view to facilitating this arrangement, members though realizing that the Bank has to obtain the formal permission of the British Government to act in this capacity concur with the Director-General as to the inadvisability of direct representations to the British Government being made by the Council.

After discussion and as decision on this question is not of immediate urgency it is decided to defer same until the next Council meeting; in the meantime a copy of the relative memorandum prepared by the Deputy Secretary will be furnished to all members.

(225) Shanghai Power Company - Interest on balance of purchase price. - In a comprehensive memorandum prepared for the information of the Committee the Deputy Secretary refers to a difference of opinion which has arisen between the Council and the Shanghai Power Company as to the basis for the calculation of interest on the balance of the purchase price in respect of the half year ending June 30, 1930. In view of the circumstances as set forth therein and for the reasons outlined the Committee has endorsed his proposal that a compromise be effected by the equal division of the sum in question i.e., Tls. 88,685.

Having regard to the provisions of clause 6 of exhibit "A" of the Sale Agreement Mr. Leslie is of the opinion that the Company's contention as to the basis of interest payments could not be upheld. On this ground he is averse to a compromise being effected.

Upon it being suggested that this question might be referred to arbitration the Deputy Secretary is of the opinion that in view of the conflicting contentions of both parties it is doubtful whether a true solution could be arrived at by this means. In the event of the matter being referred to arbitration it is not inconceivable that the award might be in favour of the Company; in any case the proceedings

originated by the Finance Committee in its capacity as a body of experts

furnished to all members forthwith in order that decision may be reached at the next meeting. In the meantime this question will be referred to the Legal Adviser for his opinion.

War Memorial. - A letter from the Royal Air Force Association of Shanghai enquiring as to the terms of the trust of the War Memorial etc., and also whether, if the Council considers it has no obligations as regards maintaining the sanctity of the Memorial it would have any objection to some outside body taking the necessary steps to ensure this, is submitted.

In view of the acceptance by the Council jointly with the French Council of the trust for the preservation of the Memorial members unanimously decide that any proposal whereunder the responsibility for its preservation be relinquished be not entertained.

Municipal Chinese Staff Association. - An application for the Council's recognition of the above Association is submitted. It is noted that this Association as originally constituted has been reorganized and as the Council has recently accorded recognition to a Foreign Staff Association it is realized it would be difficult to withhold recognition of the Chinese Staff Association if organized and conducted on similar lines. Prior to recording decision at the next meeting the Director-General is requested to peruse the articles of the constitution of this Association and to compare same with those adopted by the Foreign Staff Association and to submit his recommendation to the Council.

Obstruction by Extra-Settlement Authorities. - The Chairman reads a letter he has addressed to the Senior Consul protesting against the action of the River Police in attempting to prevent the Public Works Department from constructing a landing stage on the Sookhow Creek at Markham Road and in arresting and detaining the foreman of the Contractor undertaking this work.

As work has been suspended the Chairman requests members' views as to whether instructions be issued for the work to be proceeded with under police protection. As this question has been referred to the Senior Consul the view obtains it would be impolitic to take independent action without further reference to the Consular Body.

The Director-General undertakes to ascertain from the Senior Consul tomorrow whether he has any objection to the Council giving instructions for this work to be proceeded with.

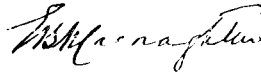
Volunteer Corps. - German Company. - The Chairman states that the Commandant is anxious to reform the German Company of the Corps and is of the opinion that the necessary support will be forthcoming. The Director-General recalls that some years ago when application was made by German nationals to reform this Company the German Consul was opposed to the proposal in view of possible complications which might arise on account of the loss by German nationals of

their Extraterritorial rights. As however a number of German nationals are at present serving in other branches of the Corps and as with the lapse of time the reason then advanced is less forceful he sees no reason why the proposal put forward by the Commandant should not be adopted.

In concurring in this view it is decided to authorize the Commandant to reform the German Unit.

The Municipal Gazette for Friday September 5 is submitted in proof and authorized for publication.

The meeting terminates at 6.05 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday September 17, 1930, at

4.30 p.m. there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

N. S. Brown

J. W. Garney

K. Fukushima

A. W. Hughes

S. L. Hsu

H. Leslie

O. S. Lieu

O. Okamoto

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Director General, and

The Secretary.

Absent:

Mr. G. W. Sheppard.

Membership. - On behalf of members the Chairman welcomes Mr. T. D. Woo upon his taking his seat on the Council. Mr. Woo undertakes to serve on the Committees of which Mr. Tsuyee Pei was formerly a member.

The Minutes of the last meeting are confirmed and signed by the Chairman.

Commissioner of Police. - Members are informed that as a result of further communications with the Indian Government Authorities there is reason to believe they will sanction Major Gerrard's transfer as Commissioner of Police and that he will be transferred to the permanent staff as from October or November 1931.

Commandant of Volunteers. - The Chairman states that he has communicated in his private capacity with an official in the Foreign Office requesting his good offices in the matter of nominating a suitable officer for this post, preferably a Lieut. Colonel on the retired list.

Debenture Trust Deed.
Shanghai Power Company - Interest on balance of purchase price. - Decision in the above two matters is deferred until the return of the Vice-Chairman and the Treasurer & Comptroller respectively. In the meantime the opinion of the Legal Adviser on the latter question will be circulated to members.

Municipal Chinese Staff Association. - The Chairman states that since the last meeting it has occurred to him that in the event of recognition of the above Association being accorded by the Council it may lead to applications for recognition of similar Associations formed by municipal employees of other nationalities. To avoid this he suggests it might be desirable for the Chinese Staff Association to become affiliated with the Foreign Staff Association.

The Director General states that he has compared the proposed articles of Constitution with those of the Foreign Staff Association and with one exception these are to a large extent modelled on those adopted by the Foreign Staff Association. The exception referred to is the following article:-

"3 (b) To offer opinions to the Council on matters concerning the members of the Chinese Staff as a whole and to co-operate with the Council in affairs of mutual interest."

Article 2 of the Constitution of the Foreign Staff Association although differently worded may be regarded as being framed with a similar object.

In noting that the constitution of the Foreign Staff Association was approved by the former Council Mr. Brown suggests it might be in the interests of all concerned for the Council to endeavour to get the Association dissolved or in any case the article referred to withdrawn owing to its implication that the Council recognizes the right of the Staff to collective bargaining.

The Director General replies that the application to form a Foreign Staff Association received the Council's most serious consideration prior to its approval being given, the consensus of opinion at that time being that as certain elements were so persistent the Council would be placed in a less favourable position by withholding its approval than by granting same.

On the ground that the Chinese Staff will, if they so desire, combine for the purpose of advancing their collective view whether or not the Council sanctions the formation of a Staff Association Mr. Bell does not consider any particular risk will be run by the Council in sanctioning this application. He agrees however that as in the case of the Foreign Association police employees should not be permitted to become members.

Messrs. Fukushima and Leslie are averse to the formation of a Chinese Staff Association. They also deprecate the recognition accorded by the Council to the Foreign Staff Association since in their view such an organization furnishes the necessary machinery for agitation by malcontents and disgruntled employees.

Mr. Lieu suggests that the Chinese Staff Association should receive the Council's recognition provided the Articles of Constitution are identical with those of the Foreign Staff Association. In his opinion Article 8 adopted by the Foreign Staff Association is highly important so far as concerns the Council's interest.

After further discussion it is decided in the first instance to endeavour to obtain the withdrawal of or an amendment to Article 2 in the Constitution of the Foreign Staff Association on the ground that the object of this Article savours of Trades Union principles and implies the Council's willingness to negotiate with the Staff collectively in the event of any dispute.

The Director General undertakes fully to explain to the officials of the Association the Council's reasons for requesting withdrawal or amendment of this particular Article and upon this matter being arranged satisfactorily further consideration will be given to the application for the formation of a Municipal Chinese Staff Association.

The Minutes of the meeting of the Education Board of September 10 are submitted and confirmed, the proposed phraseology of the English translation of the preamble to the questionnaire which will be circulated to all Chinese schools in the Settlement being approved.

The Commissioner of Police and the Acting Treasurer & Comptroller attend.

The Minutes of the meeting of the Staff Committee of September 12 are submitted and with the exception of the section dealing with the Salaries Commission Report are confirmed. With regard to:- Police Force - Indian Branch - Terms of Service. - The Acting Treasurer states that upon further consideration of the Committee's recommendation that the Indian Branch should receive exchange compensation on their repatriation allowance and also the full amount of their deferred pay at the rate of 2s/6d to the Tael he is of opinion that adoption of this proposal may cause dissatisfaction amongst the remainder of the Council's foreign staff. Having regard to the terms of service for the Indian Branch, which he outlines, he submits it is illogical to accord the Branch preferential treatment in the matter of exchange compensation on deferred pay.

In recalling that the Committee in framing its recommendation emphasized that in this respect the Indian Branch should be treated on a different basis from other foreign employees and since this is actually the case at present inasmuch as the Indian Branch receives no credit for food and quarters in the assessment of deferred pay, the Commissioner of Police is unable to agree that adoption of the Committee's recommendation will have any re-action on other branches of the service.

After full consideration of the views advanced by the Acting Treasurer and upon the Chairman stating that this question was exhaustively considered in all its aspects by the Staff Committee prior to recording its recommendation the Committee's recommendation is endorsed.

The Commissioner of Police and the Acting Treasurer & Comptroller withdraw.

Resignation of Port Health Officer. - In respect of the Committee's recommendation that the Council should contribute a sum of Tls.3300 towards the leave and repatriation expenses of Dr. Aylward consequent upon his enforced resignation Mr. Brown suggests that the Council should take a sympathetic view of this case and undertake to provide the full amount for this purpose and thereafter endeavour to obtain a refund of a pro rata amount from the French Municipal and Customs Authorities.

The majority of members take the view that if this course were adopted there would be little likelihood of obtaining a refund from the Customs Authorities.

The recommendation that the Council should contribute Tls.3300 towards this expenditure is accordingly adopted, in the event however of its being ascertained unofficially that no contributions are forthcoming from the other Authorities concerned members express their willingness further to consider an increase in the Council's contribution.

Criticism of Salaries Commission Report. - The proposal put forward by Mr. A. C. Clear that Mr. Peyton-Griffin's services be availed of to prepare the statement to be issued by the Council following its final consideration of the Salaries Commission Report is approved.

The Commissioner of Public Works attends.

Tien Chan Wu Dai Theatre. - In accordance with the recommendation of the Watch Committee of August 6 last the opinion of the Legal Adviser as to the Council's position in allowing the above Theatre to function until the end of the current year is submitted.

Asked for his views the Commissioner of Public Works states that owing to the type of construction of this theatre it is quite impossible to adapt the structure to a first class building from the point of view of safeguarding the lives of the occupants in the event of an outbreak of fire. He understands that the lessee of this Theatre has arranged to lease a modern theatre at the corner of Foochow and Yunnan Roads and this factor may facilitate the Council's efforts to secure the closing of the Theatre now under discussion since it is possible that the services of artistes, staff etc., can be transferred to the other Theatre.

Upon the Chairman requesting members views as to adherence to the decision to permit this Theatre to continue until the end of the current year which extension he recalls was granted in deference to the views expressed by the Chinese Councillors, the Director General urges that in cases where it is fully demonstrated that buildings frequented by large numbers of the public are veritable death-traps the Council's decision should be based solely on this factor, side-issues being precluded.

In view of the opinion received from the Legal Adviser as to the gravity of the Council's position in the event of an outbreak of fire and the undoubted resultant heavy loss of life Mr. Bell is strongly of the opinion that an endeavour should be made to obtain closure of this building forthwith and that pending the conclusion of the necessary negotiations the Police and/or Fire Departments should be instructed to post additional men in the building to minimise the risk of fire as much as possible.

After discussion Mr. Harpur is requested to take immediate steps to negotiate with the management of this Theatre to close this building at the end of September on the basis of compensation being paid by the Council to offset any loss incurred by requiring the Theatre to cease functioning three months earlier than already agreed by the Council. In the meantime additional precautionary measures will be taken to obviate any outbreak of fire between the present time and the end of the current month.

The Commissioner of Public Works withdraws and Mr. W. R. Walter attends.

Waterworks Company - Surcharge. - A letter from the Chinese members of Council
1408 requesting reconsideration of the Council's decision approving the Company's application to impose a surcharge of 25% on the existing water rate is submitted.

In observing that there is no preference in this letter to the fact that the Council has two nominees on the Board of Directors of the Waterworks Company Mr. Bell expresses his regret that the Chinese members imagine that the Council would have sanctioned an increase in the water rate if the position as outlined in their letter did in fact obtain.

A number of the statements and financial details in this letter are entirely incorrect and certain of these he deals with in detail. He emphasizes that the function of the Council's nominees on the Board is primarily to protect the interests of the public and the implication of the letter that the Company in applying for an increase in the water rate is attempting to squeeze the public and is not managed economically displays lack of confidence in the representatives on the Board nominated

by the Council.

On behalf of the Chinese members Mr. Hsu states that it was not the intention of the letter to suggest that the Company was not efficiently managed. In view however of the public opposition to this increase the Chinese members took the view that the amount of the proposed surcharge might not be justified and that its imposition at present was untimely. He considers that if at the end of next June the position of the Company is such as to warrant a higher water rate to the extent of that now proposed or even in excess thereof there would then be less opposition on the part of the Chinese Community to this increase, having regard to the fact that provision is made for a variation of the tariff rate at that time.

