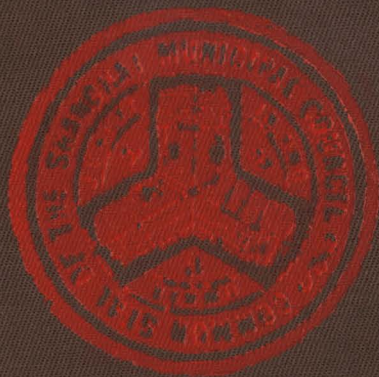


工部局董事会 会议录

第二十五册

上海市档案馆 编

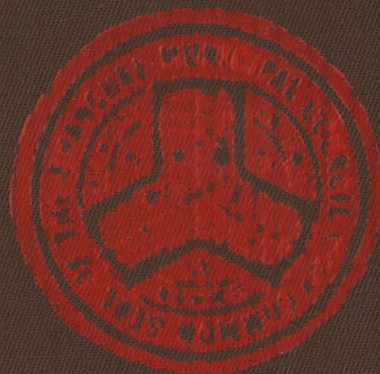


上海古籍出版社

THE MINUTES OF SHANGHAI
MUNICIPAL COUNCIL

Volume XXV

SHANGHAI MUNICIPAL ARCHIVES



Shanghai Classics Publishing House

工部局董事会会议录

第二十五册

上海市档案馆 编

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THE MINUTES OF SHANGHAI MUNICIPAL COUNCIL

Volume XXV

SHANGHAI MUNICIPAL ARCHIVES

Director of the Editorial and Examination Committee Zhang Qian

Deputy Director of the Committee Shi Meiding

Executive Finalizer Ma Changlin

Shanghai Classics Publishing House

工部局董事会会议录

THE MINUTES OF

SHANGHAI MUNICIPAL COUNCIL

(1931—1932)

At the meeting of the Council held on Wednesday, January 7, 1931, at 5 p.m.
there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Shppard (Vice-Chairman)
 A. D. Bell
 E. S. Brown
 J. W. Carney
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Director-General, and
 The Deputy Secretary.

Absent:

Messrs. K. Fukushima
 O. S. Lieu

The Minutes of the last meeting are confirmed and signed by the Chairman subject to an amendment of the item Engagement of Expert. - The proposal of the Waterworks Company to engage an expert from America was not definitely approved at that meeting but was referred to the Public Utilities Committee for further consideration. With regard to Education Policy the Chairman states that the Treasurer is now engaged in investigating the extension scheme submitted by the Education Board. In the matter of Chinese Liaison Officer Mr. Hsu has suggested to the Chairman the appointment of two Chinese members to the Sub-Committee which is to consider applications for this office instead of one as first proposed. Members having already expressed their approval, the question of nominations is left for later discussion by the Chinese Members of Council. On the subject of Royal Asiatic Society - Grant, The Chairman reads an interim reply from the Building Sub-Committee of the Society expressing its appreciation of the Council's generous support.

The Minutes of the meeting of the Watch Committee of December 19 are submitted and confirmed. With regard to Greyhound Racing the Chairman of Committee, Mr. Brown, states that the Director-General has conferred with the Crown Advocate thereon. The Chairman of Council refers to a

conversation he has had with the British Consul-General, who expressed disappointment at the Council's failure to close down greyhound racing on January 1, though in the matter of the legality of such racing he did not appear to be sure of his ground. He evidently expected the Council to take the lead, whereupon he would be prepared to render Consular support.

The Director-General, who has interviewed the Consul-General (Mr. Brennan) and the Crown Advocate (Mr. Mossop), states that the former was dissatisfied with the progress made. Mr. Mossop was well informed on the subject though, in view of recent decisions by British Courts and the confused state of the laws he was unable to express a definite opinion on the legal position of the prospects of successful prosecution of British subjects engaged in greyhound racing in Shanghai. He agreed however with Mr. Brennan in offering all possible support if the Council took the initiative. Mr. Bell suggests the early closure of the two courses and the payment of compensation to be fixed by arbitration. The Director-General is not in favour of arbitration, which he thinks might involve the Council in heavy expenditure. He reads a draft letter, addressed to the Greyhound Racing Club, alluding to the undesirable state of affairs arising from the virtual abolition of entrance fees, and the inauguration of an advertising campaign, etc; informing them that dog-racing will not be permitted after April, 1, and stating that the Council would take over the lease of Luna Park and give consideration to cases of individual hardship involved. Members generally concur in the advantage of such action over the arbitration plan, and agree that a letter on the above lines should be sent to the Greyhound Racing Club, and that the Stadium should likewise be closed by a letter to the Shanghai Greyhound Club couched in similar terms. Mr. Okamoto questions the advisability of the Council taking over the lease of Luna Park; but the Director-General states that it could with advantage be converted into a recreation ground. The rental is stated to be low and the lease will expire in less than two years. Mr. Hughes speaks of the hardship which will be suffered by numerous persons in the event of the early discontinuance of greyhound racing. Delay would mitigate, for example, the loss on the disposal of the greyhounds. He refers to a scheme to amalgamate the two racing concerns and to devote the Stadium to athletic events, with dog racing only once a week and the abolition of free passes. He feels that a grave injustice will be done if greyhound racing is stopped while other opportunities for gambling remain.

In the subsequent discussion members agree that, in view of the present situation and the Council's previously expressed determination to end this form of sport, definite action should now be taken. The

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Director-General is accordingly requested to dispatch the necessary letters, announcing the Council's decision to terminate greyhound racing on March 31.

Commandant of Volunteers. - The Chairman reads a telegram from the London Agents submitting the War Office's nomination of Lieut.-Colonel Thoms of the New Zealand Staff Corps as an officer eminently suitable for the position of Commandant of the Volunteer Corps. He also reads a private cable conveying Maj.-General Bartholomew's endorsement thereof.

A member suggests that the salary, Tls. 1,000 per annum plus allowances, seems rather high, as the officer will later receive a pension from his own Government. It is agreed however that the nomination should be accepted, and that a telegram should be dispatched enquiring when Lieut.-Colonel Thoms would arrive in Shanghai.

The Chairman retires and Mr. G. W. Sheppard takes the Chair.

Tobacco Tax. - The Director-General states that a letter has been received from the Senior Consul on the question of the enforcement of the Chinese

Government's tobacco tax on Chinese factories in the Settlement. The Chairman, as an interested party, did not wish to see the letter and will take no part in the Council's deliberations. Three or four years ago the Government took up with the tobacco and oil companies in the Settlement the question of taxes on these commodities. The British-American Tobacco Co., most of whose products went outside the Settlement, was the first to agree in writing to the imposition of the tax, and the other foreign companies followed their example. Mr. T. V. Soong, for the Nationalist Government, has now approached the Foreign Consuls for assistance in collecting the tax from Chinese firms which have evaded payment and engaged in smuggling tobacco products out of the Settlement.

The Director-General reads the above mentioned letter, explaining the attitude of the foreign and Chinese firms to the Rolled Tobacco Tax Law, stating that the former wished to see an end of smuggling by their commercial rivals, and enclosing a draft agreement on the subject for the consideration of the Council. This agreement provides, in brief, for the establishment of a bureau, the use of Municipal Police only in the enforcement of the tax, prosecutions by the Municipal Advocate acting under the Council, the giving of 30 days' notice before the first prosecutions are instituted, and a provision that the taxation shall not be retroactive.

The Director-General is of the opinion that the old rigid policy of the Council regarding taxation in the Settlement by the Chinese authorities should be relaxed, and Judge Feetham has agreed that the present claim should be favourably considered. Replying to Members' enquiries, he states that stamps covering the tobacco tax have for some time been on sale


in the Settlement, and that, apart from this, the Chinese officials do nothing but go round and see if the stamps are affixed to packages. He adds that the general enforcement of the tax by the Council would not prejudice future action as it is proposed that every new tax should be the subject of a special agreement.

After some discussion it is decided to comply with the request of the Nanking Government.

Brig.-Gen. E. B. Macnaghten resumes the Chair.

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5770/
The Municipal Gazette for Friday, January 9, is submitted in proof and authorized for publication, except Notifications 4045 and 4046 which are ordered to be held over. These Notifications relate to the appointment of Chinese cadets in the Health Department and the Fire Brigade, and it is directed that they should be sent to the respective Committees for approval prior to publication.

The meeting adjourns at 6.25 p.m.



Chairman.


Deputy Secretary.

At the meeting of the Council held on Wednesday, January 21, 1931, 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

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

T. D. Woo

Yu Ya Ching

The Director-General, and

The Deputy Secretary.

Absent:

Messrs. K. Fukushima

L. T. Yuan.

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

547 Appointment of Chinese Official. - The Chairman reports that a meeting of the Special Committee was held this week when the applications received were scrutinized, five thereof being left for further consideration. He understands that, until decision as to the designation of the official to be appointed is reached, a number of Chinese are withholding their applications. Another meeting of the Special Committee will be convened at an early date; in the meantime he will welcome any suggestions by members as to the designation of the official to be appointed.

548 Royal Asiatic Society - Grant. - A further letter from the President of this Society is submitted formally accepting, and expressing appreciation of the grant donated by the Council.

It is then proposed and unanimously carried that Mr. A. J. Hughes be elected to serve as the Council's nominee on the Council of this Society, Mr. Hughes agrees to serve in this capacity.

549 The Minutes of the meeting of the Works Committee of January 13 are submitted and confirmed subject to the following modification. - Outer Western Area - Official Plans. - Opinion is divided as to the advisability or otherwise of refusing to supply copies of these plans to the Works Department of the Greater Shanghai Municipality, a majority of members taking the view that

such refusal might accentuate still further the difficulties of securing reciprocal action in matters in which co-operation is so earnestly desired; other members consider that copies of these plans should not be supplied until the specific purpose for which they are required is disclosed.

After discussion it is decided to authorize the Commissioner of Public Works to endeavour to ascertain precisely for what reason these plans are required by the Greater Shanghai Authorities, whereafter their request will receive further consideration. The Chinese members are also requested if possible to obtain information as to this.

829 With regard to the negotiations to define the status of extra-settlement roads, the Director-General, for the reasons given, states that he understands there is little prospect of progress being made during the next few months. The Chairman observes that he is meeting General Chang Chun informally next week, on which occasion he will enquire unofficially as to this.

828 The Minutes of the meeting of the Watch Committee of January 14 are submitted and confirmed. Anti-Kidnapping measures. - Subject to the views of the Commissioner of Police being elicited members regard it as desirable that publicity be given to the steps proposed to be taken to cope with the activities of armed kidnapers.

827 The Minutes of the meeting of the Finance Committee of January 15 are submitted and confirmed. Country Hospital - Finances. - Mr. Hughes states that he understands some difference of opinion exists amongst members of certain medical firms as to the type and number of the staff employed at this Institution. He is prepared, if desired, to transmit such views to Mr. Fessenden.

Taxation of Postal Property. - A letter is submitted from the Secretary of the Directorate-General of Posts applying for exemption from land tax on property occupied by the Postal Administration on the ground that, as this administration is a public utility service, the Chinese Government has exempted from taxation all its property in other parts of the Country.

Replying to the Chairman, the Deputy Secretary (Mr. Jones) states that, under Land Regulation I, Foreign Consulate sites and the Customs House "shall bear their share of the public burdens and Municipal taxes." The Customs Authorities have however disputed their obligation to pay such taxes and have paid no General Municipal Rate since 1871 although Land Tax has been paid to the end of 1930. In his opinion, the contention of the Customs Authorities that as the Land Regulations have at no time been approved by the Chinese Government, the Customs House should not be regarded in the same light as Foreign Consulate sites and properties for taxation

purposes cannot be upheld. Furthermore, there are a number of residential rooms in the Customs building which still further weakens their case. The Postal Authorities however request exemption on the ground that the Administration conducts a public utility service. If therefore exemption is accorded on this basis it would become necessary to consider the position of other public utility undertakings. It might be contended that the levy of land tax on Government owned property is inconsistent having regard to the fact that such properties in England are exempted from this form of taxation. For this reason therefore he suggests it might be advisable to reach a mutual agreement whereunder the relative section of the Land Regulations would be disregarded.