In this connection Mr. Bell points out that the agreement with the Company provides for a shortening of the tariff period presumably with the object of meeting a contingency such as that of an abnormally adverse exchange situation with which the Company is now faced and which could not have been foreseen when the agreement was drawn up. As an illustration of the disastrous result of tying the hands of a public utility Company in the matter of its financial affairs he instances the case of the Telephone Company which to some extent owing to the restrictions imposed by the Council in the matter of rates not only for many years was unable to pay the prescribed dividend but also was unable to provide an efficient public service.

Upon Mr. Hsu stating that he is not convinced that an increase in the tariff rate is absolutely necessary at the present time and suggesting that this be deferred until next year which would give consumers some nine months to accustom themselves to the idea of increased water charges the majority of members take the view that a heavier increase imposed then would result in even greater opposition than that encountered in respect of the present increase.

Mr. Lieu assures members that the Chinese Councillors have done their best to explain to the Chinese Community the point of view of the Council and the Company in the matter of the proposed increase and that the opponents to the increase are not attempting to treat this question as a political issue. One of the chief reasons for their opposition is that the Chapei Waterworks Company under a metering system charge less than the Shanghai Company under the proposed increased tariff.

In order to enlighten the public and remove the impression that an increase in tariff is unnecessary a member's suggestion is

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is adopted that a statement in Chinese be drawn up by the Council in collaboration with Mr. Walter clearly and simply setting out the facts of the existing situation and as to the position which subsists between the Council and the Company and dealing with the points which have been raised in opposition to the proposed increase. This statement will be issued to the press and also appear in the first issue of the Chinese edition of the Municipal Gazette which it is hoped to produce at the beginning of October. At the request of the Chinese members it is also directed that an official detailed reply be forwarded to the letter forwarded by them for submission to the Chinese Ratepayers' Association.

Upon Mr. Brown enquiring whether the nomination of a Chinese Gentleman to the Board of Directors would tend to remove misunderstandings such as that now obtaining Mr. Hau replies that he considers the Chinese community would welcome this proposal although it would not assist in overcoming the opposition to the proposed increased water rate at present in evidence. Whilst members are unable to adopt his suggestion that a Committee be appointed to investigate the question of the necessity of the proposed surcharge they endorse Mr. Walter's proposal that the Chinese Ratepayers' Association be informed that the Company's figures will be open to inspection by a delegation from the Association if it so desires.

Mr. W. R. Walter withdraws.

Foreign Staff Association. - An application from the above Association to submit its views on a portion of the Report of the Salaries Commission before the Council takes action thereon is submitted.

In view of the undesirable precedent which would be established if this application is granted the Director General is asked to take up this question with officials of the Association at the time he discusses with them the Council's views generally on the existence of this Association as referred to in a preceding minute.

Members concur with Mr. Brown as to the advisability of discussing in camera the question of the Council's attitude towards the Staff Association.

Chinese edition of Municipal Gazette. - A letter from the Director of Chinese Studies forwarding "dummy" copies of the Chinese edition of the Municipal Gazette and drawing attention to the difficulties of publication simultaneously with the foreign edition is considered.

Upon the Chinese members stating that they do not consider any objection will be put forward by the Chinese Community if the Chinese

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edition is published a few days later than the English edition the proposal put forward by Mr. Kliene that in order to overcome the difficulties of translating, printing and proof-reading the Chinese Edition be published on the Wednesday following the day of publication of the English edition, is approved.

The Municipal Gazette for Friday September 19 is submitted in proof and authorized for publication.

The meeting terminates at 7.00 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday October 1, 1930, at 4.30 p.m.

there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
Messrs. G. W. Sheppard (Vice-Chairman)
A. D. Bell
N. S. Brown
J. W. Carney
K. Fukushima
A. J. Hughes
S. L. Hsu
N. Leslie
O. S. Lieu
O. Okamoto
T. D. Woo
L. T. Yuan
Yu Ya Ching
The Director General, and
The Secretary.

The Minutes of the last meeting are confirmed and signed by the Chairman.

5225/9 Debenture Trust Deed. - Prior to the next meeting the Vice-Chairman undertakes to peruse the files relative to the above question whereafter further consideration will be given thereto.

5225/10 Shanghai Power Company - Interest on balance of purchase price. - It is directed that the memorandum on this question addressed by Mr. Brown to the Director General be circulated to members.

Municipal Foreign Staff Association. - The Director General reports that in accordance with the Council's directions he has conferred with a delegation of the above Association as a result of which these representatives in deference to the Council's desire expressed their willingness to consult the Executive Committee of the Association regarding an amendment to Article 2 of the Constitution. These representatives however pointed out that the articles of the Association are modelled on those adopted by the National Association of Local Government Officers of Great Britain which is recognized by the Government Authorities.

56111
With regard to the application for recognition of a Municipal Chinese Staff Association the delegation undertook to place this question before the Executive Committee with a view to putting forward a constructive proposal.

5295/4
In respect of the application of the Foreign Staff Association to submit its views on a section of the Salaries Commission Report

before being finally considered by the Council the Director General states that he informed the delegation of the Council's reasons for its unwillingness to comply with this request and stated that subject to the Council's approval he would have no objection to the views of the Association being submitted to him and at his discretion transmitting such of these as he deemed desirable to the Council. The action taken by Mr. Fessenden in this respect is approved.

The Minutes of the meetings of the Staff Committee of September 19 and 26 are submitted and with the exception of the section dealing with the Salaries Commission report are confirmed.

2492 Police Force - Chinese Branch Scales of Pay. - It is decided to give effect to the Committee's recommendation relative to an increase in the quarters allowance on October 1.

5308P The Minutes of the meeting of the Orchestra and Band Committee of September 22 are submitted and confirmed. Mr. Hughes reports that definite arrangements have now been concluded with the Grand Theatre for a lease of this building for the forthcoming Winter Season. The Committee's recommendation that the admission fee for a small proportion of the seats be increased to \$1.50 is unanimously approved.

The Minutes of the meeting of the Education Board of September 24 are submitted and confirmed.

The Commissioner of Public Works attends.

1121 Tien Chan Wu Dai Theatre. - With reference to the discussion at the last meeting a letter from Mr. C. P. Holcomb is submitted which states that if the Council insists on the closure of this Theatre on September 30 the claim for damages sustained by his clients will amount to approximately Tls.100,000.

Asked for his views the Commissioner of Public Works states that he has had numerous interviews with the lessees of this building and that from the contracts produced he is of the opinion that a sum of Tls.86,000 constitutes just and reasonable compensation. This figure does not however include any allowance for rental. The lessee notified his willingness to close the Theatre within ten days or so provided satisfactory terms as regards compensation were reached.

In view of the magnitude of the amount involved which Mr. Brown submits was not fully appreciated by the Council at the last meeting he enquires whether in the interests of economy it might not be possible for the Council to carry out the necessary alterations to this building. Mr. Harpur replies that from the fire risk point of view it is quite impossible to render this building completely safe and that alterations to minimise this risk would necessitate closure of the building for at least three months.

Upon a member enquiring whether payment of compensation on the basis of the claim submitted might not establish an undesirable precedent in respect of other Theatres which the Council desired to close Mr. Harpur

states that there is only one other such Theatre. This structure however is far superior to that at present under discussion and as the management have been given very long notice that the licence will not be renewed he does not consider that payment of compensation in the present case will commit the Council to future similar payments.

In view of the very definite decision recorded at the last meeting members realize that there is no alternative but to insist on the closure of this building forthwith. The Commissioner of Public Works is accordingly authorized to notify the lessees that the Theatre must be closed and to endeavour to obtain the lessees' acceptance of compensation in the sum of Tls.86,000.

The Acting Treasurer & Comptroller attends.

Acquisition of Additional Park Site. - In connection with previous discussions 5595/ the Chairman states that Brigadier Borrett has notified him that the area utilized by a Battalion of the Defence Force for camp and drill purposes is to be sold and enquires whether there is any possibility of this area being acquired by the Council and the lease to the Defence Force continued. The area referred to comprises a portion of the site the purchase of which the Council recently had under consideration for the purpose of an additional park. He therefore suggests that its acquisition be given favourable consideration.

Upon Mr. Bell pointing out that the Council has already agreed that if additional parks are to be provided the Northern District should take precedence the Chairman states that the district in which the Kiaochow Road site is situated is being rapidly developed and houses a vast number of mill and factory employees for whom at present no open spaces are available.

Asked for his views as to financing this purchase the Acting Treasurer & Comptroller states that the cost is estimated at Tls.800,000 and this expenditure is only possible if other capital requirements are excised or alternatively if surplus areas can be disposed of to offset this expenditure. He emphasizes that out of the proceeds of the sale of the Electricity Department a sum of Tls.27,000,000 only is available for capital requirements and that the Council has already endorsed the policy outlined by the Treasurer & Comptroller that this sum should be hypothecated to meet capital requirements for a period of four years. The financial position for the years 1930/31 is clearly outlined in the report submitted by him from which it will be observed that no funds are available for the purchase of park land without recourse to the expedients set forth.

With regard to the disposal of surplus areas Mr. Harpur states that although the Council holds extensive and valuable areas he would

be placed in a most difficult position if required to recommend disposal of any particular area prior to information being available as to the Council's future departmental development programme.

After considerable discussion opinion is divided as to the advisability of otherwise of acquiring additional park areas at the present time. Mr. Bell and Mr. Hughes are strongly of the opinion that immediate advantage should be taken of any opportunity to acquire any suitable available area on the ground of the lack of open spaces and for the reason that delay will result in a considerably higher price having to be paid ultimately. Mr. Bell is further of the opinion that if necessary the proceeds from the sale of the Electricity Department might be taken up more rapidly than provided for in the Agreement which proposal he submits would be welcomed by the Power Company.

Other members favour adherence to the policy already adopted by the Council under which the annual capital expenditure should be restricted to the defined limit. In agreeing as to the desirability of the provision of additional park areas it is finally decided that no steps be taken for the acquisition of further areas prior to a more detailed examination of the financial position at the time the estimates for 1931 are under consideration.

The Commissioner of Public Works is authorized to endeavour to arrange for a lease of the area occupied by a Battalion of the Defence Force in order to avoid the necessity for its removal therefrom.

Disposal of Condemned Carcasses. - As a matter of urgency Mr. Hughes submits for S.S.1/2 approval the recommendation recorded by the Health Committee at its meeting yesterday as to the immediate purchase of sterilizing plant for the disposal of dead animals condemned at the various Slaughterhouses.

Mr. Bell is opposed to the purchase of the plant prior to the time it would be acquired in the normal course for erection in the new Slaughterhouse and he does not consider that the Council should accelerate this purchase solely on account of the proposal put forward by the Commissioner of Public Health for the Greater Shanghai Municipality.

Upon Mr. Brown proposing that the Council should co-operate with Dr. Hou Ki Hu in this matter the Director General states that every possible effort has been made in the past to secure the co-operation of this official on matters vital to the health of the residents of the Settlement without success and from his past experience he has no reason to believe that the Council's co-operation in this instance will in any way influence the attitude consistently adopted by Dr. Hou Ki Hu towards the Municipal Health Department. He therefore concurs in the Chairman's view that the Council's activities in connection with the meat supply should be self-contained and not dependant on outside sources.

Mr. Lieu states that he knows Dr. Hou Ki Hu intimately and undertakes to endeavour to arrange for an inspection by the Council's representatives of the sterilizing plant owned by the Municipality of Greater Shanghai.

After further discussion a majority of members are unable to support the Committee's recommendation that the purchase of the sterilizing plant be accelerated and the Acting Commissioner of Public Health is authorized to make arrangements to lease temporarily the knacker's owned by Messrs. Ziang Shing for this purpose.

Appointment of Veterinary Surgeon. - The Chairman of the Health Committee then refers to its unanimous recommendations that Dr. Hans Pedersen be engaged as Municipal Veterinary Surgeon. Mr. Bell suggests that in conformity with the Council's expressed policy to increase the number of Chinese employees holding executive positions a Chinese be appointed to this post. The Director General states that some years ago the Council permitted a Chinese Veterinary Surgeon to function in licensed dairies within the Settlement and that within a short period he issued clean certificates in respect of four cows which subsequently were found to be tuberculous. He is therefore doubtful whether a suitable Chinese Veterinary Surgeon could be obtained.

In agreeing as to the necessity of securing the services of a well qualified appointee to this post it is decided by a majority vote to endeavour to secure a Veterinary Surgeon of Chinese nationality.

The Municipal Gazette for Friday October 3 is submitted in proof and authorized for publication. Rice Situation. - Mr. Bell states that little publicity has been given to the steps which have been taken by the Council and other public bodies to alleviate the existing situation owing to the high cost of rice. His proposal is accordingly approved that a statement be published in the foreign and Chinese editions of the Municipal Gazette to which end Mr. Yuan undertakes to furnish a report.

The meeting terminates at 6.20 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, October 15, 1930, at 4.30 p.m.

there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
Messrs. G. W. Sheppard (Vice-Chairman)
N. S. Brown
J. W. Carney
K. Fukushima
A. J. Hughes
S. L. Hsu
N. Leslie
O. S. Lieu
O. Okamoto
L. T. Yuan
Yu Ya Ching
T. D. Woo
The Director General, and
The Secretary.

Absent:

Mr. A. D. Bell.

The Commissioner of Public Works attends.

The Minutes of the last meeting are confirmed and signed by the Chairman.

5825/9 Debenture Trust Deed. - It is decided to defer consideration of this question until the return of the Treasurer & Comptroller towards the end of the month.

5895/4 Municipal Foreign Staff Association. - The Director-General reports that comments on the Salaries Commission Report have been put forward by the above Association and that he has passed certain of these to Mr. A. C. Clear for his consideration and possible reference to the Staff Committee.