In order to reach a satisfactory agreement, the Director-General suggests the desirability of taking up this question with the Consular Body. Whilst there would appear to be no objection to exemption from taxation if this is limited to the Postal and Customs properties he points out that the number of buildings occupied by official and semi-official organizations will, in the future, tend to increase and unless the status of such is mutually agreed, the Council may be faced with a considerable loss of revenue.

To comply with the relevant section of the Land Regulations, the Vice-Chairman suggests that the Chinese Government might agree to pay Land tax on its properties on a fixed assessment, such properties to be excluded from future re-assessments.

After discussion it is decided that this question be taken up with the Consular Body, and that the proposal put forward by Mr. Sheppard be submitted for its consideration.

House Numeration - Conflict of Authority. - A letter is submitted from the

163/1 Asia Realty Company outlining the difficulties which have arisen through the removal, by representatives of the Greater Shanghai Municipality, of the Council's number plates from a number of houses being constructed by the Company in Great Western Road.

The Director-General states that he has discussed this question with representatives of the Company and has also seen the property. The land is held under a Chinese title deed and merely has access from a Municipal Road. As the houses in question are situate in Chinese territory, the American Consul-General has intimated that he is unable to take any action on behalf of the Company. In his opinion the Council has no power to insist on municipal number plates being affixed to houses built on Chinese territory. The Council in the past has never claimed this right but has only taken such action by agreement with the occupier

that, in consideration of public utility services being provided, the Council's special rate will be paid.

Upon Mr. Hughes enquiring as to the objection to Chinese number plates being affixed to such houses, it is pointed out that such action on the part of the Chinese authorities has always been regarded by the Council as a preliminary to the collection of taxation.

Having regard to the views expressed by the Director-General, members direct that, in future, no municipal number plates be affixed to houses which, by reason of their situation, may lead to renewed friction with the Chinese Authorities. It is realized that a satisfactory solution of this question cannot be arrived at until the major question of the status of outside roads has been reached.

Foreign Staff Association. - Relative to the discussion at the meeting of October 29, the Director-General reports that he is informed by representatives of the Association that they are unable to agree to the amendment to the Articles of Constitution proposed by the Council. The reason given for their inability to accept this amendment was that it was quite impossible to forecast the future constitution of the Council. In recalling that the Council desired to prevent any attempt at collective bargaining on the part of the Staff, Mr. Fessenden states that, should this be attempted or should the Association engage in political activities, the Council would have its remedy in immediately withdrawing its recognition. In view of this, he is unable to endorse Mr. Hsu's proposal that specific reference be included in the articles of constitution forbidding any attempt at collective bargaining.

The Chairman points out that the Council has ruled that the articles of constitution for the proposed Chinese Staff Association shall be identical with those of the Foreign Staff Association; it therefore follows that the decision reached in the case of the Foreign Staff Association will apply to the Chinese Staff Association.

After considerable discussion and in view of the Council's safeguard referred to by the Director-General, it is decided to withdraw the request as to the insertion of this stipulation in the Articles of Constitution.

With regard to the formation of a Chinese Staff Association, the Director-General undertakes again to submit the proposed Articles of Constitution and Byelaws to the Chinese members of Council for purposes of comparison with those adopted by the Foreign Staff Association.

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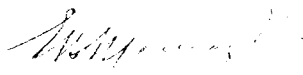
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The Municipal Gazette for Friday January 23 is submitted in proof and authorized for publication. - Greyhound Racing. - It is decided to publish the replies received from the two Greyhound Racing Organizations in the Gazette.

In connection with the Council's published decision to prohibit Greyhound Racing on March 31, next, Mr. Hughes states he was absent when this decision was reached and although as a member of Council he acquiesces therein he feels it might be desirable to modify this decision to some extent. In order to secure the support of public opinion and to minimise the losses of shareholders, Greyhound owners and others, he suggests that it might be possible to arrive at some arrangement whereunder, with the Council's approval the Stadium could be utilized for sports and recreation purposes and a limited amount of dog racing by the two organizations permitted, subject to elimination of its gambling element.

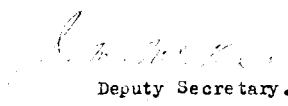
In his opinion, an announcement on these lines and an invitation to the Greyhound racing promoters to submit definite proposals would do much to allay the prevailing unrest and the criticism directed at the Council.

After discussion, members concur with the Chairman that any modification of the Council's announced decision would result in a further disorganization of the stock market and accentuate the difficulties of the existing situation. They are, therefore, unable to adopt the proposal put forward by Mr. Hughes.

The meeting terminates at 6.30 p.m.



Chairman.



Deputy Secretary.

At the meeting of the Council held on Wednesday, February 4, 1931, 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. Carrey
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, and
The Deputy Secretary.

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

1992/ Appointment of Chinese official. - The Chairman reports that no further meeting of the Special Committee has been held and that the only suggestion as to designation which has been forthcoming is that of "Secretary for Chinese Affairs." This, he proposes, might be adopted by the Council.

Mr. Hsu suggests that, if this designation is adopted, it would be only logical to designate the Foreign Secretary of the Council as "Secretary for Foreign Affairs." He has discussed this question with his fellow members and they unanimously favours the designation of "Deputy Director-General."

Upon Mr. Bell enquiring whether, if this designation was adopted, and if for any reason the Director-General should be absent, it is intended that the proposed Deputy Director-General should function as the Council's Chief Executive Officer, Mr. Hsu replies that this aspect of the appointment has not been considered. To overcome any difficulty in this respect, he suggests that two Deputy Directors-General might be appointed, one foreign and one Chinese. Owing to the divergence of view as to designation he suggests that this question be referred back to the Special Sub-Committee.

Although members deprecate the further delay which will ensue by adoption of this proposal, it is ultimately decided to again refer this question to the Special Sub-Committee, its recommendation thereon if possible to be circulated to the Council for approval.

§ 705/1 Greyhound Racing. - In view of the doubt which exists in the mind of a certain section of the public as to whether the Council intends to adhere to its published decision that the Greyhound Racing Tracks shall cease to function on March 31, next, Mr. Leslie suggests that brief replies reiterating this decision be forwarded to the letters received from the Organizations concerned and that these be published in the Municipal Gazette.

This proposal is unanimously approved.

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

§ 1408 The Minutes of the meeting of the Public Utilities Committee of January 23 are submitted and confirmed. Shanghai Waterworks Company - Investigation.

In connection with the engagement of an expert from America, which is approved, Mr. Bell states that the Company has suggested that in order to avoid delay a cabled request for the selection of an expert be forwarded to the American Waterworks Association.

After discussion, it is directed that the letter to this Association outlining the Council's requirements be drafted forthwith and that a summarized version thereof be cabled to enable the Association to give preliminary consideration to suitable candidates. The Association will however be requested not to make a definite selection until the Council's letter has been received.

The Minutes of the meeting of the Education Board of January 28 are submitted, and, subject to reference to the Finance Committee, are confirmed.

§ 613/5 The Minutes of the meeting of the Finance Committee of January 30 are submitted and confirmed. Education Policy. - The Vice-Chairman states that the views advanced by him during the course of this discussion are not quite clearly expressed. He desires it recorded that whilst he was unable to support the views put forward by Mr. Bell and Mr. Brown he did ultimately agree to adoption of the education policy in principle subject to full details thereof in all its aspects being furnished to the ratepayers. In particular, he desires to stress his opinion that all expenditure on educational facilities should be entirely divorced from the general municipal funds.

Messrs. Bell and Brown assure the Vice-Chairman that they

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concur in this view. Mr. Brown reminds members that the Annual Meeting is attended only by foreign ratepayers; he therefore regards it as important that the information to be furnished to them should be most clearly stated and the case for adoption of this policy sympathetically presented.

Mr. Bell suggests and members concur that it would be of assistance to the Council in its endeavour to get this policy adopted if the Chinese members could obtain an assurance from the Chinese community that it will agree to increased taxation for the specific purpose of additional educational facilities.

With regard to the issue of Grants-in-aid Mr. Bell states that the Education Board hopes to be in a position at an early date to frame a definite recommendation as to the amount to be included in the current year's Budget for this purpose.

Annual Ratepayers Meeting. - For the reasons advanced in a report furnished 1189 by the Commissioner of Public Works, members adopt his proposal that application be made to the Management of the Grand Theatre to hire this building for the purpose of holding the forthcoming Annual Meeting of Ratepayers.

In order to be assured that this building will be available for the purpose, it is directed that the necessary steps to secure it be taken forthwith.

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5809
Board of Film Censors. - The Chairman acquaints members with the contents of a letter written by the German Consul-General in his private capacity relative to the exhibition locally of "War-films." To meet the views therein expressed, the Chairman suggests that the existing membership of the Board of Film Censors be enlarged. The present membership consists of one Police representative, one British representative, and two Ladies of American and Chinese nationalities respectively. There are two vacancies caused by the resignations of Mrs. V. G. Lyman and Mr. Kuan Chun. He therefore suggests that the latter vacancy be filled by the appointment of a Chinese Gentleman. He further proposes that a Japanese representative (either lady or Gentlemen) be appointed as also one of a different nationality, possibly German.

The above proposals are unanimously endorsed the Chinese and Japanese members undertaking to submit recommendations as to their respective national nominees in due course.

The Municipal Gazette for Friday February 6, is submitted in proof and subject to minor amendments is authorized for publication.

The meeting terminates at 5.35 p.m.

J. M. ...
Deputy Secretary.

...
Chairman.

At the meeting of the Council held on Thursday, February 19, 1931, at 4.30 p.m. there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 W. S. Brown
 J. W. Carney
 K. Fukushima
 S. T. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Public Works,
 The Director-General, and
 The Deputy Secretary.

Mr. A. C. Clear attends.

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

5892/ Appointment of Chinese Official. - The Chairman reports that, at a recent meeting of the special Committee, the designation of the Chinese Official to be appointed was further discussed. The Chinese members withdrew the suggestion that this designation should be "Deputy Director-General", whereupon he proposed the designation "Secretary (Chinese)". The Chinese members of the Committee however desire that this official be designated "Secretary." He is unable to support this suggestion since, in his view, confusion would be inevitable having regard to the provisions of Land Regulation XXVII.

Replying to the Chairman, the Director-General states that, whilst under the Land Regulations the Council is not restricted in the appointment of senior officials, he is strongly of the view that the designation "Secretary" applied to two officials is impracticable. Although it is proposed that his own designation be altered to "Secretary-General", the holder of the post of Secretary under the provisions of Land Regulation XXVII may sue and be sued on behalf of the Council.

The Vice-Chairman suggests that this difficulty might be overcome by the issue of an announcement in the Gazette at the commencement of each year as to which of the joint holders of this post

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is the authorized representative of the Council so far as concerns the provisions of Land Regulation XXVII.

The Director-General however adheres to his view that, apart from the provisions of the Land Regulation above referred to, it would be impracticable to designate a Chinese official as joint Secretary. By adoption of this proposal the Chinese official would automatically assume charge of the Secretariat upon the absence of the foreign holder of this post, and these functions, he submits, could not be adequately discharged by an official lacking the necessary experience in Municipal matters. In his opinion it is desirable that the official to be appointed should function primarily as a liaison officer between the Council and Chinese Authorities and representative organizations; at the same time he would be afforded an opportunity of gaining experience in the routine duties of the Secretariat. For this reason he considers that the designation "Secretary of Chinese Affairs" would be logical.

Mr. Hsu states that he anticipates that any official appointed who is capable of conducting negotiations with the Chinese Authorities on important questions should not find great difficulty in quickly acquiring a working knowledge of the routine duties of the Secretariat. In this respect the Director-General points out that in the ordinary course the Secretary of the Council has to serve many years in a subordinate capacity to qualify and gain the necessary experience for this senior post. In his opinion therefore this preliminary training is essential for the adequate discharge of the duties attached thereto. In this view the majority of members concur.

Mr. Bell then proposes that this official should rank as Commissioner and be placed upon the same basis as heads of senior departments. In his opinion it would be unwise to place this official in a position in which through lack of the necessary experience he would not be given an opportunity of making good. In supporting this view the Director-General suggests that there may be some confusion in the minds of Chinese members as to this appointment. The Council has already agreed to appoint a Chinese to a senior position in the service; at the same time it has adopted the recommendation of the Salaries Commission to appoint a Chinese Assistant Secretary to obtain the necessary experience in the working of the Secretariat with a view to his ultimately qualifying for promotion. He therefore suggests that this latter appointment should be borne in mind when the designation of the more senior official is under consideration.

After further discussion members endorse the Chairman's proposal that, with a view to reaching agreement, this question be again referred to the Special Committee for its further consideration and recommendation. ³⁶⁰¹ Board of Film Censors. - On the recommendation of the Joint Committee of Shanghai Women's Organizations, it is decided to invite Mrs. K. S. Inui to serve on the above Board. Dr. G. Sellett, who is nominated by the American Consul-General, will also be invited to serve. The Chinese members undertake to nominate a Chinese

representative on the Board.

The Minutes of the meeting of the Health Committee of February 3 are submitted and, subject to reference to the Finance Committee of the section dealing with the annual estimates, are confirmed.

The Minutes of the meeting of the Staff Committee of February 6 are submitted and confirmed.

The Minutes of the meeting of the Education Board of February 11, are submitted and, subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed. Junior Boys School - Western District. Upon Mr. Bell emphasizing the views of the Board as to the urgency of the provision of a new school building, the Chairman undertakes again to enquire of the British Military Authorities as to the possibility of their relinquishing the site intended for this purpose. In the meanwhile the Commissioner of Public Works will ascertain and report whether it is possible to secure temporary leased quarters to accommodate this School.

The Minutes of the meeting of the Finance Committee of February 13 are submitted and confirmed.

Bunding of Soochow Creek. - The Commissioner of Public Works reports that permission to extend the bunding on a section of the Creek in the vicinity of Penang Road has been withheld by the Chinese Authorities. He outlines the procedure which hitherto has been adopted in connection with bunding work and the erection of jetties. Whilst up to the present the Council has undertaken bunding work without difficulty, it would appear that the Greater Shanghai Municipal Authorities are endeavouring to place the Council upon the same basis as an individual so far as regards the provisions of a recently promulgated regulation which is designed to prevent bunding construction being undertaken by private citizens. The negotiations on this question conducted by him personally with the Works Department of the Greater Shanghai Municipality have been of a friendly nature but since apparently these officials intend to abide by the new regulation permission to undertake this work has not been forthcoming.

In view of the importance of the construction of this bunding in connection with the erection of the incinerator, the Chairman requests the Chinese members to endeavour to secure the permission of the Chinese Authorities for this work to be undertaken. He will also take up this matter personally with the Mayor of Greater Shanghai. The Director-General states that he is meeting the Chief Secretary of the Greater Shanghai Municipality tomorrow when he will make similar representations.

Council's gold Commitments. - In view of the unfavourable exchange situation and having regard to the appropriations included in the current Budget

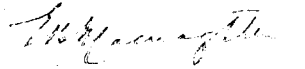
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representing gold commitments, Mr. Hughes suggests it might be desirable to raise a gold loan to meet such liabilities. In his view it is uneconomic at this time to attempt to defray such charges from revenue, the basis of which is silver.

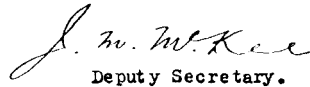
It is decided to give this proposal consideration with a view to discussion thereof at a later meeting.

The Municipal Gazette for Saturday February 21 is submitted in proof and authorized for publication.

The meeting terminates at 6 p.m.



Chairman.



Deputy Secretary.

At the meeting of the Council held on Wednesday, March 4, 1931, 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

S. I. Hsu

A. J. Hughes

N. Leslie

O. S. Liu

O. Okamoto

A. D. Woo

L. T. Yuan

Yu Ya Ching

The Treasurer & Controller,

The Commissioner of Public Works,

The Director General, and

The Deputy Secretaries.

Absent:

Mr. G. W. Sheppard.

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

5892/ Appointment of Chinese Official. - The Chairman reports that as a result of further discussion by the Special Committee its probable recommendation will be that the Chinese official to be appointed be designated "Political Adviser." In addition to this appointment it will also be recommended that an Assistant Secretary be appointed in the Secretariat. On behalf of the Chinese members Mr. Hsu states that the above proposals will probably be acceptable. They desire however to urge the further appointment of Chinese officials in the other Departments of the service in a grading equivalent to that of Assistant Commissioner. In this connection the Chairman states that the Vice-Chairman has suggested that Chinese employees already in the service should be considered for promotion to these senior posts. The Special Committee will submit definite recommendations on the above proposals at the next meeting.

5895/ Junior Boys School - Western District. - The Chairman informs members that he has not yet had an opportunity to take up this question with the Military Authorities. He is however conferring with the Commissioner of Public Works as to the possibility of securing an alternative site for

the use of the Defence Force and he will report as to the result of this investigation at the next meeting.

1870 Bunding of Soochow Creek. - The Director General reports that in the course of his representations to the Chief Secretary of the Greater Shanghai Municipality he gained the impression that this question will be settled satisfactorily. During his conversation with this official the latter proposed that a Committee composed of Heads of certain Departments of both Municipalities be constituted to discuss and facilitate settlement of such questions. He understands that a definite proposal to this end will be put forward at an early date.

Council's Gold Commitments. - Replying to the Chairman the Treasurer & Controller states that he will submit a report to the Finance Committee on this question at an early date.

The Minutes of the meeting of the Watch Committee of February 16 are submitted, and, subject to reference to the Finance Committee, are confirmed.

The Minutes of the meeting of the Works Committee of February 20 are submitted, and, subject to reference to the Finance Committee, are confirmed.

The Minutes of the meeting of the Library Committee of February 20 are submitted.

1866 Appointment of Librarian. - Members are unwilling to adopt the recommendation that a foreign Librarian be appointed to replace the existing holder of this post. It is accordingly decided that, in accordance with the recommendation of the Salaries Commission, which has been endorsed by the Staff Committee, a Chinese Librarian be appointed with pay in accordance with the authorized scale.

2408 Subscriptions. - The recommendation that persons at present on the free list be required to pay a portion of the usual subscription is not endorsed. The increased scale of subscriptions proposed by the Committee is approved. The remaining section of the minutes dealing with the annual estimates is confirmed subject to reference to the Finance Committee.

1892 Wharfage Dues. - A memorandum by the Director General outlining the terms of an agreement for the collection of Wharfage Dues, which has been agreed by representatives of the Greater Shanghai and French Concession Authorities, has been circulated to members. For the reasons advanced in his memorandum the Director General recommends that the Council should accord its approval to this draft agreement.

In agreeing in principle to acceptance of this agreement Mr. Carney points out that under Clause 5 thereof the levy of 1% of the duty under the new Customs tariff will constitute an increased charge on traders which he suggests may inflict hardship. The Director General replies that he has been informed that under the revised basis of calculation the Council may receive a slightly increased revenue from this source than hitherto although

it is not possible to confirm this statement. In the interests of traders however he agrees to negotiate with the authorities concerned, with a view if possible to basing this charge upon a sliding scale. Having regard to the desirability from the Council's point of view of accepting this agreement, members agree that, in the event of the authorities concerned not being willing to modify the provisions of Clause 5, this should not prejudice the Council's approval. A further minor amendment to Clause 5 (D) proposed by the Vice-Chairman will also be suggested to the Chinese and French Municipal Authorities.

Taxation of Postal and Customs Properties. - With reference to the minute of the 1098 meeting of January 21, a reply from the Senior Consul on the above question has been received and circulated to members. In view of the expression of opinion therein contained, it is decided to require the authorities concerned to continue the payment of Municipal taxation on the above properties.

Majestic Property. - Mr. Bell outlines the tenor of the discussion which took 58174 place at the meeting of the Works Committee yesterday on the proposal submitted to the Council for the purchase of this property. As this proposal was then discussed at length, the views of members thereon not being unanimous, Mr. Leslie suggests, and members concur, that consideration thereof be postponed until the minutes of yesterday's meeting have been seen by all members. As it is likely that this issue will be raised at the annual meeting of ratepayers and decision as to purchase or otherwise reached by the foreign ratepayers, Mr. Lieu suggests the advisability of sounding out Chinese public opinion before the Council becomes definitely committed. In agreeing as to the advisability of obtaining an expression of opinion from the Chinese Community, the Chinese members are asked to give their particular attention to the views recorded by the Works Committee, and, if possible, to obtain a representative expression of opinion of the Chinese community on this project.

Beggar Relief. - An application from the Chinese Ratepayers' Association on 50371 behalf of the Chinese Women's Temperance Association requesting the Council to afford relief to beggars within the Settlement is submitted. Prior to detailed consideration thereof, Mr. Yuan undertakes, at the Chairman's request, to endeavour to ascertain whether any Institution for the care of beggars exists in Chinese territory to which the Council might render financial support, in order to combat the beggar nuisance within the Settlement.

Labour and Factory Laws. - A letter from the Employers' Federation of Shanghai 58117 requesting that the Council should consider the adoption of a code of

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factory regulations in conjunction with the French Municipal Authorities, and if possible, the Municipality of Greater Shanghai, and assuring the Council of its assistance in this matter, is submitted.

The Deputy Secretary states that enforcement of the Factory Laws promulgated by the National Government has been postponed to August 1 next. Although these may not then be rigidly enforced he submits that the Council should indicate its willingness to co-operate with the Government so far as possible for the purpose of ameliorating existing labour conditions.

After brief discussion, it is decided to inform the Employers' Federation that, if a Committee is formed for the purpose specified, the Council is prepared to nominate representatives thereto.

Shanghai Labourers' Hospital - Grant-in-aid. - With reference to the recommendation recorded by the Finance Committee at its meeting on February 13, and on the further recommendation of the Commissioner of Public Health, it is decided to include in the forthcoming Budget a sum of Tls.1000 as a grant-in-aid to this Institution.

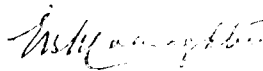
Shanghai Public Benevolent Cemetery - Grant-in-aid. - Mr. Hsu undertakes within the next few days to notify the Treasurer as to the result of his conversations with representatives of the above organization with a view to affording the Council further information prior to an increased grant-in-aid for the current year being authorized.

Licence to carry Firearms. - Mr. Hughes states that certain of his Chinese friends have complained of the increase in the fee for the licence to carry firearms. Having regard to the number of Chinese residents who have to carry arms for protective purposes, he considers that the licence fee therefor should be nominal. It has also been brought to his notice that one of the conditions in this licence is regarded as somewhat offensively worded.

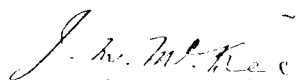
It is decided to refer these two matters to the Watch Committee.

The Municipal Gazette for Friday March 6 is submitted in proof and authorized for publication.

The meeting terminates at 6 p.m.



Chairman.



Deputy Secretary.