1121 Tien Chan Wu Dai Theatre. - The Chairman states that this Theatre has been closed and payment of compensation in the sum of Tls.100,000 arranged which covers all claims of the tenants and lessors.

5895/4 Kiaochow Road Camp Site. - The Commissioner of Public Works reports that he is in touch with the Agents of this property with a view to arranging a lease for the areas occupied by the Defence Force. He anticipates that these negotiations will be successful although no definite proposal has as yet been put forward by the Agents.

505/1/ Disposal of Condemned Carcasses. - The Chairman reports that he has received an invitation from Dr. Hou Ki Hu to inspect the sterilizing plant owned by the Greater Shanghai Municipality and view their other activities and he proposes to pay this visit at an early date in company with the Commissioners of Public Works and Public Health.

108/ Rice Situation. - As requested at the last meeting Mr. Yuan submits a comprehensive report on the above question and it is decided to publish this in extenso in both editions of the Municipal Gazette.

The Acting Commissioner of Public Health attends.

251/ The Minutes of the meeting of the Health Committee of September 30 are submitted and with the exception of the recommendations in respect of Disposal of Condemned Carcasses and Appointment of Veterinary Surgeon are confirmed. In respect of the latter recommendation, in a further report the Acting Commissioner of Public Health for the reasons advanced requests reconsideration by the Council of its decision to endeavour to fill this appointment locally.

In view of the resentment expressed by certain members of the Health Committee at the non-endorsement by the Council of two important recommendations put forward by the Committee the Chairman queries the wisdom of adhering to the decision in respect of this appointment without further serious consideration.

In amplification of his memorandum on this subject Mr. Brown states that he adheres to his opinion that before acquiescing in the Committee's proposal the Council should satisfy itself that it is not possible to obtain a suitable qualified Veterinary Surgeon locally. Should this prove not to be possible then he is fully prepared to support the Committee's recommendation.

In alluding to the excellent qualifications possessed by Dr. Pedersen, which factor influenced the Committee in recommending his appointment, the Acting Commissioner of Public Health states it is necessary that the appointee to this post should be a specialist in the various branches of his profession. He will be required personally to assume responsibility for the efficient discharge of his duties and by reason of the nature of these it would be most difficult for any member of the Health Department Staff to criticise his activities or to advise him in his duties.

In view of Dr. Jordan's emphatic endorsement of Dr. Pedersen's qualifications Mr. Sheppard states that he is now prepared to support the Committee's recommendation; his opinion as expressed at the last meeting being largely influenced by the fact that it was not possible to arrange for Dr. Pedersen to be personally interviewed prior to appointment. In order not to lose the opportunity of securing his services he suggests that if it is decided to advertise this appointment locally a cable be sent to

Dr. Pedersen forthwith requesting him to keep his offer open for one month.

In emphasizing that the rejection of the Committee's recommendation may result in the resignation of its medical members Mr. Hughes contends that even if it is possible to obtain a Chinese or Japanese Veterinary Surgeon locally not only is it extremely doubtful whether he would possess the wide experience and qualifications of Dr. Pedersen but that his lack of linguistic abilities might present considerable difficulty in the efficient discharge of the duties attaching to the post.

After considerable further discussion it is finally decided by a majority vote to advertise this appointment forthwith in the foreign and Chinese press and in the Municipal Gazette with no stipulation as to the nationality of applicants therefor. In the event of no suitable candidates being available within three weeks from the date of insertion of the advertisement it is decided, provided his services are still available, to appoint Dr. Pedersen to this post. To this end a cable will be despatched to him forthwith to ascertain whether he is willing to keep his offer open for one month.

1255/20 Victoria Nurses Home - Administration. - In concurring in the Committee's view as to the desirability of appointing the Committee for the administration of the Nurses Home prior to completion of the building and upon Mr. Harpur stating that the Home will not be completed for at least one year it is decided that the Committee be appointed six months before the building is completed.

The Acting Commissioner of Public Health withdraws.

1170 The Minutes of the meeting of the Watch Committee of October 7 are submitted and confirmed. With regard to Extra-Settlement Roads the Director General reads a letter which has been addressed to the Senior Consul requesting that a strong protest be lodged with the Chinese Authorities at the action taken in this instance by their police officials.

5129 In connection with the outstanding question as to the status of outside roads the Chairman states that the Mayor of Greater Shanghai has now returned. The Director-General is accordingly requested to call upon him with a view to arranging for the early resumption of these negotiations.

85/101 The Minutes of the meeting of the Works Committee of October 7 are submitted and subject to the following exception are confirmed. Proposed Japanese School - Eastern District. - Mr. Leslie states that since the Committee met a revised assessment of Tls. 3800 per mow has been placed on this property and that on behalf of the Shanghai Japanese Residents' Corporation Mr. Funatsu has put forward an amended proposal whereunder

the required area would be purchased forthwith at the new assessed value, interest thereon at the rate of 6% per annum being paid for a period of five years at the expiration of which the purchase price together with interest on any outstanding balance would be paid in instalments over a period of ten years.

In expressing their appreciation of the educational facilities provided by the Japanese community and with the desire of rendering all possible assistance to this end members unanimously endorse this amended proposal.

The Minutes of the meeting of the Education Board of October 8 are submitted and confirmed.

Public Entertainments at former Town Hall. - The Secretary outlines the position 1131 which obtains owing to the unwillingness of Mr. Tsang Tsi-lei of the Emporium of Chinese Products to comply with the Council's licensing requirements in respect of the purposes for which the former Town Hall is being utilised. Members appreciate the grave position in which the Council would be placed in the event of an outbreak of fire in this building. Certain members take the view that Mr. Tsang should be granted a limited period in which to comply with the Council's licensing requirements. In view however of the latitude already allowed him in this respect it is decided to instruct the Police Department to close this building forthwith, its re-opening being contingent upon the Departmental licensing requirements being fulfilled.

Census 1930 - A report by the Commissioner of Revenue outlining the Departmental 1135 arrangements made for the taking of the quinquennial census on October 22 is submitted and the proposals set forth therein are approved.

With regard to the areas to be embraced it is decided that apart from the Settlement the census should apply only to foreign residents on outside roads, such statistics to be prepared separately, and that river shipping and the Pootung area be excluded from the Census.

London Agency Agreement. - The Secretary reports that in accordance with 5225/11 instructions and on account of the Council's desire to defer decision in this matter until the return of the Treasurer a cable has been despatched to Major Ford requesting him to suggest to Messrs. Pook & Co. that the existing agreement which expires on October 31 next be continued until the end of the year or alternatively that the new agreement might be made retrospective.

The Secretary's action is approved.

Power Company - Tariff of Charges. - The Director General refers to an advice 5220/3 received from the Shanghai Power Company that it desires to increase the hire charge in respect of radiators, to abolish the discounts on the

existing lighting rates to residential users and to introduce a "Commercial Lighting Rate" applicable to commercial establishments. Under these proposals certain consumers would pay slightly less and others slightly more ^{than} under the existing tariff. The amended rates are however within those laid down in the franchise agreement.

As it would appear that the smaller consumer would be adversely affected by adoption of these proposals which in view of existing conditions members regard as unfortunate, they desire before forwarding to the Company their views on its proposal to secure further detailed information as to the precise effect of its adoption.

Mr. Carney is of the opinion that it would be a comparatively simple matter for the Finance Department to ascertain from its records of the Electricity Department whether the amended tariff is justified by a comparison between the costs involved when the undertaking was operated as a Municipal Department and the increased charges which the Company contends it now has to face.

Owing to the technical nature of the statistics furnished by the Company to Mr. Fessenden members are unable to form an impression as to whether the amended scale of charges is necessary and/or equitable. It is accordingly decided that an opinion on this proposal be obtained from someone having technical knowledge of electrical engineering either within the service or if this is not possible to take the opinion of an outside expert. Mr. Carney's proposal is also adopted to ascertain whether the Finance Department is in a position to furnish additional information on the lines suggested.

The Municipal Gazette for Friday October 17 is submitted in proof and authorized for publication.

The meeting terminates at 6.30 p.m.

W. H. C. ...

Chairman.

W. H. ...

Secretary.

At the meeting of the Council held on Wednesday, October 29, 1930, at 5 p.m.

there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 N. S. Brown
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 N. Leslie
 O. S. Lieu
 O. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Director-General, and
 The Secretary.

Absent:

Mr. A. J. Hughes

The Minutes of the last meeting are confirmed and signed by the Chairman.

5325/ Debenture Trust Deed - The Chairman states that this matter will receive consideration after the Treasurer's return on Saturday next.

5351/ Disposal of Condemned Carcasses. - The Chairman states that Mr. Harpur communicated on his behalf with Dr. HouKu Hu regarding the proposed inspection of the sterilizing plant, etc., owned by the Greater Shanghai Municipality, but that no reply is yet to hand. Mr. Lieu undertakes to find out when the visit by the Chairman and the Commissioners of Public Works and Public Health will be convenient.

2511/ Appointment of Veterinary Surgeon. - The Chairman states that eight applications for the advertised position have been received and are under consideration. Replying to a member the Secretary adds that a telegram was sent to Dr. Pedersen as directed and that the latter is willing to leave acceptance of his offer of service in abeyance for a further month.

1240/ Power Company - Tariff of Charges. - The Chairman informs members that Mr. N. G. Beale, of the General Electric Co. of China, has offered to give a technical opinion on the proposed tariff charges, but the Director-General wished in the first place to refer the matter back to the Company for elucidation. The Director-General adds that the Company's

letter, which will be circulated, shows that the Company proposes some revision of its scale of charges for current but no increase. Only the hire of radiators is to be increased. The Chairman invites members to note on the circular their views regarding the proposal to call for an expert's opinion on the matter.

The Minutes of the meeting of the Finance Committee of October 21 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of October 13 are submitted and, with the exception of the section dealing with the Salaries Commission Report, are confirmed.

The Minutes of the meeting of the Staff Committee of October 24 are submitted and, with the exception of Agreement Renewal - Mr. C. S. Marisoff, which the Committee wishes to reconsider, are confirmed.

Commandant of Volunteers - The Chairman states that, as desired by members, he wrote to the British War Office enquiring whether they would be willing to nominate a retired officer to succeed Col. Orpen-Palmer on the expiry of the latter's term of service. In a cabled reply the War Office deprecated the employment of such an officer, and recommended the appointment of a comparatively junior officer from the active list on the score of efficiency, the present pay and allowances being necessary to attract a qualified man. As a matter of urgency the Chairman replied by cable, requesting the War Office to proceed with the selection of an officer on the lines indicated and emphasizing the importance of personality as a qualification in the nominee. Members approve the course taken.

Captain R. M. J. Martin, Extra-Commissioner of Police. - The Chairman states that subsequent to the circulation of Captain Martin's letter of October 3, a further letter dated October 17, was received by the Director-General. The latter, which is read to the meeting, requests consideration of the facts already submitted before an official explanation of his status vis-a-vis Major Gerrard is issued, and emphasizes the detriment to himself resulting from the premature announcement of Major Gerrard's appointment as permanent Commissioner of Police.

The Director-General states that when first discussing the project with Captain Martin he got the impression that this officer, though not pleased, would acquiesce. Then Captain Martin in his letter of October 3 raised the point of the Council's apparent lack of confidence in himself. He also informally suggested the possibility of a change of title for himself, quoting the action of the French Council in creating the post of Director of Police Services in addition and senior to that of Chef de la Garde. He realized the difficulty of framing an official

announcement which would put him right with the public and the Police Force.

Replying to Mr. Sheppard, the Director-General states that the semi-official approval of the Indian Government to Major Gerrard's transfer has been received, but its official sanction has yet to come. Hence a definite appointment has not yet been made. He suggests that the case of Captain Martin should be referred to the Watch Committee for detailed consideration. After brief discussion members agree to this course.

Municipal Foreign and Chinese Staff Associations. - In reference to the minute of October 1 the Director-General states that he had a long interview with the representatives of the Foreign Staff Association on (1) amendment of the Constitution and (2) the possibility of coming to an arrangement by which the Chinese Staff Association would be given representation in the Foreign Staff Association.

With regard to the first question the representatives stated that the Executive Committee proposed to advise the Foreign Staff Association to amend its Constitution, with the object of meeting the wishes of the Council, in the three following points:-

1. Object (2) to read: "To safeguard and promote the advancement of Municipal Employees and the Service."

(The present clause reads: "To do all such things as may from time to time be considered advisable to safeguard, maintain and improve the status and service conditions and promote the advancement of Municipal Employees and the Service.")

II. Condition of membership (a) to read: "He shall be a Foreign Employee of the Shanghai Municipal Council (other than a member of the Shanghai Municipal Police Force) who contributes to the Municipal Super-annuation Fund, or".

(The words in parenthesis do not appear in the present clause).

III. The following new clause is proposed: "The utilization of this Foreign Staff Association for political purposes shall be considered sufficient grounds for the Council to withdraw recognition."

The Director-General submits the above amendments for members' favourable consideration. Having examined the Constitution of the National Association of Local Government Officers of Great Britain, on which the Constitution under discussion is modelled, he does not see that any further amendment of the latter is called for. He cannot agree that the Association is a trade union and he considers that it should continue to receive official sanction.

In the ensuing discussion a ^{can}~~majority of the~~ members recognize that the Association, in proposing the above amendments to its approved Constitution, is genuinely desirous of reaching a formula which would be acceptable to the Council as applicable to both Associations, Foreign and Chinese. Some members, however, apprehend that even with these amendments the Associations might consider themselves free at some future time to engage in "collective bargaining" and to go on strike to enforce their demands. Doubts are expressed whether the preclusion of "political" activities would safeguard the Council against such dangers.