At the meeting of the Council held on Wednesday, March 18, 1931, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

N. J. 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 Treasurer & Controller,

The Director General, and

The Deputy Secretaries.

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

5878/ Appointment of Chinese Official. - The Chairman states that it has not been possible to convene a further meeting of the Special Sub-Committee to consider this question. A meeting will however be convened at an early date with a view to submitting a definite recommendation to the next meeting of Council.

5958/ Junior Boys' School - Western District. - The Chairman reports that the endeavours to secure an alternative site for the use of the military Authorities have not proved successful. Enquiries as to this are however proceeding.

4830 Bundings of Soochow Creek. - The Chairman informs members that as a result of a conference with officials of the Greater Shanghai Municipality the general question of the status of extra-settlement roads was discussed and an arrangement reached whereunder the Council will be permitted to carry out repairs, etc., to existing roads; this permission however not to extend to new work on roads.

5027 Beggar Relief. - Mr. Yuan states that as a result of his enquiries he finds there are two institutions in Chapei and Nantao for the care of beggars. He understands that these would be willing to take in beggars from the Settlement if a financial contribution is furnished by the Council. He is obtaining further particulars regarding these Institutions and will ~~report to~~ the Council at a later date.

3600/5 Shanghai Public Benevolent Cemetery - Grant-in-Aid. - From information furnished by Mr. Hsu it is noted that this organization receives a contribution from the French Municipal Authorities but that no grant is made by the Greater Shanghai Municipality. In deference to the views of the Chinese members, it is decided to increase the Council's grant for the current year by \$2500, this increase to be contingent upon the recipients doing their utmost to secure financial support from the Greater Shanghai Authorities.

3817/ The Minutes of the meeting of the Works Committee of March 3 are submitted and confirmed. Mr. Bell summarizes the conclusions reached by the Committee on the proposal that the Council should purchase the Majestic property. Briefly these were to the effect (1) that removal of the Administration building to the Majestic site is undesirable; (2) that a special Committee should be appointed to consider the general question of the provision of Parks and Open Spaces and (3) that the Council should as early as possible announce to the public its attitude towards the question of acquisition of the Majestic property.

In the course of the ensuing discussion, certain members express the opinion that, taking a long view, the purchase of this property is desirable. It is realized however that this particular project constitutes but a relatively small part of the comprehensive scheme for the provision of additional Parks and Open Spaces, and that its acquisition at the price required may restrict the Council in obtaining other parks in the more congested Districts. Members also concur in the view advanced by the Treasurer & Controller that the existing situation as regards taxation is artificial, the low rate now obtaining being possible only by the sale of the Electricity Department. The financing of this purchase together with other major commitments will, it is shewn, render increased taxation imperative within the near future. The fact that there is sufficient space within the Municipal Compound for the erection of a Town Hall is also regarded as important.

Having regard to the reaction of this purchase and other present and potential commitments on the Ordinary Budget, members, with the exception of Messrs. Carney and Hughes, unanimously agree that this proposal should not be supported by the Council.

The Deputy Secretary is accordingly requested, in conjunction with the Commissioner of Public Works, to prepare a statement for publication setting forth the Council's reasons for opposing the purchase of this property.

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The Minutes of the meeting of the Staff Committee of March 6 are submitted and confirmed.

5459/ Japanese Employees - Pension Scheme. - Replying to Mr. Fukushima, the Treasurer states that detailed consideration is being given to this matter with a view to a scheme being submitted for the Committee's consideration at an early date.

2391 Pay of Japanese Nurses. - It is noted that, in the event of it being found impossible to secure doubly qualified Japanese Nurses, the Committee will further consider the rates of pay now in force for these employees. Members concur with Mr. Fukushima as to the desirability of relieving the Japanese Residents Corporation of the financial contribution which it makes monthly to these employees.

The Minutes of the meeting of the Staff Committee of March 13 are submitted and confirmed.

4719/5 Mr. A. C. Clear - Remuneration. - The issue of the bonus of Tls.25,000 to Mr. A. C. Clear, in accordance with the terms of the agreement entered into, is formally authorized.

The Minutes of the meeting of the Orchestra and Band Committee of March 9 are submitted, and, subject to reference to the Finance Committee of the section relating to the Annual Estimates, are confirmed.

5308/ Orchestral Concerts at the Grand Theatre. - Mr. Hughes outlines the circumstances under which the Council has been called upon to pay an additional rental of \$250 per night to the new Management for the use of this building. The payment of this additional charge, which, as a matter of expediency, was authorized by the Director General is approved.

In view of the imminence of the termination of the present Orchestral Season, it is decided that it would be inadvisable to increase the admission charges to these performances in order to offset this additional expenditure.

5313/ The Minutes of the meeting of the Education Board of March 11 are submitted and confirmed. Education Policy. - In connection with the discussion under this heading, Mr. Bell states that members of the Board consider it would be most unfortunate if the public should gain the impression that an increase in the general municipal rate was necessitated primarily by the proposed increased expenditure on educational facilities. In view of the fact that in the past only approximately 5% or 6% of the Council's annual revenue has been expended for this purpose, the Board is unable to understand why the programme proposed during next year will involve increased taxation during 1932 of 2%.

Replying to the Chairman, the Treasurer states that at the request of the Board he attended its last meeting and during the course

of the discussion he stated that certain of his observations on financial questions generally should more appropriately have been submitted to the Finance Committee. He did not intend to imply that the increase in taxation of 2% which it may be anticipated will become necessary next year will be necessitated solely by adoption of the Education policy. He pointed out however that the contemplated total expenditure during 1932 would be equivalent to 2% of the existing taxation. He explained to the Board that until the Budget for the current year and the expenditure for last year has been submitted to the Finance Committee it was somewhat difficult for him to forecast precisely the result on the Council's finances of the proposed additional expenditure on Educational needs.

Referring to the proposal put forward by the Vice-Chairman at an earlier meeting that expenditure on education should be divorced from the Council's general budget, Mr. Bell supports this proposal on the ground that adoption thereof would remove any suspicion in the public mind that additional expenditure for this purpose is primarily responsible for increased taxation.

The Vice-Chairman states that he put forward this proposal in the realization of the magnitude of the cost involved by adoption of the Education policy. In his opinion it is very desirable that the public should appreciate the cost involved for this and future years, and their understanding as to this would be facilitated if all expenditures pertaining to education were excised from the general budget and shown separately. If the cost of these proposals cannot be borne by existing taxation, the ratepayers will then be in a position to realize to what extent additional taxation is necessitated to finance this Scheme.

Mr. Bell is unable to support Mr. Hughes' proposal that a system for the provision of national education such as obtains in Tientsin might be adopted by the Council. In his opinion the claims of the Chinese community for educational facilities have not in the past been fully met by the Council. He therefore considers it only equitable that the benefit of future expenditure thereon should be in favour of the Chinese.

After lengthy discussion, it is decided to give further consideration to the proposal of separating the expenditure on educational facilities from the Council's general budget at a later meeting.

Upon the Treasurer stating that certain information he furnished to the Board at its last meeting was of a confidential nature and was not intended for publication, he is authorized to excise from the published minutes such statements having a bearing on general financial questions as he deems desirable.

Confirmation of Minutes. - Mr. Bell states that the Minutes of the Education Board which were confirmed by the Council at its last meeting were subsequently modified by the Board when they were submitted for formal confirmation. Although no recommendation was affected, the amendment being in the form of a correction of views attributed to two members, he considers it desirable to bring this matter to the Council's attention.

Education Board - Membership. - A letter from the Chinese members of Council 5597/ recommending the fusion of the Chinese Primary Schools Committee with the Education Board and the addition of Mr. K. H. Ling to the membership of the latter body, is submitted. The former recommendation is unanimously adopted.

With regard to the appointment of Mr. Ling to the Education Board, Mr. Bell considers an increase in the membership of the Board is not desirable. Whilst he agrees that Mr. Ling's qualifications and experience render him eminently suitable for membership, he points out that unfortunately this gentleman does not speak English. This factor might, he submits, somewhat impede the deliberations of the Board.

After brief discussion, it is decided to refer consideration of this proposal to the incoming Council.

Salaries Commission - Publication of Mr. A. C. Clear's Report. - Copies of the simplified edition of the Salaries Commission Report as prepared by Mr. Clear have been furnished to members. It is directed that this edition be published in the form of a special Gazette subject to the final editing thereof being left to the Director General.

Standing Orders. - The revised Standing Orders, copies of which have been 5198 supplied to members, are authorized for adoption as is also a supplementary order proposed by Mr. Clear.

With regard to the compilation of official minutes, Mr. Bell proposes and members concur that, to facilitate reference, when more than one recommendation or decision is contained in any one minute, these be shown in the form of separate paragraphs in the body of the Minute.

Greyhound Racing. - Relative to the Council's decision to prohibit Greyhound 5708/ racing after March 31, next, the Chairman states that, following receipt of a letter from the Chairman of the Greyhound Racing Club and of the Greyhound Association (China) Ltd., stating that admission to Luna Park has been restricted to members only, opinions have been obtained from the Legal Adviser and the Municipal Advocate as to the legal effect of this restriction and the probable chance of success of any action taken against the Council upon effect being given to its decision.

The Deputy Secretary states that the gist of these opinions is to the effect that the limiting of admission to Club members only is a

subterfuge devised to evade the terms of Byelaw 34, and that so far as Chinese are concerned those attending contravene the provisions of the Criminal Code. The Legal Adviser is also of the opinion that it could be maintained that this Club is a place of public entertainment within the meaning of Bye-Law 34, which requires it to be licensed. The Council has however consistently refused to licence institutions which indulge in public gambling.

The Director General states that in his opinion there is no objection to this Club being licensed as a place of public entertainment and the dog racing continued provided no public gambling was permitted, but such a stipulation is hardly likely to be acceptable to the promoters. It therefore becomes necessary for the Council to issue instructions now in order that the Police Department may be in a position to take any steps which may be necessary to render the Council's decision effective. In the past the Council has been hampered in its efforts to suppress public gambling by the action of certain Consuls; in this case however the Council is assured of the support of the British Consular Authorities.

The Chairman then reads a draft letter which he proposes to address to the British Consul-General requesting that he will confirm in writing that the Council's decision meets with the approval of the British Authorities. He then proposes that the Council should formally affirm its previous decision.

Mr. Hughes states that his views on this question are well known to members and it may be assumed that, by his re-election, his policy commends itself to the Ratepayers. He re-iterates that the Council's decision to suppress this form of gambling is inconsistent inasmuch as to render it consistent it would become necessary to apply the same policy to the Shanghai Race Club. So far as concerns the attitude of the Chinese Community, two pony race courses are installed in Chinese territory and a contribution is paid to the Chinese Authorities by the Luna Park organization. As regards the alleged connection between dog-racing and crime, his previously expressed views on this question have gone unchallenged. He is convinced that there is a genuine desire on the part of the Stewards of the Luna Park to run this on strictly Club lines. He maintains his view that, in common fairness, the Council should reconsider its former decision in the light of the proposals put forward by this organization rather than to uphold same as a result of political pressure which will result in penalizing two British Organizations who are endeavouring to render their operations legal.

The Director General states that the rules of the proposed Club have been perused by the Commissioner of Police, the Municipal Legal Adviser and himself. From these it is clear that it is the intention to admit the public. The promoters have openly admitted that their primary object is to secure a profit and this can be achieved only by admission of the public.

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After further discussion, members, with the exception of Mr. Hughes, unanimously record the following decisions.

That the former decision to prohibit greyhound racing in the Settlement after March 31, next, be upheld. That a reply be made to the letter received from the Chairman of these Organizations to the effect that the Council adheres to its previous decision, it being intimated that this decision is actuated by its desire to suppress commercialized gambling.

The Director General then states that he has discussed with the Commissioner of Police what steps should be taken in the event of this Organization attempting to function in defiance of the Council's instructions. Mr. Hughes states that he is authorized to notify the Council that no attempt will be made to this end. He gathers however that an action for damages will immediately be instituted against the Council.

At Mr. Lieu's suggestion the Director General undertakes to furnish representatives of the Chinese press, if they so desire, with information as to the Council's intentions in this matter in order that no doubt may exist in the public mind as to the Council's adherence to its expressed policy.

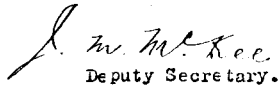
Board of Film Censors. - On the nomination of the Chinese members it is decided to invite Mr. T. K. Ho to serve on the above Board.

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

The meeting terminates at 7.05 p.m.



Chairman.



Deputy Secretary.

At the meeting of the Council held on Wednesday, April 1, 1931, 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. L. Hsu

A. J. Hughes

H. Leslie

O. S. Lieu

O. Okamoto

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Treasurer & Controller,

The Secretary General, and

The Deputy Secretaries.

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

5824 Appointment of Chinese Official. - The Chairman reports that it has not been possible to convene another meeting of the Special Committee since the last meeting of Council. He suggests that consideration of this question be deferred until Judge Peetam's report - which it is anticipated will be issued in the near future - is available. Mr. Hsu submits that adoption of this course may give rise to the impression amongst the Chinese Community that this question has been shelved. In concurring in this view, it is decided to hold another meeting of the Special Committee at an early date, with a view to submitting a definite recommendation to the Council.

5825 Junior School for Boys. - The Chairman states that the Commissioner of Public Works is continuing in his endeavours to secure leased premises to accommodate this school.

5826 Beggar Relief. - Mr. Yuan states that he has given further consideration to this question, and, whilst it may not be difficult to arrange for the accommodation of beggars in the Institutions for that purpose in Chapei or Nantao, certain members of the Chinese Community have suggested the advisability of an Institution being established in the Settlement. The Chairman is unable to support this proposal on the ground that such provision might attract beggars to the Settlement from adjoining territory.

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Mr. Yuan however contends that the establishment of such an Institution would discourage beggars from invading the Settlement owing to their disinclination for any form of labour and the disciplinary measures which would be enforced therein. He will however make further enquiries as to the terms upon which the Institutions in Chinese territory would be willing to admit beggars sent from the Settlement and report further to the Council.

5819/ Majestic Property. - Members are informed that the statement to be issued by the Council outlining its attitude towards this purchase will be submitted at the Council meeting to be convened on Wednesday next.

5817/ Education Policy. - The Chairman reports that Mr. Bell has kindly undertaken to prepare a statement for inclusion in his (the Chairman's) speech at the forthcoming Ratepayers' meeting, setting out the Council's attitude towards adoption of the Education Policy. Mr. Bell has also consented, if necessary, to reply in support of this policy to any opposition which may be encountered thereto.

5705/ Greyhound Racing. - The Chairman reads a draft reply to the latest communication received by the Council from the Chairman of the Greyhound Racing Association, which is formally approved.

Mr. Brown states that he has conferred with the Commissioner of Police as to the action to be taken by the Police to frustrate any attempt by the Club to continue its activities on Saturday next. From his conferences with the Commissioner, he has every reason to believe that the measures proposed will be adequate to deal with the situation although he agrees with Mr. Hughes that it is unlikely that the Club will attempt to continue its race meetings in defiance of the Council's decision.

The Vice-Chairman refers to the letter addressed to the Council by the Chairman of the Greyhound Racing Association which appeared to-day in the press and suggests that the figures upon which its claim for compensation were based and which were submitted to the Council should be made public. The Secretary General points out that these figures were furnished to Mr. Brown and himself as a result of a series of unofficial conferences convened to discuss this question generally with representatives of the Greyhound Racing Organizations. In the course of those meetings these representatives were definitely informed that, in the opinion of Mr. Brown and himself, it was most unlikely that the Council would be willing to consider any claim to compensation on the basis of the figures submitted.

After discussion, members concur that no good purpose would be served by publication at this juncture of the figures submitted by the Association. It is accordingly decided that the draft reply read by the Chairman be despatched and published in the press forthwith. Should

adoption of this course result in further representations from the Association on the question of compensation, further consideration will be given to the desirability or otherwise of publishing the basis of claim in this respect received from the Association.

The Minutes of the meeting of the Public Utilities Committee of March 17 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of March 24 are submitted and confirmed. Issue of Consular Title Deeds - New Procedure. - Mr. Jones reports that he attended a meeting of the Consular Body this afternoon when this question was further discussed, at which it transpired that, subsequent to the exchange of correspondence between the Consular Body and the Council up to July last, the Consular Body had further negotiations with the Chinese Land Bureau and appears to have at least provisionally acquiesced in some of the various changes in procedure proposed by the Chinese Authorities. The Consular Body has however undertaken at its next meeting to give its consideration to certain points raised by him on the Council's behalf at to-day's meeting. The various Consuls have committed themselves in-so-far as they have issued a revised form of Title Deed in respect of land transferred from one foreigner to another. The Title Deed provides that transfer should be subject to the approval of the Chinese Authorities and that, on non-compliance with this procedure, the property is to be confiscated. The detriment to foreign land owners under this system is obvious and it is apparent that the Consular Body has only acquiesced in such a proposal in lack of consideration of the historical aspect of the conditions under which transfers of the Title to lands as between foreigners are effected. It would appear that so far as the revised procedure regarding transfers of Title is concerned, the Consular Body is definitely committed. It is however possible that the Consular Body may still be able to negotiate with the Chinese Authorities with a view to clarifying the phraseology of these Title Deeds and to definitely defining the fees payable upon the transfer of such Title Deeds in order to safeguard foreign land owners. The Consular Body has undertaken to furnish the Council with copies of all correspondence which has passed between them and the Chinese Authorities since July last.

The Secretary General states that he regards this question as one of the utmost importance since the revised procedure affects every individual foreign land owner in the Settlement. In his opinion it is incumbent upon such land owners in their own interests to take up the question with their respective Consuls. The Council's status in opposing this revision is somewhat obscure since the Consular Body might take the

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stand that the matter is one between the Consuls and their respective nationals which does not directly affect the Council.

At Mr. Mukushima's request, Mr. Jones then outlines in detail the effect of adoption of the revised procedure.

Mr. Brown enquires whether it would be in order for the Council to notify the various National Chambers of Commerce and the Property Owners' Association as to the existing position with a view to their taking up this question with their respective Consuls. The Deputy Secretary replies that, as a result of the issue by the various Consulates of the revised form of Title Deed, owners of considerable properties have approached him for an explanation; they are thus fairly conversant with the existing position.

The Chairman suggests it might be somewhat undignified for the Council to initiate protests by foreign land owners to the various Consulates. He concurs, however, in Mr. Bell's suggestion that copies of the memorandum on this question submitted by the Deputy Secretary to the last Works meeting might with some revision be furnished to members of Council for distribution in appropriate quarters. After discussion it is decided to adopt this course.

The Chairman suggests that a communication should be forwarded to the Consular Body deprecating the fact that this revised procedure has been acquiesced in by the Consular Body without due consideration having been given to the Council's views on this question. The Deputy Secretary points out that the Council has already registered its protest as to this in its earlier communications and as the Consular Body has undertaken to furnish copies of all relative correspondence which has passed since July last, which deals with many of the points raised at to-day's conference, he submits it might be advisable to withhold any further communication to the Consular Body until such correspondence has been carefully perused. In this view members concur.

Mr. Lieu points out that numerous Chinese own land which is registered in foreign consulates. From conversations with such owners, he has gathered they take the view that the procedure hitherto adopted should remain unchanged in respect of land already registered and that the new procedure should apply only to transactions involving the issue of new Title Deeds.

The Minutes of the meeting of the Finance Committee of March 25 are submitted and confirmed.

1098 Assessment for General Municipal Rate. - The Chairman refers to a memorandum on this question which has been prepared and circulated to members by Mr. Jones. In order to dispel the erroneous impression which exists in

certain quarters as to the Council's right to assess premises for the purposes of taxation, it is decided to issue a statement to the foreign and Chinese press on the lines advocated by the Deputy Secretary.

The Minutes of the meeting of the Watch Committee of March 27 are submitted and confirmed.

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Annual Ratepayers' Meeting. - It is decided to request Mr. A. W. Burkill to act as Chairman at the forthcoming Annual meeting of Ratepayers.

General Hospital Board. - It is decided to nominate Drs. Bryson and Dunn for re-election to the Board of Governors, also Messrs. Sheppard and Camey who intimate their willingness to continue to serve in this capacity.

Land Commission. - Members are informed that a notice of resolution to be moved by Mr. G. E. Marden and seconded by Mr. C. M. G. Burnie nominating Mr. H. S. Robinson as the Ratepayers' representative on the Land Commission for the ensuing Municipal year has been received by the Council.

Volunteer Corps Inspection - Date and Grant. - Upon the recommendation of the Commandant, it is decided that the Annual Inspection of the Corps shall take place on Sunday, April 26, instead of on April 25 as previously arranged.

The further recommendation of the Commandant that, to stimulate recruiting, he be authorized in connection with the Annual Inspection to spend up to Tls. 1000 for refreshments and other incidental expenses is also approved.

5113/1
Education Policy - Finance. - A letter from the Rev. G. W. Sheppard questioning the advisability of financing the new Education Scheme by means of a special rate has been circulated to members. Mr. Bell states that he has explained to the Rev. Sheppard the gist of the Council's discussions on this question. He also suggests it is unlikely that the proposal put forward by the Vice-Chairman that expenditure on Education be divorced from the Council's general budget will be given effect this year.

In agreeing as to this, the Vice-Chairman adheres to his previously expressed view that the Ratepayers should be placed in full possession of the facts as to the potential cost involved by adoption of this Scheme. At that time the Ratepayers should be notified that, as from 1932, the expenditure on education will be shown separately as also of the proportion of taxation which will be required to finance this Scheme.

The Treasurer & Controller states that the Finance Committee at its last meeting clearly outlined for the Council's approval the manner in which this question should be presented to the Ratepayers and this recommendation has now been confirmed by the Council. The Vice-Chairman also recalls that the proposal to separate the expenditure on Education from that for general purposes has already been approved in principle and

notified through the Municipal Gazette.

The Chairman states that an indication of the Council's policy in this matter will be included in his speech to the Ratepayers and this will be submitted to members for their approval at the Council meeting next week.

Publicity. - Copies of a letter addressed to the Secretary General by Mr. P. T. Peyton-Griffin advocating the adoption by the Council of more extensive publicity measures have been supplied to members. Mr. Fessenden's proposal is approved that, in the first instance, a small Committee be appointed to give preliminary consideration to the proposals put forward by Mr. Peyton-Griffin. It is accordingly decided to leave the constitution of this Committee to the discretion of the Chairman and the Secretary General, Mr. Bell's offer to serve thereon being accepted.

Annual Basket Fair. - A further report by the Commissioner of Police emphasizing the desirability of limiting the scope of the customary Annual Basket Fair held in the vicinity of the Bubbling Well Temple is submitted.

Replying to the Chairman, Mr. Yuan states that he has discussed this matter with the Chief Monk of the Temple with a view if possible to limiting the space allotted to the various stalls rather than to limit the number of dealers participating in this fair. It was represented to him that whereas in other cities these fairs are held at frequent intervals, they are only held in Shanghai once yearly. The Chinese members will, however, confer further with the Commissioner of Police with a view to keeping the scope of this fair within reasonable bounds.

Mr. Lieu's suggestion is adopted that the Police Department be required to prepare plans illustrating the areas in this vicinity in which the fair can be held with a minimum of inconvenience to traffic. The suggestion put forward by the Vice-Chairman will also be transmitted to the Police Department that, during the comparatively short period the fair is in progress, traffic be diverted from this area. Further consideration of this question is deferred pending the result of the conference thereon between the Chinese members and the Commissioner of Police.