In further discussion the view prevails that the introduction of a condition forbidding strikes is uncalled for and would be offensive, and that nothing would be gained by attempting to define the term "political purposes." The Chairman expresses the opinion that the Foreign employees show a conciliatory spirit in putting forward the three amendments and states that he would be inclined to accept them as they stand. With the object, however, of clarifying the intention of the third amendment Mr. Hsu suggests that it should read: "The utilization of this Foreign Staff Association for political purposes or any activities detrimental to the interests of the community shall be considered sufficient grounds for the Council to withdraw recognition." By a majority vote it is decided to request the representatives of the Association to accept this modification of their tentative proposals which in other respects are approved as submitted.

With regard to the question of recognizing the Chinese Staff Association the Director-General alludes to a letter from the Foreign Staff Association regretting its inability to admit the Chinese body to joint membership, as it would not be possible to control its actions. Meanwhile the Chinese Staff Association has submitted its Constitution and Bye-Laws to the Council.

The Chairman observes that it was intended that the same Constitution should apply to both bodies. For this reason it is decided to send an interim reply to the Chinese Staff Association and to defer discussion of its proposals.

Municipal Orchestra - Broadcasting. - An application is submitted from the
1300 Shanghai Power Company for permission to broadcast the performances of the Municipal Orchestra as part of its scheme to provide Shanghai with broadcast programmes. The Secretary states that the Conductor is not opposed to this course if a substantial charge is levied by the Council, though he thinks it would tend to reduce attendances at concerts. The

Secretary mentions that while Mr. Hughes, of the Orchestra and Band Committee, favours a free concession to the Company, Mr. McNeill advocates a moderate fee of Tls.50 for ordinary performances, special application and fee to be required for special concerts.

The Chairman recalls that the question of the adverse effect on concert attendances was raised some years ago when broadcasting was proposed, but he is not aware that it made any difference. Members are of the opinion that conditions in England and elsewhere form no guide as to what should be done in Shanghai.

The question is raised whether anything in the agreement either of the Shanghai Power Company or of the Shanghai Telephone Company would prevent the Council giving the former Company permission to proceed. The Deputy Secretary states that, while nothing in the agreement enables the Power Company to broadcast music, a permissive right to do so without monopoly would not be contrary to the agreement between the Company and the Council.

Replying to a question by the Chairman, the Director-General states that the Chinese Government has promulgated laws for the control of radio, and wishes to establish offices in the Settlement for its registration. So far as he knows these laws are not effective.

Regarding proceeds from concerts, it is stated that these amounted for the first two Sunday performances of the season to \$585 and \$641.60 respectively, while the hire of the theatre was \$750 on each occasion. Some members are in favour of levying Tls.50 on the Power Company to help make up the deficit, but on the other hand it is suggested that broadcasting would awaken new interest in the Municipal concerts, and there might be a gain in this way.

It is eventually decided to grant permission to the Company to broadcast music from these concerts for the rest of the present season without charge and without monopoly.

Chinese Edition of Annual Report. - The Secretary asks for a ruling as to whether the first Annual Report in Chinese should contain the proceedings of the two Ratepayers' Meetings of 1929, as will be the case in the English version. He suggests that on account of their controversial nature these proceedings should be omitted from the Chinese edition for this year. After brief discussion the proposal is approved.

Lester Trustee. - Mr. Bell states that under the provision of Mr. Lester's will it becomes necessary for the Council to appoint a successor to Mr. R. E. S. Gregson as Trustee. He suggests Mr. H. Lipson Ward as Trustee, and with this members unanimously agree.

Country Hospital. - The Chairman states that upon receipt of application from 2766 this Hospital he gave permission for an increase of its Bank overdraft from Tls.100,000 to Tls.150,000. Members confirm the action taken.

Motor Car Licences. - The Chairman enquires whether members wish to continue 1279 the interchange of a limited number of free motor car licences with the Municipality of Greater Shanghai and Chinese Courts. The cost to the Council is about Tls.1,900 per quarter, and licences to the value of Tls.1,350 are received in exchange. Members agree to the continuance of the practice.

Municipal Reception. - On the Chairman's suggestion it is agreed that the 3350 Council shall hold a reception on Wednesday, November 19. It is arranged that the Chinese members will draw up a list of Chinese persons to be invited, and the Chairman and the Director-General will submit a list of foreign names. The Education Board, which would normally meet on that day, will be required to hold their meeting some other time.

The Municipal Gazette for Friday, October 31, is submitted in proof and authorized for publication.

The meeting terminates at 6.30 p.m.

Chairman

Chairman.

Secretary

Secretary.

At the meeting of the Council meeting held on Wednesday, November 12, 1930

at 4.30 p.m. there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 N. S. Brown
 J. W. Carney
 K. Fukushina
 S. L. Hsu
 N. Leslie
 O. S. Lieu
 O. Okamoto
 L. T. Yuan
 Yu Ya Ching
 The Director-General,
 The Treasurer & Comptroller, and
 The Secretary.

Absent:

Messrs. A. J. Hughes
 T. D. Woo.

The Minutes of the last meeting are confirmed and signed by the Chairman subject to a minor amendment to that relating to the Municipal Foreign Staff Association.

Debenture Trust Deed. - The Treasurer & Comptroller, in briefly reviewing this matter up to the time the question arose of appointing the Hongkong & Shanghai Banking Corporation to act as Trustees for the Debenture Holders, informs members that the Bank has now been notified that no objection will be raised by the British Minister to their acting in that capacity. The next step therefore is to examine the various clauses of the draft Trust Deed and to ascertain the amount of the fee required by the Bank for its services. Upon the Chairman suggesting that the Council may not desire to proceed with the appointment of Trustees the Treasurer points out that the Council is definitely committed to this course in accordance with the statement issued to the public just prior to the Annual Meeting of the Ratepayers in 1929. Although it has been contended that inasmuch as debentures are now being redeemed the appointment of Trustees becomes unnecessary he points out that the Council's mortgage on the Company's plant expires on December 31, 1933

and that loans amounting to approximately 17½ millions fall due for redemption subsequent to that date. Furthermore under the terms of the agreement for sale the Council can for financial reasons defer redemption of certain of the loan issues. The position of holders of certain loan issues redeemable prior to December 1933 is therefore not dissimilar to those whose holdings fall due after that date. With regard to the Trust Deeds for the Superannuation and Pension Funds a considerable portion of these monies is invested in Municipal Debentures, the Debenture Holders' Trust deed is therefore important from this point of view as also from the point of view of any future borrowings incurred by the Council. In view of the uncertainty of the future of the Settlement and having regard to the general practice of big financial organizations to appoint Trustees the Council by adopting this course will fulfill its stated obligation and ensure the security of Debenture Holders.

The Director-General states that he has discussed this question with the Deputy Secretary who agrees that if Trustees are appointed this should be in agreement with the three parties concerned i.e., the Trustees, the Debenture holders and the Council. If Trustees were appointed without the approval and consent of the Debenture holders considerable difficulty might arise. A further point worthy of consideration is that if Trustees are appointed and the Trust Deed remains in its present form the security for any further loans raised would be in the nature of a second mortgage. Upon the Director-General stating that he is unaware of any Municipality in Europe or America appointing Trustees in respect of loan issues the Treasurer submits that the conditions in those countries are in no way analogous to those obtaining in Shanghai.

In appreciating the difficulty which would be experienced in obtaining the consent of the Debenture holders to the creation of a Trust Deed in its existing draft form the Vice-Chairman concurs in the Treasurer's view that some form of Trust Deed is desirable for the protection of Debenture holders. In this connection the Treasurer recalls that when this question was previously discussed it was suggested that public notice be given of the Council's intention to create this Trust Deed for the purpose of ensuring, in the interest of Debenture holders, that the necessary machinery would exist for the loan services in the event of any unforeseen circumstances arising whereunder the Council would be unable to undertake these functions.

After further preliminary discussion the Vice-Chairman's proposal is adopted that this question be referred to the Finance Committee for its consideration and recommendation.

¶ Appointment of Veterinary Surgeon. - Members are informed that four candidates for this appointment have been selected for interview and that a recommendation from the Acting Commissioner of Public Health to be framed in consultation

with Dr. F. Philipp will be forwarded in due course.

3240/ Power Company - Tariff of Charges. - A further letter from the Power Company has been received and members have agreed that the services of an expert to advise the Council on this question become unnecessary.

Municipal Foreign Staff Association. - The Director-General reports that he has submitted to representatives of the above Association the further amendment suggested by Mr. Hsu and this will be referred to a general meeting of the Association and a further communication forwarded to him in due course. He gained the impression that no objection would be raised by the Association to adoption of this amendment.

3350 Municipal Reception. - The Chairman reminds members that the date for this reception has been altered to Wednesday November 26, and requests the Chinese members to forward their list of Chinese guests as early as possible.

The Minutes of the meeting of the Staff Committee of October 31 are submitted and with the exception of ^{the} section relating to the Salaries Commission report, are confirmed.

3714 Salaries Commission Report. - Members unanimously agree that adoption or otherwise of the Report of the Salaries Commission be left to the decision of the Council and not referred to the Annual Meeting of Ratepayers.

1415 Chinese Staff - Superannuation Fund. - Some difference of opinion exists amongst members of the Committee as to the interpretation of its recommendation in this respect. The Chairman of the Committee states that he was under the impression that if as a result of the questionnaire to be circulated to all members of the Chinese Staff it transpires that a minority only are in favour of the inauguration of a Chinese Staff Superannuation Scheme upon the terms proposed this proposal would be abandoned. Other members however take the view that the inauguration of the Scheme would not be contingent upon this factor but that it should be instituted to be optional in respect of existing employees and compulsory in respect of future employees.

Mr. Sheppard agrees that the views of the Chinese Staff already received are extremely vague and that this question has been complicated by their demands for the retention of the Chinese New Year Bonus and for certain additional benefits which could not be seriously considered. The proposed questionnaire will be so worded as to give the Committee a clear indication of the wishes of the Chinese Staff and he defers to the opinion of his fellow members as to consideration being given to the inauguration of a Chinese Staff Superannuation Fund irrespective of

whether or not a majority of the existing members of the Chinese Staff are in favour thereof.

1455 Public Works Department - Mr. R. F. Roberts. - Upon the Chairman enquiring whether from a legal point of view the Council is empowered to reduce this employee's salary as recommended by the Committee the Director-General states that if it is made quite clear that this penalty is inflicted as an alternative to dismissal and is accepted by him as such the Council's action cannot be challenged.

Salaries Commission Report. - Replying to the Chairman the Secretary states that the Staff Committee anticipates that it will complete its consideration of the Salaries Commission Report at its next meeting. His proposal is therefore adopted that a special Council meeting be held to review the modifications, amendments, etc., proposed by the Committee. In the meantime a summarized list of such amendments will be furnished to each member of Council.

The Treasurer & Comptroller withdraws.

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

5549/ Nomenclature. - In respect of the opposition which has been encountered to the use by the Board of the Chinese character describing the Council's Education Department Mr. Bell proposes that the Chinese characters at present in official use by the Council to designate the various Departments should be examined with a view to ensuring that these are the correct equivalents of the English designations. He recalls that doubt was expressed as to this some years ago when the Council had under consideration an alteration in the design of the Municipal Seal.

After discussion it is decided that the Director-General should in the first instance consult with the Director of Chinese Studies with a view to the appointment of a sino-foreign Committee to consider and advise the Council on this question.

The minutes of the meeting of the Watch Committee of November 6 are submitted and, subject to the following exceptions, are confirmed.

5705/ Public Gambling. - After the Committee's minute and recommendation on this question has been read the Director-General states that subsequent to the meeting of the Committee a further conference has taken place between the British Consul-General the Chairman of the Committee and himself. At this conference Mr. Brennan stated that if the Council was prepared to co-operate with the British Consular Authorities to eliminate this form of public gambling he suggested that in the interests of the Shareholders of these Companies it might be desirable to permit them to

function for a period of six months from the commencement of their next season under conditions to be agreed between representatives of the British Consular Authorities the Council and the Greyhound Racing Organizations. As a result of this conference the conclusion was reached that if drastic action was taken to close the tracks forthwith the Council would by such action lose the support of public opinion. In his opinion therefore this proposal merits the Council's serious consideration.

In amplification of his statements made at the meeting of the Watch Committee the Director-General furnishes the following information outlining the position of the Greyhound Racing Companies, vis-a-vis the Council from the time this form of gambling has been operated in the Settlement.

In the course of the preliminary discussions with the representatives of these organizations he, as Chairman of Council, gained the impression that there was a disposition on their part to cloud the issue as to whether the proposed form of gambling was legal or otherwise. Whilst he entertained doubts as to the legality of this he was unable to form any definite conclusion owing to the fact that British law on the subject of gambling is both technical and complicated. As stated before the Watch Committee an anonymous legal opinion on this question was subsequently forwarded to the Council as a result of which the Council rescinded the agreement entered into with the Luna Park authorities. The support of the then British Consul-General for the suppression of dog racing was not forthcoming despite the fact that in the opinion of the British Crown Advocate gambling as conducted on these tracks was illegal under British law. Sir Sidney Barton's proposal that greyhound racing be licensed was opposed by the Council in conformity with its established policy not to licence gambling for the purpose of permitting it to continue.

During Mr. Amhold's tenure of office as Chairman of Council the number of race meetings was reduced but the Council's ^{has been nullified} action was vitiated by the promoters increasing the number of races at each meeting.