Labour and Factory Laws. - With reference to the decision recorded at the meeting on March 4, the Chairman notifies members of the personnel of the Committee to be formed by the Employers' Federation of Shanghai to consider the above laws.

Messrs. A. J. Hughes and O. S. Lieu are unanimously elected to serve as the Council's representatives on this Committee. It is further decided to elect thereto Mr. J.B. Tayler, this gentleman being intimately acquainted with industrial and factory conditions through^{out} Europe and China

Extra Settlement Roads. - The Chairman refers to a report received to-day

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from the Commissioner of Police relating to two incidents which have occurred during the past week on Great Western Road involving in one case an assault on a Municipal Police Inspector by the Chapei Police.

In view of the gravity of the existing situation, which, in members' view, may lead to an incident of a major character, the Secretary General is requested forthwith to interview the Mayor of Greater Shanghai and draw his attention to the attitude adopted by the Chinese Police patrolling these outlying Roads. The Vice-Chairman suggests, ^{as a possible solution} and ~~and~~ *h* members ~~consent~~, that an arrangement might be reached whereunder the Chapei Police would refrain in future from making arrests of any nationals having extra-territorial rights, the Municipal police on their part agreeing that arrests of all other persons be undertaken by the Chapei Police.

Judge Feetham's report. - The Secretary General reports that Judge Feetham's report is now being printed and that 4000 copies have been ordered; arrangements have, however, been made for keeping the type set up in the event of additional copies being required. The cost of printing is Tls.2.50 per volume for the first 4000 copies. He has received a request from the American Branch of the Institute of Pacific Relations to be supplied with 500 copies and Mr. Lionel Curtis has also requested that he be supplied with some 600 copies. Having regard to the importance of placing this report in the proper quarters and as it is likely that further applications will be received for a bulk supply he requests the Council's instructions as to the terms upon which these should be furnished. Arrangements are in hand for a translation of the report into Chinese, but, owing to its length, some time must necessarily elapse before this can be completed.

After discussion, and in concurring as to the desirability of the widest publicity being given to this report in appropriate quarters, members direct that 100 copies be supplied free of charge to organizations such as those referred to by the Secretary General, further copies thereof to be supplied at cost price. It is also decided to leave the issue of free copies to individuals to the discretion of the Chairman and the Secretary General.

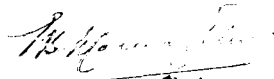
Chinese Staff Association. - With reference to previous minutes, the Secretary General reports that he has perused the Articles of Constitution of the Chinese Staff Association and that, with one minor exception, which is primarily a matter of phraseology, these are identical with those adopted by the Foreign Staff Association.

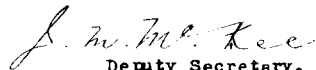
The Articles of Constitution adopted by the Chinese Staff Association are, accordingly, formally approved.

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The Municipal Gazette for Friday, April 3, is submitted in proof and
authorized for publication.

The meeting terminates at 6.45 p.m.


Chairman.


Deputy Secretary.

3611 At the meeting of the Council held in camera upon the termination of the ordinary meeting held on April 1, 1931, consideration is given to the question of the Termination of the Services of Mr. S. M. Edwards, Secretary, the following decision being recorded:-

That as the suit instituted by Mr. Edwards against the Council has terminated in the Council's favour and in view of the impracticability from every point of view of his resuming duty in the Secretariat it is to the best interest of all concerned to determine his services with effect from April 15 next upon the following terms:-

- (a) Full salary to the date of expiry of his agreement, i.e., September 30, 1932, with repatriation exchange compensation thereon.
- (b) Full superannuation to the end of his agreement, with exchange compensation thereon.
- (c) Children's bonus in accordance with the Terms of Service.
- (d) Passages to England at the recognized rates for himself, wife and one child.

With regard to (d) the Treasurer & Controller will be authorized to issue the equivalent sum in cash at any time up to October 31, 1932, provided that the sum in question is to be made use of for the purpose of the actual journey.

By payment in full of the sums referred to under (a) (b) and (c) medical and all other benefits will cease from the date Mr. Edwards actually leaves the service.

The Secretary General is requested to ascertain whether the above proposals are acceptable to Mr. Edwards.

B. Macquaghlin
Chairman.

Stirling Henderson
Secretary General.

At the meeting of the Council held on Wednesday, April 8, 1931, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Deputy Secretaries.

Absent:

Messrs. N. S. Brown
 S. L. Hsu.

Mr. F. J. Raven, Councillor-elect for the ensuing Municipal year, attends.

The Minutes of the last meeting are read and, subject to a minor amendment to 1759/ that relating to Extra Settlement Roads, are confirmed and signed by the Chairman.

5819/ Majestic Property. - A statement prepared by Mr. Jones outlining the Council's attitude towards this proposed purchase is read and, subject to certain amendments suggested by members, is authorized for immediate publication.

1098 Assessment for General Municipal Rate. - Members are informed that the statement on this question will be available for publication within the course of the next few days.

5851/ Annual Basket Fair. - It is noted that a further report from the Police Department on this subject is awaited.

1759/ Extra-Settlement Roads. - The Secretary General reports that in the course of his interview with the Mayor of Greater Shanghai this official stated he had no knowledge of the incidents referred to at the last meeting. He undertook however to obtain a report thereon from the Police officials in charge of this area. He gained the impression that the Mayor was genuinely desirous of reaching an arrangement with the Settlement Authorities with a view to maintaining harmonious relations between the Police officials of

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both Municipalities. He accordingly undertook to discuss this question with his police officers and to submit practical proposals for the Council's consideration. Whilst not prepared to enter into discussion on the major problem of the status of the outlying roads he stated that he hoped some means could be devised for the policing thereof which would be satisfactory to both parties.

Annual Meeting of Ratepayers - Chairman's Speeches. - The Chairman reads in the order in which they will be delivered the speeches relative to resolutions IV & V. Subject to the following observations these are approved.

57058 Resolution IV. - The Chairman states that the portion of this speech dealing with Greyhound Racing has been prepared as a precautionary measure and will only be delivered in the event of this question being raised or a resolution thereon being moved by any ratepayer. Mr. Bell suggests that for purposes of record it might be desirable in any case to include a reference to this subject in the Chairman's speech. Ultimately however members concur with the Secretary General that adoption of this course is inadvisable since this might tend to invite a resolution being moved for the compensation of the Shareholders of these organizations.

With regard to the reference contained in this speech that public opinion on this question is divided, Mr. Leslie's suggestion as to the rewording of this reference is adopted.

58177 Telephone Company. - At Mr. Bell's suggestion the Secretary General undertakes to amplify the reference to the Telephone Company particularly in respect of its difficulties in connection with the conversion to the automatic system of the exchanges situate beyond Settlement limits owing to the attitude adopted by the Chinese Authorities. The fact that in this respect the Company has been released by the Council from its obligation under the franchise agreement will also be notified to the Ratepayers.

58176 Resolution V. - Majestic Property. - In view of the resolution to be moved by two ratepayers that this property should be purchased by the Council it is decided in conformity with its expressed policy that a statement be prepared as a reply to this resolution definitely opposing this purchase.

1172 Membership. - The Chairman alludes to the fact that this will be the last meeting of Council to be attended by Mr. N. Leslie. On behalf of those members who will continue to serve on the Council for the ensuing year he thanks Mr. Leslie for his services during the past year and voices regret at his withdrawal therefrom.

The Municipal Gazette for Friday, April 10, is submitted in proof and authorized for publication.

The meeting terminates at 6.10 p.m.

J. M. McK...
Deputy Secretary.

E. M. Mac...
Chairman.

At the meeting of the Council held on Thursday, April 16, 1931, at 12 o'clock

noon there are:-

Present:-

Messrs. A. D. Bell
 N. S. Brown
 J. W. Carney
 K. Fukushima
 O. S. Lieu
 Brig.-Gen. E. B. Macnaghten
 Messrs. O. Okamoto
 F. J. Raven
 G. W. Sheppard
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Deputy Secretaries.

Absent:

Messrs. A. J. Hughes
 S. L. Hsu.

Election of Chairman. - Upon the proposal of Mr. G. W. Sheppard, seconded
 1172 by Mr. Yu Ya Ching, Brigadier-General E. B. Macnaghten is unanimously
 re-elected Chairman.

Brigadier-General Macnaghten thanks members for this expression
 of continued confidence and states that he will endeavour to discharge his
 duties as Chairman in the best interests of the Council and the Community.

Election of Vice-Chairman. - Upon the proposal of Brig.-Gen. Macnaghten seconded
 1172 by Mr. L. T. Yuan, Mr. G. W. Sheppard is unanimously re-elected Vice-Chairman.

Constitution of Committees. - Appointment of membership of the various
 1172 Committees is approved as follows:-

Watch Committee. - Messrs. N. S. Brown, D. S. Chen, K. Fukushima,
 G. W. Sheppard and Yu Ya Ching.

Works Committee. - Messrs. A. D. Bell, T. Funatsu, A. J. Hughes,
 K. H. Ling, F. J. Raven and L. T. Yuan.

Finance Rate and Appeal Committee. - Brig.-Gen. E. B. Macnaghten, Messrs.
 K. Fukushima, S. L. Hsu, G. W. Sheppard, G. Zing, and the Chairmen of
 the Watch and Works Committees.

Rate Assessment Appeal Committee. - Messrs. S. Mizuta, Kwei Yen Fong,
 A. P. Nazer, H. F. Lewis and F. Comery.

Health Committee. - Dr. T. Awoki, Dr. A. C. Bryson, Messrs. L. C. Chien,
 A. J. Hughes, O. S. Lieu and Dr. E. L. Marsh.

Staff Committee. - Messrs. J. W. Corney, Li Ming, O. S. Lieu, O. Okamoto
F. J. Raven and G. W. Sheppard.

Public Utilities Committee. - Messrs. A. D. Bell, N. S. Brown, J. W.
Corney, O. Okamoto, C. C. Woo and T. D. Woo.

Orchestra & Band Committee. - Messrs. A. J. Hughes, J. McNeill and two
members including one Chinese gentleman to be nominated by the Committee.

Traffic Committee. - Messrs. N. S. Brown, D. S. Chen, K. Kuroda,
O. Okamoto, G. W. Sheppard and C. C. Woo.

Board of Education. - Mr. A. D. Bell, Dr. H. G. Earle, Mrs. N. Leslie,
Dr. H. C. B. Liu, Messrs. K. H. Ling, T. Murakami, Dr. Y. H. Ou, Rev. G. W.
Sheppard and Mr. L. T. Yuan.


Literary Committee. - Dr. H. Chatley, Messrs. F. R. Barry, E. Gordon-Lowder
and one Chinese member to be nominated by the Chinese Councillors.

Board of Film Censors. - Mrs. Wai Tsung New Hala, Mrs. K. S. Inui, Mrs. W.
H. Lunt, Mr. A. Hartmann, Mr. E. Gordon-Lowder, Dr. G. Sellett, Mr. T. K.
Ho and Mr. T. P. Givens.

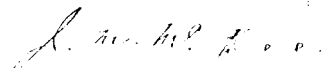
Mr. Justice Feetham's report. - For the reasons advanced in a memorandum submit-
ted by the Secretary General, his proposal is unanimously endorsed that the
report of Mr. Justice Feetham, the first volume of which will be available
within the next few days, be made public without any editing or discussion
of it by the Council.

Dinner to Mr. Justice Feetham. - In connection with the dinner to be given in
honour of Mr. Justice Feetham and his Secretary, it is decided that
invitations thereto shall be confined to members of the present Council and
to the Councillors for the Municipal Year 1930-1931, to Heads of Depart-
ments and also to Mr. A. W. Durkill, the latter gentleman being a past
member of Council and Chairman of the latest Annual Meeting of Ratepayers.

The meeting terminates at 12.15 p.m.



Chairman.



Deputy Secretary.

At the meeting of the Council held on Wednesday, April 22, 1931, at 4.30 p.m.,

there are:-

Present:-

Brig.-Gen. E. B. Macnaughten (Chairman)
 Messrs. C. W. Sheppard (Vice-Chairman)
 A. D. Bell
 N. S. Brown
 J. W. Carney
 K. Fukushima
 A. J. Hughes
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 Yu Ya Ching
 The Secretary General, and
 The Deputy Secretaries.

Absent:-

Messrs. S. L. Hsu
 L. T. Yuan.

The minutes of the meeting of April 8 are confirmed and signed by the Chairman.

1698 Assessment for General Municipal Rate. - Mr. Jones states that the inaugural meeting of this Committee was held on Monday last and that the statement for publication referred to at the last meeting, will be circulated to members to-morrow.

The Commissioner of Police attends.

1699 Annual Basket Fair. - A further Police report and a plan of the roads in the vicinity of the Bubbling Well Temple shewing the portions of pavement which it is suggested might be allotted for stalls at the Annual Basket Fair are submitted. The Commissioner states that this Fair has now extended to include the sale of wares which were not contemplated when the Basket Fair was instituted, and he suggests as desirable some restriction in this respect. His proposal is approved that a duplicate map be prepared with Chinese characters indicating the position of the various stalls. Mr. Yu Ya Ching expresses his willingness to accompany the Commissioner when he interviews the Chief Monk of the Temple with a view to defining the limits of the Fair and the type of articles which will be permitted to be exposed for sale.

The Commissioner of Police withdraws.

The Minutes of the meeting of April 16 are confirmed and signed by the Chairman.

1603 Library Committee Membership. - As Mr. E. Gordon Lowder does not desire to continue to serve on this Committee, it is decided to invite Mr. W. J.

Dexter to fill the vacancy thereon.

5426 Mr. Justice Feetham's Report. - The Secretary General reads a draft of a notice which Mr. Justice Feetham desires should be published in the Press on Friday next relative to the issue of his Report. This proposal is unanimously approved.

5426 Dinner to Mr. Justice Feetham. - The Chairman suggests that the proposed dinner to Mr. Justice Feetham would afford the Council an opportunity of expressing its appreciation of the services rendered by Committee members who are not members of Council. He accordingly proposes, and members concur, that invitations to this dinner be extended to all members serving on Committees during the Municipal year 1930-1931 and the current year.

The Minutes of the meeting of the Works Committee of April 7 are submitted and confirmed.

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1692 Sale of Surplus Land - Declarations of Trust. - Mr. Bell states that he is informed that the land in question has now been transferred to a French subject; accordingly, the question of the issue of a declaration of trust in this case does not arise.

In this connection, the Chairman reads a letter he has received from the Chinese members of Council recommending that consideration of the question of the issue of Declarations of Trust be deferred until Mr. Justice Feetham's Report is available, when, presumably, the question of land registration will be taken up in its entirety. This recommendation meets with members' approval.

4033 Inspection of Lifts. - Mr. Brown states that he understands the Shanghai Property Owners' Association contemplate submitting certain proposals to the Council with regard to the Building Rules generally. He therefore suggests that the attention of the Association be directed to the desirability of some scheme being devised whereunder the adequate examination of lifts would be undertaken. Members unanimously endorse this proposal.

Replying to a member, Mr. Jones states that whilst the Building Rules framed by the Council under the powers granted by Land Regulation XXX cannot be extended to include the erection and examination of lifts, it may be possible to deal with this matter under the powers vested in the Council by Land Regulation IX for the better order and good government of the Settlement. He adds that this question will be placed on the Agenda for consideration at the next meeting of the Works Committee.

The Minutes of the meeting of the Watch Committee of April 10 are submitted and confirmed.

5638 Women Police. - Mr. Brown states that, at his further interview with Mr. Bascom Johnson and Miss Viola Smith, very little additional information was given to that already furnished to the Council. These representatives,

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however, again stressed the desirability of the examination of women offenders being conducted by Women police. He accordingly undertook to ascertain from the Commissioner of Police whether an increase in the existing number of wardresses was necessary to enable them to undertake this duty.

Mr. Bell suggests that, in view of the relatively small number of foreign women prisoners, the number of wardresses might be sufficient to permit them to conduct the examination of women offenders.

Members adopt Mr. Brown's suggestion that instructions be issued that, in future, women offenders be examined by wardresses, and he is authorized to take up with the Commissioner of Police the question as to whether an increase in the existing number of these employees is necessary for this purpose.

In the meantime the Council adheres to its previous decision that consideration of the question of the employment of women police be deferred until the return of Major Gerrard.

Issue of Consular Title Deeds - New Procedure. - Replying to Mr. Fukushima, the 1985 Deputy Secretary (Mr. Jones) states that he has circulated to members copies of the correspondence which passed between the Consular Body and the Chinese Land Bureau since July last. He is also preparing a memorandum summarizing the existing position, which will be furnished to members towards the end of this week. He adds that the Chinese Land Office has agreed that transfers between foreigners of the same nationality need not be submitted to that office for approval, but that, for purposes of record, they require to be advised of such transfers. This and other points relating to the transfer of title from one foreigner to another foreigner of different nationality; the distinction between a deed of perpetual lease and actual title; the fee payable for registration in the Chinese Land Office of unregistered land, etc., will be the subject of reference in the memorandum now being prepared.

The minutes of the meetings of the Orchestra & Band Committee of April 13 and 20 are submitted and confirmed. Upon the Chairman suggesting that a renewed effort should be made to obtain an increased financial contribution from the French Municipality towards the cost of the Orchestra, Mr. Hughes states that he has been assured by the French Consul-General that he will endeavour to secure the consent of the French Municipal Authorities. In the event of no additional financial support being forthcoming, members are of the view that the Committee should formulate some scheme whereunder ratepayers would be admitted to Orchestral performances upon terms more favourable than those granted to non-residents.

In respect to the proposal of Messrs. China Broadcast Ltd., to relay orchestral performances to various centres, it is directed that permission be not extended to include any place situate within the French

Concession.

The Minutes of the meeting of the Public Utilities Committee of April 17 are submitted and confirmed.

1408 Waterworks Company - Investigation - Draft cablegrams to Mr. Nicholas S. Hill, Jr., and the President of the American Waterworks Association prepared by Mr. Jones are authorized for despatch.

The Minutes of the joint meeting of the Traffic and Public Utilities Committees of April 17 are submitted and confirmed.

5810/ Public Transport Facilities. - In agreeing that a reduction in the number of ricksha licences issued or the restriction of these vehicles in certain of the business areas would materially assist towards a solution of the traffic problem, members realize that considerable opposition would be encountered to such proposals and direct that no action in this respect be taken at present.

It is noted that reports from the Police and Works Departments and from the Public Transport Companies on various phases of the traffic problem will be submitted in due course.

Swimming Bath - North Szechuen Road. - Relative to the Council's recorded decision that this Bath be disposed of and the proceeds applied towards the provision of an additional Swimming Bath in the Wayside District, the Commissioner of Public Health has suggested that it be retained and reserved for the use of the Scholars of the various Municipal Schools.

In view of the cost involved by adoption of this proposal, members unanimously affirm their former decision that this property be disposed of.

1812 Wharfage dues. - With reference to the discussion which took place at the meeting of March 4, the draft agreement concluded between representatives of the Settlement, the French Concession and the Municipality of Greater Shanghai as revised by the Ministry of Finance has been circulated to members.

The Secretary General reports that he is informed by the representative of the Municipality of Greater Shanghai that, unless the three parties agree to the revised terms of this draft, the collection of wharfage dues by the Customs will be discontinued by order of the Nanking Government.

Under the latest agreement, as revised by the Ministry of Finance, wharfage dues will be collected at the rate of 1% of the import duty according to the Chinese Government Import Tariff of 1931. The Customs will however retain 7½% of the gross proceeds as against 5% under the former agreement. He considers, however, that the amount of wharfage dues which will accrue to the Council will be practically the same as that obtained under the old agreement. As the Council has no machinery for the collection of Wharfage dues, he submits it has no alternative but to accept the terms of the revised agreement. The Council's decision as to this is required by tomorrow.

The Vice-Chairman is opposed to acquiescence in the revised terms of the agreement without full consideration thereof and without the Council being satisfied that it cannot itself set up the necessary machinery for the collection of these dues. He also concurs with Mr. Comey that it is not clear under the revised agreement as to whether the stipulated rate of 1% will be decreased if and when the total dues collected approach the total hitherto collected; if this percentage is not to be decreased, it also is not clear as to who will benefit by this surplus. He suggests that the Treasurer should be consulted as to the effect of these revised proposals as also on the cost involved in setting up the necessary machinery to undertake these collections.

The majority of members take the view that, unless these revised terms are accepted, the Council will risk losing a considerable amount of revenue during the time which must elapse before the Council could set up its own machinery for this purpose. They also concur with Mr. Brown that a difficult position for traders would arise if these dues were not collected at one source. They, however, agree that, as this agreement will be in force for one year only, consideration should be given to the question of the Council setting up its own collecting machinery during its currency.

As the Chinese Authorities will collect dues on cargo landed in Footung, the Vice-Chairman is not convinced that the direct collection of dues in respect of cargo landed in the Settlement presents insuperable difficulties.

Mr. Brown states that he has some knowledge of the difficulties encountered by the Municipal Authorities of the ex-British Concession at Hankow in their attempt to collect wharfage dues direct; in that case, the amount which it was possible to collect fell greatly below that to which they were entitled. He regards this matter not merely as a municipal matter but one affecting the Port as a whole; the only satisfactory solution, in his opinion, being the continued collection by the Customs.

The Secretary General points out that the proposed agreement will not be signed by the Council, but that this transaction would be completed by an exchange of correspondence between the Council and the Authorities of the Greater Shanghai Municipality; thus the Council would strogate none of the rights conferred on it by the Land Regulations. It has been explained to him by the Chinese representatives that it was mainly due to their efforts that the Ministry of Finance are prepared to permit the Customs to continue this collection, and that any delay on the part of the Council in accepting the revised terms now submitted may result in these negotiations being broken off. It should be noted that a provision in the agreement stipulates that under no circumstances will the Council obtain a larger proportion of these dues than the maximum hitherto received. In this connection, Mr. Brown states that in his opinion it is improbable that this maximum will be exceeded during the period the agreement is in force.

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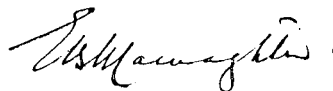
After further discussion, the Secretary General is authorized to negotiate with the Chinese representative with a view to securing more time to consider the terms of this revised agreement; and also to ascertain whether, in the event of the total sum collected materially exceeding that under the former method of collection, the three parties to the agreement will benefit thereby. Whilst it is considered that the intention of the Ministry of Finance is to limit the sum collected to the figure of former collections, members desire that this intention be more clearly stated. Members are unanimous in the view that any sum obtained in excess of that hitherto collected should not be obtained at the expense of trading interests. In the event, however, of the Chinese representatives refusing to consider any of the alternative proposals put forward on the Council's behalf, members, with the exception of Messrs. Sheppard and Carney, authorize the Secretary General, as a matter of expediency, to accept the terms of the revised agreement.

Commandant of Volunteers. - The Chairman refers to an enquiry received by the London Agents from the War Office as to whether the Council desires to recommend that Lieut.-Colonel Thomas should be given the local rank of Colonel whilst serving with the Volunteer Corps.