He therefore considered that publication of the recent correspondence between the Commissioner of Police and himself was desirable in order to ascertain the reaction of public opinion to the general question of measures being devised to prohibit public gambling. Other reasons which in his opinion rendered publicity desirable was the attitude of the Chinese and Japanese Communities on this question, the necessity of letting the public know that the Council was desirous of restricting such forms of gambling and also with the object of forcing the Greyhound Racing organizations to make public their attitude.

Further he has reason to believe that the contents of the letter he wrote to the Luna Park Authorities clearly indicating the Council's attitude were not divulged to the Shareholders and that both they and the general public were under the impression that this track was licensed by the Council.

This impression is strengthened by a letter received by the Secretary to-day from Mr. Tavares which he reads to members and which clearly indicates that his clients were not conversant with the correspondence which passed between the Council and this organization in 1929. To protect the Council he took particular pains to indicate that the revised arrangement under which they continued to function would not necessarily remain in force indefinitely. Inasmuch as this correspondence has now been published by the organization he submits that the publicity initiated by the Council has borne good results. He favours the proposal of the British Consul-General to permit these organizations to continue for a further period of six months from the beginning of the next Season subject to it being publicly announced that no further extension will be granted and that a conference be convened, as suggested by Mr. Brennan for the purpose of considering the best means of giving this decision effect without inflicting undue hardship on the Shareholders.

Mr. Bell observed that under British Law Greyhound racing and betting thereon is legal in England, but that pari-mutual betting as conducted on the Shanghai tracks is illegal. In his opinion the question now before the Council is in one aspect closely analogous to that of the payment of compensation recently authorized by the Council for the closing of a Chinese Theatre earlier than had been previously stipulated by the Council. The Greyhound Racing Organizations commenced to function with the permission of their Consul and to some extent with the consent of the Council. In agreeing as to the desirability of these activities being terminated he considers it would be a grave mistake for the Council to insist upon their closure forthwith without compensation. In other words the Council should be prepared to admit that in some measure it is responsible for these organizations being permitted to function and to award reasonable compensation in respect of contracts which must be broken, wages of the staff who will find themselves without employment etc. Subject to this proposal receiving the Council's favourable consideration he favours the closure of these tracks as early as possible.

He points out that the direct relationship between the increase in crime and public gambling has been stressed in the recently published correspondence and he anticipates that unless some such course as above outlined is followed the allegation will be made that this campaign has been instituted with the object of distracting public attention from the failure of the Police Department to cope with the crime situation.

Upon the Vice-Chairman enquiring whether the Council is empowered arbitrarily to close down these tracks the Director-General states that road access thereto could be prevented by the Council. The Deputy Secretary adds that although these tracks are not licensed one of the conditions of the

licence for places of public entertainment prohibits gambling and that Byelaw No.34 provides that such licenses shall be countersigned by the Consul of the national concerned. At the time the Luna Park organization desired to obtain a licence from the Council Sir Sidney Barton stated his unwillingness to endorse this.

Mr. Leslie is of the opinion that the public generally would take the view that although the Council technically did not commit itself by according approval to this form of sport and public gambling its failure to publish the correspondence has to some extent been responsible for the investment of funds by people who were not conversant with the facts of the situation. In endorsing Mr. Bell's proposal he regards it as essential that the Council should endeavour to deal with the question on a fair and just basis.

In agreeing as to this Mr. Fukushima submits that if the Council adopts this attitude some assurance should be forthcoming that the organizations concerned will not attempt to take advantage of this and submit an unduly exorbitant claim. In this respect Mr. Bell states that his proposal is put forward on the assumption that the compensation to be paid would be assessed by an unbiassed and independent party.

Upon a member suggesting that if opposition is encountered to the closing of these tracks the British Consular Authorities should institute proceedings the Director-General points out that this course is impracticable as these organizations are established as Clubs comprising members of different nationalities; so far as British Law is concerned the Club has no legal entity, the members thereof being subject to the laws of their own countries.

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The Vice-Chairman suggests that notwithstanding the opinion of the Crown Advocate that gambling as conducted on these tracks is illegal under British Law this view might not be upheld by the Court of Consuls and on this assumption these organizations might bring an action for damages against the Council. In this respect the Deputy Secretary states that the Land Regulations give the Council power to licence places of public entertainment and that the fact should not be lost sight of that as these organizations are conducted as Clubs the question of legality under British law does not arise but hinges on whether or not their activities are illegal under the laws of the Countries of the nationals who comprise these Clubs. In the opinion of the Director-General it is unlikely that any action for damages brought against the Council in the Court of Consuls would be successful.

Upon Mr. Okamoto expressing the view that repressive measures in respect of dog racing should equitably be applied to pony racing Mr. Sheppard concurs that any action taken by the Council in respect of the former will

inevitably influence its policy as concerns other forms of gambling. He therefore deprecates any action being taken without the most careful consideration. If in the opinion of the British Crown Advocate gambling as conducted at the Greyhound Race Tracks is illegal under British law he considers the British Consular Authorities should take steps to prevent their nationals attending these races. He recalls that in the past when the Council has endeavoured to suppress other forms of gambling its efforts to this end have always been hampered by the attitude of the Consuls of the Nationals concerned. The Director-General states that strictly speaking the Stadium has no right to conduct Greyhound racing without a licence endorsed by the British Consul nevertheless this organization has been permitted to function. He has however now been assured by Mr. Brennan that the British Government will support any action taken by the Council to eliminate this form of public gambling.

Upon the Chairman summarizing the foregoing discussion ^{the} Council records its unanimous desire that the Greyhound Race Tracks should be closed as early as possible.

With regard to the best means of accomplishing this and in agreeing that the Council is to some extent responsible for the situation which now obtains members regard it as equitable that some means should be devised whereunder by payment of compensation a minimum of hardship will be inflicted on those concerned in requiring the early closure of these tracks.

The Director-General then proposes that a conference be held of representatives of the British Consular Authorities, the Council and the Greyhound Racing Organizations with a view to arriving at an arrangement satisfactory to all parties which would be submitted to the Council for its ratification.

The Vice-Chairman suggests that the British Consul-General be advised of the result of the discussion at tonight's meeting and his advice solicited as to the best means of accomplishing the desired end. Adoption of such a course might ensure for the Council a greater measure of support than has been forthcoming on previous occasions. Also, in the event of an action being brought against the Council involving heavy damages its position would be strengthened if its actions in advance received the support of the British Consular Authorities.

The Director-General suggests that the British Consul-General be notified of the Council's desire to discontinue greyhound racing as early as possible to enable him if he so desires to notify the Consular Body as to this. Mr. Brennan would then arrange a conference with representatives of the Greyhound Racing Organizations which would be attended by Mr. Brown and himself

and the Council would be advised of the result of this conference before any definite arrangement was entered into.

After further discussion the above proposal is unanimously adopted and the Director-General will transmit the Council's decision to the British Consul-General.


With regard to the letter received from Mr. Tavares the Director-General undertakes to interview this gentleman and deal with the points raised in his letter.

1011 Reformatory. - Upon Mr. Bell suggesting that the erection of the Reformatory on the Hungjao Road Nursery site may increase the difficulties of the Council's position in the matter of the status of extra-Settlement roads and expressing the view that the Eastern District would be a more desirable location for this Institution it is decided, prior to endorsing the Committee's recommendation, to refer same to the Works Committee for its views.

The Municipal Gazette for Friday November 14 is submitted in proof and authorized for publication.

The meeting terminates at 7.35 p.m.


Chairman.


Secretary.

At the meeting of the Council held on Thursday, November 27, 1930, at 4.30 p.m

there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
Messrs. G. W. Sheppard (Vice-Chairman)
A. D. Bell
N. S. Brown
K. Fukushima
S. L. Hsu
N. Leslie
O. S. Lieu
O. Okamoto
T. D. Woo
L. T. Yuan
Yu Ya Ching
The Director-General, and
The Secretary.

Absent:

Messrs. J. W. Carney
A. J. Hughes.

Subject to two minor amendments to the minute relating to Public Gambling the Minutes of the last meeting are confirmed and signed by the Chairman.

301 Appointment of Veterinary Surgeon. - A report by the Acting Commissioner of Public Health to the effect that he is unable to recommend the appointment of any of the applicants for this position is submitted.

After brief discussion it is decided to appoint Dr. H. Pedersen to this post.

In concurring in this decision Mr. Brown is of the view that this position is one that ultimately could suitably be filled by a qualified Chinese. He therefore suggests that concurrently with the appointment of Dr. Pedersen steps be taken to secure the services of a Chinese Assistant Veterinary Surgeon with a view to his being trained under Dr. Pedersen ultimately to qualify for this position.

Whilst not averse to this proposal in principle if the services of an Assistant Veterinary Surgeon can be economically availed of by the Council the Vice Chairman suggests that in the first instance the views of the Commissioner of Public Health be elicited as to this.

The Chairman accordingly undertakes to take up this question with Dr. Jordan and to intimate to him the Council's desire to include this post in those which in its opinion could suitably be filled by a Chinese.

Salaries Commission Report. - Upon the Secretary stating that the summarized recommendations recorded by the Staff Committee on the recommendations put forward by the Salaries Commission will be furnished to members within the course of the next few days it is decided to hold a special Council meeting on Monday December 8 for the purpose of deciding as to adoption or otherwise of this Report.

5708/ Public Gambling. - The Chairman of the Watch Committee reports that two conferences have taken place between representatives of the British Consular Authorities, the Council, and the Luna Park Organization. As a further conference has been arranged for next Monday he is not in a position to submit a definite report at this meeting.

Members desire that a reference be included in the minute of this meeting that an opinion on public gambling has been received from the Council's Legal Adviser.

The Minutes of the meeting of the Library Committee of November 10 are submitted but as the recommendation contained therein is modified by the Staff Committee, (see following minute) the recommendation recorded by the former Committee is not confirmed.

The Minutes of the meeting of the Staff Committee of November 14 are submitted and with the exception of the section relating to the Salaries Commission Report and that dealing with the Librarian are confirmed. Upon Gen. Macnaghten observing that it is a somewhat unusual procedure for the Staff Committee to advocate the retention of an employee's services when the Departmental Committee concerned has recommended termination Mr. Sheppard outlines the circumstances which influenced the Staff Committee's recommendation in this particular case and also its view that this post could suitably be filled by a trained Chinese if the selection of books was undertaken by the Library Committee.

The Secretary states that since the meeting of the Staff Committee it has been ascertained that this employee has no private means and is solely dependent on her salary.

Mr. Brown suggests that upon the expiry of her existing agreement Mrs. How be retained on a monthly basis until her successor is appointed and that upon the termination of her services she be granted a gratuity equivalent to one month's pay for each year of her service. The Secretary points out that under her existing agreement Mrs. How is

entitled to 8 months' long leave and single passage to England, the amount of the gratuity proposed by Mr. Brown is therefore less than the sum she can legally claim under the terms of service.

After discussion it is decided to retain this employee's service from the expiration of her agreement on a monthly basis with pay of Tls.225 per mensem and upon the termination thereof to issue a gratuity of one month's pay for each year of service on the understanding that no claim for long leave pay and passage will be put forward.

It is also decided to refer to the Library Committee the recommendation put forward by the Staff Committee and endorsed by the Council that an endeavour be made to secure the services of a trained Chinese to fill this post.

2741 Volunteer Corps - Quartermaster-Sergeant W. A. Rose - Agreement Renewal. - At the end of the first paragraph of this minute it is decided to add the words "provided his services continue to be satisfactory."

The Minutes of the meeting of the Finance Committee of November 17 are submitted and confirmed.

The Commissioner of Public Works attends.

The Minutes of the joint meeting of the Health and Works Committees of November 18 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of November 18 are submitted and confirmed.

2818 Kiao Chow Road - Cad. Lots 6097, 6101, etc. - Members adopt the Chairman's proposal that he should notify Brigadier - Borrett confidentially as to the Council's decision to purchase this area.

In connection with the financing of the purchase of land for parks and open spaces the Director-General states that he has been informed by the Shanghai Power Company that it is prepared and desirous of paying to the Council in one instalment the balance of the purchase price of the Electricity undertaking.

3011 Purchase of Building formerly used as Reformatory. - Mr. Bell states that when the Committee recommended consideration of the Treasurer's proposal that the Russian Detachment should be housed on the Rifle Range it overlooked the fact that the Watch Committee had recommended and the Council had approved the purchase of the property No.24 Tongshan Road for this purpose. This has been drawn to his attention since the meeting and accordingly the Works Committee does not desire to oppose the action already taken as a result of the Watch Committee's recommendation.

3351 Disposal of Condemned Carcasses. - With reference to the Minute of the meeting of October 1 a report is submitted by the Acting Commissioner of Public Health stating that the Zieng Shing Knackery is unsuitable for the disposal of

condemned carcasses. He therefore recommends that the original proposal put forward by the Health Committee, i.e., the erection of a temporary building to house a modern plant be favourably considered.

The Commissioner of Public Works states that this machinery has been selected and that if ordered now a temporary building could be erected for its installation. In any case provision for this plant would be included in next year's budget.

After brief discussion it is decided to place the order for the machinery for which payment therefor to be made upon its arrival early in 1931.

The Commissioner of Public Works withdraws.

Appointment of Chinese to Senior Positions. - A letter from Mr. A. D. Bell alluding to the Council's expressed policy to appoint Chinese to senior positions in the Municipal Service and urging that practical effect be given thereto has been circulated to members.

In concurring in the views advanced by Mr. Bell the Chairman suggests that as a first step towards the desired end no foreign employees be engaged either in new appointments or to fill existing vacancies until the Staff Committee has satisfied itself that such posts could not be satisfactorily filled by Chinese.

Replying to Mr. Leslie the Director-General states that Heads of Departments have been notified of the Council's desire to extend the fullest opportunities to Chinese to enter the Municipal Service, at the same time difficulty is experienced in recommending the appointment of Chinese to senior positions if they have not had the previous training and experience to qualify them for such posts. In this connection Mr. Brown submits that every effort should be made by the Council to appoint Chinese to subordinate posts now filled by foreign employees in order to provide the opportunity for them to obtain the necessary training and experience to qualify them for ultimate promotion.

After discussion members unanimously adopt the proposal put forward by the Chairman as also that of Mr. Leslie that when recommendations for the engagement of foreign employees are submitted the Heads of Departments concerned will be required to forward with such recommendations an explanation as to why in their view the position involved cannot be filled by a Chinese.

Registration of Radio Sets. - For members' information the Chairman reads a letter he has addressed to the Senior Consul relative to certain provisional regulations of the National Government as to the registration of

radio broadcasting receivers and more particularly with regard to the effect of these regulations upon the policy of the Consular Body in connection with the establishment of Chinese Government Offices in the Settlement.

Shanghai Waterworks Company - Surcharge. - The Chairman refers to letters 1308 received from the Chinese Ratepayers Association relative to the surcharge imposed by the Waterworks Company. The Deputy Secretary states that following the receipt of these letters he discussed this question with the Secretary of the Company and he was informed that the Company had agreed to assist the Association to conduct a thorough enquiry into this question and that this is now nearing completion. In respect of the protest of the Association against the water supply being cut off from a certain consumer he states that in this case the consumer was in default for his water charges for the period prior to the surcharge coming into effect.

Mr. Haus states that there have been other cases of consumers receiving letters threatening to discontinue the water supply who were not in arrear with payment of their previous water charges and he contends that such action should be discontinued by the Company pending the conclusion of the enquiry now proceeding. Members concur in this view and the Deputy Secretary states that from his conversations with Mr. Walter he gathered that the Company would raise no difficulties in this respect.

Shanghai Power Company - The Chairman refers to a letter received from this 1037 Company indicating its intention to instal an aviation beacon on the roof of its new offices to facilitate night flying. As such beacons are a common feature of large western cities members have no objection to this being erected subject to the concurrence of the Commissioner of Public Works and to the Company ascertaining that the Harbour Master offers no objection.

Chairman - Leave of absence. - The Chairman states that he proposes to be absent from Shanghai for the period December 15 - 27 provided no matters of an urgent nature arise prior to his leaving Shanghai.

Members formally approve.

The Municipal Gazette for Friday November 28 is submitted in proof and authorized for publication.

The meeting terminates at 6.25 p.m.

Shepherd

Secretary.

W. Macintosh
Chairman.

At the special meeting of the Council held on Monday, December 8, 1930, at 4.30 p.m. there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 N. S. Brown
 J. W. Carney
 K. Fukushima
 S. I. Hsu
 N. Leslie
 O. S. Lieu
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Director-General,
 The Treasurer & Comptroller, and
 The Secretary.

Absent:

Messrs. A. J. Hughes
 O. Okamoto

Mr. A. C. Clear attends.

Salaries Commission Report - The report of the Salaries Commission together with recommendations thereon by the Staff Committee and memoranda by Mr. A. C. Clear are considered. Subject to the following exceptions and modifications this is adopted.

Proposed General Terms and Conditions of Service. - Page 18 No.9. - The addition and the amendment to this condition proposed by the Staff Committee are approved.

Page 21 - No.16. - This condition is approved and the Rules governing medical attendance will be attached to "Letters of Appointment." The recommendation of the Staff Committee relative to the provision of Isolation Hospital accommodation is also endorsed.

With regard to the Committee's recommendation that the payment of medical expenses necessitated by accidents arising from participation in sport activities be not defrayed by the Council it is decided to adopt the following ruling.

"Payment of Medical expenses necessitated by accident sustained otherwise than in the execution of an employee's duty to be at the Council's sole discretion."

Page 22. - Nos.21 & 22. - The amendments to these conditions recommended by the Staff Committee are endorsed.

Considerable discussion takes place as to the principle hitherto maintained by the Council that long leave is a reward for past service and should be granted whether or not an employee intends to return to the service. Certain members are strongly of the view that the grant of long leave should be regarded as for the purpose of fitting employees for a further period of service and should be contingent upon their undertaking to return thereto.

Having regard to the divergence of view on this question and to the fact that neither system is uniformly adopted by local employers it is decided that a compromise be adopted by the grant of leave pay in respect of half the normal period of leave (i.e. 3½ months) to employees who do not intend to return to the service following their long leave.

54111
Mr. Bell suggests that further consideration be given to the desirability of issuing long leave pay in instalments instead of in advance as at present. The Treasurer & Comptroller states that this question has already been exhaustively considered by the Staff Committee. He will however further consider this proposal and submit his views to the Staff Committee.

Page 23 - No. 23. - This Condition is approved subject to the amendments thereto recommended by the Staff Committee.

Page 24 - No. 24. - In concurring with the Treasurer that it is somewhat inconsistent to permit employees to marry and yet not provide their wives' passages for the first period of long leave and that the latter ruling would inflict a hardship on those concerned it is decided that the cost of wives' passages on employees' first long leave be defrayed by the Council.

Superannuation Fund.

Pages 28 and 29, Clauses 1, 8 (II) 8 (C). - The minor amendments to these conditions as recommended by the Staff Committee are approved.

Page 29, Clauses 11 and 13. - In a memorandum submitted Mr. Clear proposes an amendment to the recommendation recorded by the Staff Committee with the object of enabling employees to exercise the option of transferring their Fund to a gold basis at any time after the completion of five years' service. Members take the view that it would be advantageous to employees to be permitted to exercise this option at an earlier stage of their services. The amendments proposed by Mr. Clear are therefore adopted subject to the suggested five year period being reduced to three years.

Retirements and Pensions.

Page 22, Clause 19, Page 33, Clause 6. - The amendments to these conditions recommended by the Staff Committee are approved.

Staff Benefits.

Page 37 (last paragraph). - The minor amendment to this paragraph recommended by the Staff Committee is approved.

Page 38 - Locomotion. - The following amended recommendation proposed by Mr. Clear ~~are~~ ^{and} concurred in by the Staff Committee is adopted.

"The Staff Committee generally approves the principle involved but the detailed application of this recommendation is subject to further investigation."

It is also decided that this scheme should embrace the locomotion requirements of the Volunteer Corps.

Page 39 - Deferred Leave Bonus. - The following amendment proposed by Mr. Clear to the Staff Committee's recommendation is adopted.

"The period assessable for extended leave shall date from the expiry of three months after the leave became due. The grant of extended leave shall be on a pro rata basis for any period of less than one year."

Page 41 (Minimum Age Limit). - Upon Mr. Hsu stating that the Salaries Commission regarded this restriction as important the amendment to this Condition proposed by the Staff Committee is not endorsed.

Grading and Scales of Pay - Pages 70-74 (Police). - The recommendation of the Staff Committee that except in the Administrative Grade the Long Service Increase be shown as applicable throughout the Service is endorsed.

Page 70 - Mr. Clear's proposal that the residence provision be applicable only to such cases in which the area of residence is limited is approved.

Grading and Scales of Pay.

Page 61 (Educational) - The revision of these scales as recommended by the Staff Committee is approved.

Application of Revised Terms and Conditions of Service - Page 47. - The minor amendments recommended by the Staff Committee to the paragraphs dealing with "A" Class agreements and "B" Class Agreements are approved.

Proposed Grading Scale and Scales of Pay - Page 49. - The Scale of percentage annual increases recommended by the Staff Committee is approved.

Personal Reports. - The Committee's recommendation on this subject is also approved.

General Scales of Pay. - The Staff Committee's recommendations relative to the pay of Chief Inspector in the Revenue Office and the grading of Fire Brigade Inspection Officer are approved.

Payment of Salaries upon a Dollar Basis - Page 11. - Members concur in the ^{8/39/2} recommendation of the Staff Committee that the question of conversion of Municipal Salaries from a Tael to a Dollar basis be left in abeyance.

Chinese Staff - Terms and Conditions of Service - Medical Examination. } On the recommendation of the Staff Committee deletion of the Commission's recommendation is approved.

1485 Page 94 - Superannuation - The Commission's recommendation on this proposal has been approved in principle by the Staff Committee and is still under its consideration.

1485 Pages 94, 95, 96 - New Year Bonus, Funeral expenses, etc. - Endorsement of the Commission's recommendations under the above headings is contingent upon the inauguration or otherwise of a Chinese Staff Superannuation Fund.
Page 96 - Scales of Pay. - The Secretary undertakes to submit to the next meeting of the Staff Committee a report by the Commissioner of Public Works relative to conferences with representatives of Public Utility Companies regarding the pay of the coolie and artisan classes.

Pages 102, 103, 104, 110 and 111. The amendments to the Scales of Pay recommended by the Staff Committee are approved.

Foreign Staff Association. - The following three suggestions put forward by this Association are adopted.

- (1) "Repatriation Allowance" to be changed to "Repatriation Pay."
- (2) Letters of Appointment to be endorsed with subsequent increases of pay and promotions.
- (3) None of the present Staff engaged locally to be placed in "Class L".

1485 Page 7 - Transfer of Revenue Office. - In connection with the amalgamation of the Revenue Office with the Finance Department which proposal is approved, Mr. Clear suggests that the initial steps to effect this should be put in hand immediately and that to facilitate this Mr. Allen be detached from his normal duties as No.1 of the Office and his time devoted to advising and assisting in effecting this transfer. On the ground that adoption of this arrangement will permit Mr. Bourne the No.2 in the Office to assume the functions at present undertaken by Mr. Allen and thus enable him to ascertain the additional responsibilities he will be called upon to undertake after Mr. Allen's retirement the Treasurer supports this proposal.

After discussion members authorize steps being taken as proposed with the object of this amalgamation becoming effective as from January 1 1932.

Page 6 - Absorption of Secretariat by the Office of Director-General. - In agreeing to defer giving effect to this proposal members concur with the Chairman as to the desirability of early action being taken to appoint a Chinese Assistant Secretary as recommended by the Commission. Mr. Leslie suggests it might be advisable to appoint in a more subordinate position a Chinese of the type regarded as suitable for ultimate promotion to this post rather than to appoint someone direct thereto who does not possess the necessary experience in municipal matters. In supporting this proposal Mr. Brown re-iterates his view as to the desirability of the engagement in the various Departments of educated junior Chinese with a view to enabling them to obtain the necessary

experience to qualify them for filling more senior posts. Mr. Hsu is of the view that a direct appointment of a suitably qualified Chinese forthwith would assist the Council's relations with the Chinese Community.

The Director-General states that if the appointee to this post is to be attached to his Department he regards it as essential that the individual appointed should possess wide experience in Chinese political and current affairs and be of such personality and standing that he would be persona grata with those Chinese officials and organizations with whom the Council has frequent contact. In his opinion a man possessing such qualifications would be of far more value to the Council than one who was engaged on the normal internal duties usually performed by an Assistant Secretary.

In agreeing as to the desirability of the early appointment of a Chinese to undertake duties as outlined by the Director-General it is decided to publish an announcement in the Gazette of the Council's intention to make this appointment, the question of pay attached to the post and the official designation of the appointee to be the subject of further consideration. To ensure that this appointment is proceeded with without delay it is decided to call for a report in one month's time as to the progress made.

Mr. Brown suggests that in addition to this appointment action should not be delayed in the matter of engaging well educated young Chinese in the various Departments with a view to affording them the opportunity of obtaining the necessary experience and of qualifying for promotion to the more senior posts. Mr. Clear states that if the recommendation of the Salaries Commission on this question is adopted by the Council the necessary action to give effect thereto can be taken without delay. The Treasurer submits that in the desire to appoint Chinese to senior positions the claims of those already in the service should not be overlooked. He has in his Department several excellent men who would strongly resent the appointment of a less experienced new comer over their heads.

After further discussion members generally agree that in addition to adherence to the ruling laid down at the last Council meeting relative to the engagement of Chinese whenever possible some definite steps be taken to appoint educated young Chinese in the various Departments for the purpose of enabling them to gain the necessary experience and qualify for promotion to the more senior posts.

Page 8 - Public Health Department. - In endorsing the recommendation contained under this heading it is noted that the rank of the official to be appointed will be the subject of further consideration by the Staff Committee.

Page 8 - Chief Sanitation Chemist. - As the grading of this official will form the subject of a recommendation by the Staff Committee decision on this question

is left in abeyance.

Page 8 - Local applicants for Municipal Service. - The amplification of this recommendation as put forward by the Staff Committee is approved.

General Scales of Pay - In a memorandum submitted Mr. Clear puts forward the following proposals:-

That the General Scales of Pay if approved be applied to all cases of renewals of Agreement arising from now to April 1 next, on which date it is presumed the Terms and Conditions of Service, if approved, would become effective under the three months' notice clause of present Agreements.

He further recommends that all Staff matters covered by the Scales of Pay and Conditions of Service now presented shall, as they arise, be subject to verification by the Treasurer and approved by the Director-General

Cases of adjustment or those not covered by the Scales of Pay or Conditions of Service laid down, to be referred to the Staff Committee.

He states that in rigidly applying certain of the percentage increases, odd figures arise in the Scales of Pay and it is understood these will be suitably rounded off in final compilation.

Should the Salaries Commission Report, subject to the various amendments recommended be accepted, a popular edition of the Report will in due course be submitted for the Council's approval prior to publication.

He further recommends that due notice be given to all Council employees from January 1 next that the accepted Terms and Conditions of Service will apply from April 1, 1931.

The above proposals are unanimously endorsed. With regard to the discontinuance of the existing maternity benefits it is decided that notice be given on January 1 next that these will be withdrawn as from December 31, 1931.

In connection with the publication of the popular edition of the Report it is decided to exclude reference to the Commission's proposal that the Secretariat be absorbed by the Office of the Director-General.

The meeting terminates at 6.35 p.m.


acting Chairman.



Secretary.

At the meeting of the Council held on Wednesday, December 10, 1930, at

4.30 p.m. there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 N. S. Brown
 J. W. Camey
 K. Fukushima
 S. L. Hsu
 N. Leslie
 O. S. Lieu
 O. Okamoto
 L. T. Yuan
 Yu Ya Ching
 The Director-General, and
 The Secretary.

Absent:

Messrs. A. J. Hughes
 T. D. Woo.

The Treasurer & Comptroller attends.

The Minutes of the last meeting are confirmed and signed by the Chairman.

5708 Public Gambling. - Mr. Brown reports that three conferences have taken place with representatives of the Luna Park Organization in the course of which he emphasized that these discussions were of an informal nature and that the Director-General and himself had no mandate from the Council to negotiate on the question of compensation if closure of this track was required. He also notified these representatives that if they put forward a reasonable case for compensation of the staff who would have to be repatriated following closure of the track he would be prepared to lay their case before the Council.

A financial statement has now been received from these representatives as to the assets and liabilities of this organization and from the details of this it would appear that ^asum of \$35,000 will be required to meet their obligations to their staff. Upon the representatives proposing that the question of compensation be referred to arbitration he stated that in his opinion there was little likelihood of the Council agreeing to this course. Whilst in his view the further proposal that in order to avoid loss to the shareholders the Council should authorize a payment of \$500,000 and take over their leased properties does not merit serious consideration he suggests some

payment might be authorized to enable the Company to meet its obligations to its staff.

As the financial details submitted by these representatives have not yet been examined by the Treasurer, it is directed that these be passed to him for his report and that thereafter this question be referred to the Watch Committee for its consideration and recommendation.

Shanghai Waterworks Company - Surcharge. - The Chairman states that upon being advised by the Company that it proposed to disconnect the water supply to premises in respect of which the occupants refuse to pay the authorized water charges he has suggested to officials of the Company that in adopting this course they should so far as possible proceed on the principle of causing inconvenience rather than of inflicting hardship. In his opinion this result could be achieved by concentrating on offices and business premises rather than on smaller premises tenanted by individuals and families.

The Minutes of the Meeting of the Education Board of December 3 are submitted and confirmed. Municipal Schools for Chinese - Winter Vacation. - Mr. Bell refers to the difference of opinion amongst members of the Board on the question of the Council's immediate compliance with the Government's requirement that educational establishments discontinue the former practice of observing a holiday at the Lunar New Year.

In unanimously agreeing that solely from an educational standpoint immediate compliance with this requirement will cause inconvenience to the Council's schools during the present term and will react to the detriment of the examinations which normally would be conducted towards the close of the term, nevertheless members are of the view that it would be politic to co-operate with the Government in this matter. It is accordingly directed that the Government's requirements regarding the re-arrangement of the Winter Vacation arising out of its adoption of the Gregorian Calendar be complied with forthwith.

Junior School for Boys - Tifeng Road. - The Chairman undertakes personally to notify Brigadier Borrett of the Council's desire to secure occupation of this site and to ascertain whether this can be relinquished by the military authorities.

Chinese Primary Schools. - The Chairman refers to a letter which has been addressed to him by the Chinese members of Council deprecating the fact that more rapid progress has not been made in the building programme of the Eastern and Western District Chinese Primary Schools. He has ascertained from the Commissioner of Public Works that the delay which has occurred is due to the fact that the original plans of these buildings had to be amended on two occasions at the instance of the Education Department. He undertakes to reply officially to the Chinese members conveying an

assurance that all possible steps will be taken to accelerate the erection of these buildings.

The Minutes of the meeting of the Finance Committee of December 5 are submitted and confirmed. Debenture Trust Deed. - At the Chairman's request the Treasurer outlines the major features of the draft Trust Deed which were considered and recommended for adoption by the Finance Committee at its last meeting.

Upon the Vice-Chairman and Mr. Fukushima adhering to their opinion that it is undesirable from the point of view of future public borrowings for the Council to assign to the Trustees its mortgage on the Power Company's assets the Treasurer replies that he has to-day received an opinion as to this from the Council's Legal Adviser to the effect that unless the Trustees hold this security they would be placed in a difficult position if for any reason circumstances arose requiring them to function in accordance with the terms of the Deed. He is unable to agree that the Council's position in the matter of future borrowings would be adversely affected by transferring this mortgage to the Trustees since this would not be done with the object of securing the Council's loans generally but for the specific purpose of securing the payments for which the Power Company is liable. The question as to whether or not the Trustees could in case of necessity call upon the Company to meet its obligations if they did not hold security in the form of the mortgage would appear to be one for legal decision. The Council's Legal Adviser, as before stated, is of the opinion that assignment of the mortgage to the Trustees is necessary.

The Vice-Chairman re-iterates the view expressed by him at the meeting of the Finance Committee that adequate safeguards would be provided for debenture holders if the Council retained the mortgage and provided in the Deed for this to be handed over to the Trustees on demand and after perusal of the opinion received from the Legal Adviser he is not convinced that the difficulties of adopting this course are insuperable.

The Deputy Secretary states that the main question for decision is whether or not the security in the form of the mortgage shall be vested in the Council or the Trustees. Decision as to this vitally affects the essence and foundation of the Trust Deed. The retention or otherwise of the actual mortgage is of secondary importance to the main principle involved as to whether the legal ownership of this security shall be vested in the Council or in the Trustees.

Upon the Vice-Chairman enquiring as to what the Council's position would be in the event of its inability to meet its requirements to the Trustees the Treasurer states that in such an event the Trustees could require the Company to hand over sufficient funds to meet Debenture

Holders' requirements. In the event of the Company failing to discharge its liabilities the Director-General states that under the terms of the agreement for sale the Council could foreclose the mortgage.

In view of the undertaking given to Debenture holders prior to the sale of the Electricity Department Messrs. Leslie and Carney agree that there appears to be no option to handing over the mortgage to the Trustees if they insist on this.

After further discussion the Treasurer is authorized to proceed with his negotiations with the Hongkong and Shanghai Bank and to ascertain prior to any definite conclusion being reached whether they will agree to waive the requirement that the mortgage be assigned to them as Trustees, and thereafter report to the Council. He will also ascertain and report as to the fee required by the Bank for their services in this capacity.

Funds of Defunct Mixed Court. - In a comprehensive memorandum which has been circulated the Director-General recommends that certain funds amounting to approximately Tls.30,000 deposited in respect of civil cases in the late Mixed Court should, upon the request of the Consular Body, be handed over to the Special District Court against a receipt drafted in such a manner as would protect and indemnify the Council against any claims which might be made against it in respect of these deposits.

The Director-General states that he has little to add to the information contained in his memorandum except that as a matter of policy he concurs in the view of the Consular Body that if decision on this question remains in abeyance friction may arise between the Court and the Foreign Authorities ^{which} ~~for~~ it would be advisable to avoid.

After brief discussion the recommendation put forward by the Director-General is unanimously approved.

New Japanese School. - The Chairman reads a letter from the Chairman of the Shanghai Japanese Residents' Corporation expressing the Association's appreciation at the Council's decision to sell an area of surplus land on Pingliang Road for the rection of a new Japanese School.

Exemption from Taxation of premises occupied by Ministers and Charges d'Affaires.
1034 The contents of a letter on this question addressed by the Chairman to the Senior Consul are noted.

Volunteer Corps - Appointment of Commandant. - Upon the Chairman reporting that 1035 it is unlikely that the successor to Col.Orpen-Palmer will arrive in Shanghai prior to the date of termination of the latter's period of service on January 25 next it is decided to retain Col. Orpen-Palmer until the end of February, he having intimated his willingness to extend his service for a brief period if so desired by the Council.

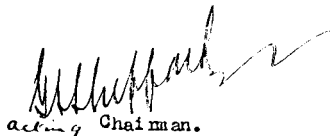
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Dec.10/30.

Proposed Fomation of German Company S. V. C. - The Chairman reports that
the Commandant has taken up this question with the German Consul General
and that a further report will be submitted in due course.

Shanghai Power Company - Interest on balance of Purchase Price. - Replying
to Mr. Leslie's enquiry as to whether any progress has been made towards
the settlement of this outstanding question, the Treasurer states that
in the course of interviews with Mr. Taylor he was informed that the
Company is in communication with its Head Office and that apparently
some difference of opinion exists amongst the Directorate. He has
arranged at Mr. Taylor's request for consideration of this question to
be deferred until the Secretary of the Company returns to Shanghai
shortly. He has informed Mr. Taylor that he is not prepared to recom-
mend the adoption of any proposal involving a compromise as in his view
if the Council's claim is not admitted the matter should be referred to
arbitration. He has gained the impression that Mr. Taylor now realizes
that the view held by the Company cannot be upheld and he anticipates
that it may be possible ultimately to arrange this matter to the
Council's satisfaction.

The Municipal Gazette for Friday, December 11 is submitted in proof and
authorized for publication.

The meeting terminates at 6.05 p.m.


acting Chairman.



Secretary.

At the special Council meeting held on Monday, December 15, 1930, at 4.30 p.m. there are:

Present:

Brig.-Gen. E. B. Maonaghten (Chairman)
 Messrs. A. D. Bell
 N. S. Brown
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Director-General,
 The Treasurer & Comptroller, and
 The Secretary.

Absent:

Mr. G. W. Sheppard.

Waterworks Surcharge. - The Chairman explains that this meeting has been convened at the request of the Chinese members to consider what steps can be taken to alleviate the situation arising out of the opposition of the Chinese community to the surcharge recently imposed by the Waterworks Company.

At the Chairman's request Mr. Hsu on behalf of his Chinese colleagues outlines their view on the existing situation. As many Chinese are refusing to pay the surcharge the Chinese Councillors consider that unless prompt action is taken serious developments may follow which should if possible be avoided. As a result of the information obtained from the enquiry conducted by representatives of the Chinese Ratepayers' Association the Chinese members are of the view that the return to the shareholders of the Company is too high and the overhead costs of the Company are too heavy. In support of this contention he quotes comparative figures for the years 1923 to 1929 from which it will be noted that in 1929 the holders of "A" shares received a total dividend of slightly over 13% inclusive of the profits received under the extra agreement and shipping and the issue of two bonus shares. The increase in overhead costs in 1929 as compared with 1925 is out of proportion to the increase in the quantity

of water produced in those two years. With a view to overcoming the difficult situation which now obtains the Chinese members desire to put forward the following proposals for the Council's favourable consideration:-

(I) That the Public Utilities Committee with the assistance of an expert be required to investigate with a view to ascertaining whether the overhead costs can be reduced; (II) That the Company be approached with a view to modification of the franchise agreement for the purpose of reducing the dividend rates. If the Council adopts these two proposals it is suggested that the Company be approached forthwith in order that the desired revision may be given effect in September next. The Council will then be in a better position during the last three months of next year to decide what tariff rates should be fixed from the commencement of 1932. Adoption of these proposals will strengthen the position of the Chinese members in their endeavour to break down the existing opposition to payment of the surcharge.

The Chairman points out that the surcharge now in force has been authorized by the Council and does not contravene the provisions of the existing agreement and he enquires whether the Chinese members propose that the surcharge should be maintained should the Council decide to adopt the proposals put forward by them.

Mr. Hsu replies in the affirmative and anticipates that the Chinese members will be able to persuade Chinese consumers to withdraw their opposition to the surcharge if they are notified that the Council is taking action on the lines above proposed.

The Chairman observes that complaints against the surcharge have been forthcoming from other sections of the Community but that since the Council has authorized this it would be placed in an impossible situation if it allowed itself to be coerced by any section of the Community into receding from a position which has been taken after full consideration of all the aspects involved.

Mr. Hsu assures the Chairman that the Chinese members have no desire to attempt to coerce the Council but that they put forward their proposals solely with the object of arriving at a satisfactory solution of a difficult problem.

In reply to a member's enquiry the Treasurer states that when the franchise agreement was revised in 1927 the dividend of 9% on "A" Class shares was agreed between the Council and the Company. On account of the unsettled conditions then obtaining it was found to be difficult to attract capital to Shanghai. There are however three classes of shares two of which carry interest at 8% and 7% respectively and do not participate in the profits from the extra-agreement nor in bonus shares.

With regard to the profits derived under the extra-agreement and shipping Mr. Bell states that one half of these are applied in relief of the tariff for Settlement consumers. In respect of the figures quoted by Mr. Hsu certain of these are open to criticism on account of a changed method of accounting having been adopted during the period referred to with the result that whilst the costs under certain accounts appear to be much heavier than formerly others by reason of the transfer of these charges are correspondingly reduced. There is no guarantee that the dividends on the various classes of shares will be earned each year and in the case of the Telephone Company, also a Public Utility Company, it was found to be impossible to maintain the prescribed dividend of 8%.

Reverting to Mr. Hsu's proposal that an endeavour should be made to amend the existing dividend rates which it is realized could only be done with the consent of both parties Mr. Bell is convinced that if this question were taken up with the Company prior to conclusion of the proposed investigation the Council would meet with a flat refusal. Mr. Hsu however submits that expert advice is not required to decide as to whether or not the existing dividend rates are fair and equitable.

For purposes of comparison Mr. Lieu suggests it might be of assistance to ascertain the rates of dividend payable by water companies in other large cities.

In this respect Mr. Brown doubts whether such figures would be of much assistance since the method of levying water rates is not uniform. He considers however that the fact that the Shanghai water supply is derived from a large river is a factor which should tend towards a cheap supply and that the introduction of a metering system would assist towards this supply being put on an equitable basis. He alludes to his previous proposal that an enquiry should be conducted to ascertain whether the Company is being administered as economically as possible and adheres to his view that it would be to the interest of the Council and the consumer to be assured that this is the case.

Replying to Mr. Bell on the question of metering Mr. Hsu states that the Chinese Ratepayers are in favour of this system as are also his fellow Chinese Councillors. Although personally he does not favour this he is willing to defer to the views of his colleagues.

Upon the Chairman enquiring whether the Chinese members would be satisfied if the question of the dividend rates were left in abeyance Mr. Hsu adheres to his opinion that action on the two proposals put forward should be taken simultaneously in order to satisfy Chinese consumers.

The Treasurer points out that under the franchise agreement the only provision which cannot be varied is the limitation of dividend rates. The

Company is expending rapidly and with its future increase in capital the ratio of the 9% dividend bearing shares will become less and less.

Upon Mr. Hsu suggesting that if the delicate nature of the existing situation is appreciated by the Shareholders they may voluntarily consent to a reduction in the dividend rates and that the Council should not necessarily assume that this will not be the case Mr. Bell re-iterates his view that the shareholders' consent will not be forthcoming. He considers that the existing situation has been exaggerated as the number of water accounts outstanding is no greater than usual. He has ascertained that more than half of the consumers with outstanding accounts have paid their dues immediately after receipt of the usual notice that the water supply would be discontinued.

With regard to the proposal that an endeavour be made to modify the dividend rates authorized under the existing franchise agreement the Chairman is strongly of the view that if this question is taken up at the present time and negotiation refused by the Company the difficulties of the present position will be accentuated. Mr. Hsu submits that if the Directors of the Company are notified that the Council proposes to conduct an investigation into its working they may agree to consider this proposal in relation to the result of this enquiry rather than to negative the proposal at the outset.

Mr. Bell points out that the franchise agreement is the Company's chief asset and if the impression once got abroad that the Council contemplated abandoning this the effect on future share issues would be disastrous. He is however prepared to support the proposal that an enquiry be conducted into the workings of the Company with a view to ascertaining whether economies in its administration are possible. Mr. Brown concurs that if the result aimed at by the Chinese members i.e. the supply of cheaper water to the consumer can be achieved by reduction of overhead costs rather than by variation of the agreed dividend rates such a solution would be most desirable. In his opinion the chief difficulty faced by the Company is the prevailing adverse exchange rates, a difficulty which is accentuated by the fact that its commitment to shareholders is in sterling whereas its revenue is in silver.

Mr. Hsu states that he appreciates the desire of the Company to protect its shareholders, at the same time he submits it also has a duty to the public and this to some extent could be discharged by agreeing to discontinue distribution to the shareholders of a portion of the profits derived under the extra-agreement and shipping and applying them in their entirety to the relief of the Settlement Tariff.

Mr. Lieu is of the opinion that if the exchange rate was say 2s/6d the question of modification of the dividend rates would not arise; he considers however that the factor of the existing exchange depreciation and the resultant hardship on the Chinese consumers should be given due consideration by the Shareholders.

Mr. Bell then suggests that the Company might be asked to examine into the possibility of converting their capital from a sterling to a silver basis with the object of the future elimination of the exchange factor. Mr. Hughes agrees that any proposal whereunder by a rearrangement of its capital commitments the burden on the consumer would be lightened merits careful consideration. He is therefore prepared to support any proposal by the Chinese members having this object in view and subject to elimination of the reference to the agreed rates of dividend.

Mr. Hsu then suggests and members concur that the Chinese Councillors be permitted to withdraw for a brief period in order to arrive at some formula which will be acceptable to the Council.

Upon their return Mr. Hsu then puts forward the amended proposal that the enquiry to be undertaken by the Public Utilities Committee and an outside expert should concentrate on (I) whether the Company is administered as economically as possible and (II) whether the return to shareholders is equitable as compared with that derived by shareholders of similar undertakings in other large Cities. If in the Council's view the result of the enquiries conducted by this Committee justifies an amendment to the terms of the franchise agreement the Council should approach the Company with this object in view.

Mr. Bell states that he regrets he is unable to support this latter proposal owing to the doubt which will be implanted in the minds of the Directors that the Council desires to rescind the terms of the agreement already entered into. He strongly deprecates any action being taken which will result in the creation of a feeling amongst the shareholders of the Company that the Council is desirous of withdrawing from the franchise agreement solely through the necessity of having to increase the tariff rate through the depreciation in exchange.

Mr. Hsu replies that if the Council is advised by the Committee that the existing dividend rates are fair and equitable the Chinese Members will be prepared to abide by their judgment and the position of the Company will be strengthened.

Mr. Bell is of the opinion that the Special Committee will uphold this view; in the meanwhile however any indication to the Company that the

that the special Committee is authorized to enquire into the equity or otherwise of the agreed dividend rates it will be construed as a desire on the part of the Council to withdraw from the terms of the agreement. It is highly probable that the Company will require to raise some Tls. 2 million additional capital next year for extensions. This would be quite impossible if doubt existed in the minds of investors that the Council was not prepared to adhere to the terms of the franchise agreement.

Mr. Leslie then suggests that the case might be met by the appointment of a Commission consisting of members of the Public Utilities Committee and an outside expert to investigate and report to the Council on the administration of the Company in all its aspects with a view in particular to ascertaining whether the cost of water to consumers can be reduced.

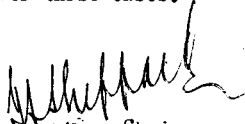
Mr. Bell is prepared to support this proposal on the clear understanding that the terms of reference as above outlined are not construed by the Chinese members as embracing the agreed rates of dividend.

The Director-General points out that any action by the Council which resulted in stultifying the existing agreement would create an impossible situation; on the other hand he agrees that no exception could be taken by the Company to the Council instituting an enquiry for the purpose of assuring itself that the water supply is furnished to consumers as economically as possible.

After further discussion and with the concurrence of the Chinese members Mr. Leslie's proposal as above outlined is adopted.

In respect of the discontinuance of the water supply to certain consumers Mr. Bell undertakes to confer with the Chinese members with a view to arriving at an amicable settlement of these cases.

The meeting terminates at 6.50 p.m.


Chairman.



Secretary.

At the meeting of the Council held on Tuesday, December 23, 1930, at 4.30 p.m.

there are:

Present:

Messrs. G. W. Sheppard, Vice-Chairman, (in the Chair)

A. D. Bell

N. S. Brown

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Director-General,

The Treasurer & Comptroller, and

The Secretary.

Absent:

Brig.-Gen. E. B. Macnaghten.

The Minutes of the last meeting are confirmed and signed by the Chairman.

5225/ Debenture Trust Deed. - The Treasurer & Comptroller reports that he has advised officials of the Hongkong & Shanghai Banking Corporation of the Council's desire to retain the mortgage on the Power Company's assets. These representatives intimated their willingness to meet the Council's wishes in this respect provided they are assured by their legal adviser that the Bank could function as Trustees if required to do so without the assignment to them of this mortgage. His negotiations with the Bank are continuing and he will report further in due course.

The Minutes of the Special meeting of December 8 are confirmed and signed by the Chairman.

1408 The Minutes of the Special meeting of December 15 are confirmed and signed by the Chairman. Engagement of Expert. - The Director-General reports that the Engineer-in-Chief and Manager of the Waterworks Company has suggested to him that the expert to be engaged to assist in the proposed enquiry should be obtained from America on the ground that the source and purification of the Shanghai Water Supply are very similar to those of American Cities situated on rivers like the Mississippi.

Whilst not opposing this proposal Mr. Brown points out that the chief problem which has to be faced by the Company is that of chemical filtration and that in recent years considerable advance has been made on this question by experts in England. The Director-General replies that officials of the Company take the view that there is no large city in Great Britain in which the conditions governing the supply of water are comparable to those obtaining in Shanghai and it is for this reason Mr. Pearson has suggested that the expert be obtained from America.

After brief discussion the proposal put forward by the Company is adopted.

The Minutes of the meeting of the Staff Committee of December 12 are submitted and confirmed.

The Minutes of the meeting of the Education Board of December 17 are submitted.

513/3 Copies of the education policy as embodied in these minutes are furnished to members and prior to adoption thereof the Treasurer is requested in collaboration with the Commissioner of Public Works to prepare a report shewing the cost involved by the provision of the additional facilities advocated by the Board. Thereafter this matter will be referred to the Finance Committee.

475/1 Police Force - Japanese Branch. - Mr. Brown refers to the unanimous recommendation recorded at the last meeting of the Watch Committee that the strength of the Japanese Branch should be increased by 50 next year. In order to permit the necessary provision being made in the 1931 estimates this recommendation is approved in advance of submission of the Committee's minutes.

512/1 Chinese Liaison Office. - The Director-General reports that as a result of the announcement made by the Council a number of applications have been received for this position. The Chairman has suggested the appointment of a Sub-Committee consisting of one Chinese and one Japanese Councillor and himself who in consultation with the Director-General would consider applications and recommend an appointee for this position. This proposal is unanimously approved, the selection of members of the Sub-Committee being left to the Chairman. It is decided that the designation of this official also be referred to this Sub-Committee for its recommendation.

340/1 Royal Asiatic Society - Grant. - An application by this Society for a municipal grant towards the cost of erection of its new building is submitted.

In concurring with the view advanced by the Treasurer in his latest report on this application members agree that a departure from the

Council's existing policy which restricts assistance to grants towards working expenses is in this particular case justified.

It is accordingly decided as a special case and subject to a nominee of the Council being allowed to serve on the Committee to contribute a total sum of Tls.50,000 towards the cost of the new structure, Tls.25,000 of which will be issued in 1931 and the balance in 1932.

Anti-Kidnapping Society's Grant. - An application from this Society that its 1100 annual grant be increased from Tls.10,000 to Tls.30,000 is submitted. Having regard to the large increase in the number of children sent by the Police to the Society's Home members regard an increased grant as justified. It is accordingly decided to include provision in the 1931 budget for a grant of Tls.20,000.

Chinese Newspaper - Application for subsidy. - An application by Mr. Y. T. Hu, SYW/ a Chinese ex-Government official, for financial support towards the publication of a daily newspaper which would be pro-Council in policy is submitted.

After brief discussion and in endorsing the view of the Director-General that the Council's right to subsidize any newspaper is doubtful this application is disapproved.

Dates of Council Elections and Ratepayers' Meeting. - The Vice-Chairman 1189 states that the Chairman has enquired as to the possibility of the Annual meeting being held at a date more close to that fixed for the annual election of Councillors in order to save members the possibility of being put into an embarrassing position as happened last year. In view of the magnitude of the work entailed in the preparation of the Annual Report, Budget, etc. the view obtains that it is impracticable to advance to any extent the date of the Annual meeting of Ratepayers.

Members however concur in the Chairman's view that it is desirable that a briefer period than hitherto should elapse between the dates of the annual election of Councillors and the Annual meeting of Ratepayers. It is accordingly decided that in 1931 the elections be held on March 16 and 17 and that the Annual Meeting be convened for April 15.

Land Commissioner. - It is decided to invite Mr. H. Berents to continue to 1191 serve as the Council's nominee on the Land Commission for the forthcoming Municipal year.

Council's payment to Customs for Wharfage Dues Collection. - A letter from 1192 the Commissioner of Customs notifying the Council that in future the Customs Charge for collecting wharfage dues on behalf of the Municipality will be 5% on the gross collection received by the Council is submitted. The Director-General briefly outlines the earlier negotiations relative to this matter. As no obligation rests with the Customs to undertake

the collection of wharfage dues on the Council's behalf and as direct collection thereof by the Council would be both expensive and cumbersome he recommends approval of the proposal now put forward.

After brief discussion and in concurring that the proposed charge is reasonable this is approved.

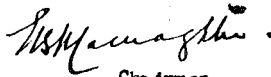
Kidnappers Activities. - In alluding to the recent increased activities of kidnappers during the past few days Mr. Hsu enquires whether any further measures can be devised to suppress these crimes. The Director-General states that he has recently had a number of conferences with the Commissioner of Police on this subject who assures him that all possible steps are being taken to cope with the situation. Whilst further suggestions to this end are welcome it should not be overlooked that the Police are handicapped in their efforts by the unwillingness on the part of the Chinese to furnish information on these outrages in time to permit effective action to be taken. In his opinion, which is endorsed by the Commissioner of Police, the most effective deterrent to this form of crime would be punishment by the cat but this the National Government will not permit.

He will again confer with Major Gerrard and transmit to him the suggestion that all cars conveying more than two Chinese should be stopped and investigated by the Police.

Members unanimously concur in the Chairman's proposal that the Commissioner be informed that the Council will accord him its fullest support in the Department's efforts to combat this and other serious forms of crime.

The Municipal Gazette for Thursday December 25 is submitted in proof and authorized for publication.

The meeting terminates at 6.10 p.m.


Chairman.


Deputy Secretary.