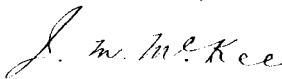
His suggestion is unanimously adopted that the London Agents be instructed to communicate with the War Office to the effect that the Council recommends that Lieut.-Colonel Thomas be granted the rank of Colonel during his service in the Volunteer Corps.

The Municipal Gazette for Friday April 24 is submitted in proof and authorized for publication.

The meeting terminates at 6.55 p.m.



Chairman.



Deputy Secretary.

At the meeting of the Council held on Thursday, May 7, 1931, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

M. S. Brown

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary-General, and

The Deputy Secretary.

Absent:

Mr. O. S. Lieu.

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

1898 Assessment for General Municipal Rate. - The statement prepared by the Secretary having been circulated and approved, it is authorized for immediate publication in the foreign and Chinese press and in the Municipal Gazette.

1898 Mr. Justice Feetham's Report. - In a letter addressed to the Chairman, Mr. Justice Feetham requests that he be permitted to amend his estimate of the time required for the completion and publication of the second volume of his Report, which he now anticipates will be ready early in June.

It is decided to publish the above letter.

1988 Issue of Consular Title Deeds. - New Procedure. - The Secretary General states that, since the circulation of the memorandum prepared by the Secretary, he has discussed this matter further with the Senior Consul with a view if possible to inducing the Consular Body to leave this question in abeyance until the publication of the final volume of Mr. Justice Feetham's Report. In the course of such discussion it became obvious, however, that the Consular Body had no power to do so and that the matter had gone too far for them to adopt this suggestion. The Senior Consul was of the view that, as the Chinese Authorities had in the past acted in good faith in the matter of land registration, there is no reason to believe that they will not continue to do so in respect of the revised procedure. An endeavour will be made to reach a satisfactory arrangement

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with the Chinese Authorities in respect of certain of the minor points to which the Council has drawn attention. He gathered from the Senior Consul that there was little possibility of clarifying the word "transfers" in the revised regulations. Mr. Cunningham pointed out that in the past this word has always been interpreted as covering outright transfers and in his opinion the same interpretation will apply under the new procedure. It should be noted that the new regulations do not so much transgress the provisions of the Land Regulations as they make radical changes in the system of registration hitherto adopted.

In view of the fact that the Consular Body has tacitly acquiesced in major changes in procedure without consulting the Council, the Chairman suggests that a letter of protest be addressed to them as to this.

Mr. Brown points out that acceptance of the revised procedure will establish a precedent in respect of land held by foreigners throughout China; and in view of this fact, he submits that a further effort should be made by the Council to induce the Consular Body for the time being to withhold its formal approval to the major revisions proposed.

Whilst of opinion that a letter of protest to the Consular Body against its action in acquiescing in these revisions without consulting the Council would clear the Council of any charge of neglect, Mr. Bell doubts whether any useful purpose would be served having regard to the stage reached in these negotiations.

The Vice-Chairman considers that representations to the respective Consuls could be more appropriately put forward by such organizations as national Chambers of Commerce, the Property Owners' Association, etc. In concurring as to this, the Secretary General states that the Council's point of view has been fully represented to the Consular Body: a further protest to them, whilst valuable for purposes of record, will not in his opinion achieve any useful purpose.

As a considerable section of the community will be affected by the proposed revised procedure and as those affected look to the Council for assistance in such matters, Mr. Brown favours a further letter being addressed to the Consular Body: this, he suggests, with a summarized statement of the existing position could be transmitted unofficially to the various national Chambers of Commerce and the Property Owners' Association.

The Secretary General agrees that the national Chambers of Commerce are in a more favourable position to bring pressure to bear on their respective Consuls than is the Council in making representations to the Consular Body as a whole.

The Vice-Chairman then suggests that the Consular Body be requested to furnish a brief memorandum outlining the existing position, which could be published in the interests of the public. Mr. Bell opposes

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this proposal on the ground that, if the details of the negotiations are crystallized at this time and made public, it may hamper the efforts of the Consular Body to secure the modifications desired by the Council.

Mr. Fukushima favours an application being made for a summarized statement as to the existing position although he agrees it would be inadvisable to publish it whilst negotiations are still proceeding. Such a request might tend to secure more serious consideration by the Consular Body of the points raised by the Council and lead its members to exercise more caution before accepting revisions of major importance. Any letter forwarded to the Consular Body should, in his opinion, re-iterate the representations put forward by the Council and embody the request that final action be not taken by the Consular Body until Judge Peetham's report is available. If this request is not acceded to, responsibility for acceptance of these revisions will rest solely with the Consular Body.

The Chairman strongly supports this proposal, particularly so since it is stated in the letter received from the Senior Consul that the Consular Body reserves freedom of action in the event of anything unforeseen or undesirable eventuating.

After further discussion, it is directed that a letter be addressed to the Consular Body requesting them to furnish the Council with a memorandum setting forth precisely the revisions which have been agreed to by the Consular Body and such revisions as the Consular Body contemplate accepting. This letter will, in accordance with Mr. Fukushima's suggestion, re-iterate the representations already put forward by the Council and also request that no definite action be taken by the Consular Body until publication of the final volume of Mr. Justice Peetham's Report.

148 Waterworks Investigation. - A reply to the Council's cable to Mr. Nicholas Hill stating that the terms for a six weeks stay of one of the members of his firm in Shanghai is \$12,000 plus expenses, is submitted.

It is decided to cable Mr. Hill forthwith that the Council accepts his offer provided that this investigation is undertaken personally by him.

140 Swimming Bath - North Szechuen Road. - The recommendation submitted by the Commissioner of Public Works that sealed tenders be invited for the purchase of this property and that delivery be given after the Swimming Season - say September 30, the purchaser to be entitled to all fixtures but not fittings, is unanimously approved.

141 Wharfage Dues. - The Secretary General reports that, in accordance with the decision reached at the last meeting, he had a further conference with the Chinese and French Municipal representatives. He was informed by the Chinese representatives that further negotiations on the terms of the revised agreement would result in the refusal of the Nanking Government to permit the Customs to collect these dues. He accordingly accepted this agreement on the Council's behalf.

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He was also informed that, should there be any surplus over the amount collected under the former agreement, it would be devoted to the conservancy of the Goochow and Siccawei Creeks.

344 Special Orchestral Performance. - The Chairman states that he has received complaints as to the increased admission charge to the Special Orchestral Concert arranged for Sunday next, it having been represented to him that special concerts should be arranged for other than Sunday evenings in order not to interfere with the holding of the usual weekly performance.

Mr. Hughes states that the Band Committee were somewhat reluctant to authorize the holding of this special concert on a Sunday, but as the artiste engaged is only paying a brief visit to Shanghai and owing to the impossibility of securing accommodation on a week night, the Committee took the view that it would be regrettable if advantage were not taken of this opportunity to arrange a concert in which this artiste could participate, and to which the public could be admitted at popular prices.

The Minutes of the meeting of the Rate Assessment Appeal Committee of April 20 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of April 27 are submitted and confirmed.

The Minutes of the meeting of the Works Committee of April 28 are submitted and confirmed.

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

3234 Procedure. - In amplification of the views recorded by the Board, Mr. Bell states that, whilst its members have no desire to trespass on the functions of the Staff Committee, they do seek an assurance that the Staff Committee will not take final action on major educational Staff matters either in meeting or by circular without reference to the Board.

Upon the Chairman of the Staff Committee stating that there would appear to be no objection to adoption of the procedure suggested by the Board at its last meeting, Mr. Bell states that he does not wish to press this matter further.

The Minutes of the meeting of the Finance Committee of April 30 are submitted and confirmed.

The Minutes of the meeting of the Library Committee of May 1 are submitted and confirmed.

3634 Publicity Committee - Terms of Reference. - Proposed terms of reference to the above Committee have been circulated to members. Mr. Bell states that he has furnished a memorandum to the Secretary General on this question pointing out that, in his view, the proposed terms of reference are too narrow and suggesting that they be so worded as to enable the

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Committee to devise means by which fuller information can be conveyed to the Public on municipal matters.

After brief discussion, it is decided to leave the drafting of these Terms of Reference to the Chairman and the Secretary General.

Committee Membership.

1803 Board of Film Censors. - The Chinese members of Council undertake to submit a nomination to fill the vacancy caused by the resignation of Mrs. C. L. Hsia.

1804 Education Board. - To fill the vacancy caused by the resignation of Dr. H. G. Earle, it is decided to invite Dr. H. Gordon Thompson to serve on the Board during the absence of Dr. Earle on leave. It is also decided to accept Dr. Earle's offer to resume membership thereof upon his return.

1805 Health Committee. - As Dr. Bryson is proceeding on long leave, it is decided to request Dr. W. S. Parsons to accept a seat on this Committee.

1803 Library Committee. - The recommendation of the Chinese members of Council, that Mr. Y. W. Jong be invited to serve on this Committee, is approved.

1804 Ricksha Coolies. - The Chairman states that his attention has been drawn to the large number of young and undersized ricksha coolies now operating on the streets. Although difficult to prevent this, he suggests, and members concur, that the Commissioner of Police be authorized to notify ricksha owners that the employment of such coolies should be discontinued.

The Municipal Gazette for Friday May 8 is submitted in proof and authorized for publication.

The meeting terminates at 6.20 p.m.

W. M. M. K. C.



Chairman.

A. M. M. K. C.
Deputy Secretary.

At the meeting of the Council held on Wednesday, May 20, 1931, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 H. G. Brown
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Tai Ching
 The Secretary General, and
 The Acting Secretary.

Absent:

Mr. O. J. Lieu.

The Commissioner of Public Health attends.

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

1408 Waterworks Investigation. - Members are informed that a further cable-gram has been received from Mr. Nicholas Hill stating that he cannot leave America before August 15, next. A reply has been made accepting his offer provided he sails for Shanghai not later than the date mentioned and requesting advice as to the definite date of his arrival.

2006 Swimming Bath - North Szechuen Road. - A further report by the Commissioner of Public Health stressing the undesirability of re-opening this bath this Season unless a greater degree of purity can be ensured, is submitted. Dr. Jordan states that, although it was difficult last season directly to attribute certain diseases to the use of the Swimming Bath owing to the disinclination on the part of bathers to notify his department, he considers from the observations made last Season that a certain degree of risk will be run by re-opening the bath unless a circulatory purification system is installed.

After hearing the Commissioner, and in view of the fact that only a relatively small number of bathers use this bath, it is decided not to re-open the bath and also to amend the notification calling for tenders for its purchase to permit its delivery to the successful tenderer on July 1, next.

The Commissioner of Public Health withdraws.

Publicity Committee. - Mr. Bell states that the inaugural meeting of this
3004 Committee was held on Monday last. Mr. Hollington K. Tong of the China
Press was originally nominated as the representative of the American Press.
As, however, this paper is now Chinese owned and controlled, Mr. Thackrey
of the Evening Post attended as representing American Press interests.
The Committee agreed that this latter gentleman more appropriately filled
this position; at the same time, however, they were of the view that
Mr. H. K. Tong should be invited to serve on the Committee in the
interests of the Sino-foreign press.

The Secretary General outlines the circumstances in which Mr.
Tong was invited to join the Committee as representative of the American
Press and relative to his subsequent withdrawal in favour of Mr. Thackrey.

After brief discussion, it is decided to adopt the Committee's
proposal that Mr. Tong be invited to join the Committee as representative
of the Sino-foreign Press.

Mr. Bell states that, under the present system, press representa-
tives are required to attend at the Secretariat to obtain copies of Minutes
for publication. The Committee expressed the opinion that these should
be delivered to the newspapers concerned.

Members concur in this view and direct that, in future, copies
of Minutes for publication be despatched by the Secretariat to the
newspapers concerned.

The Minutes of the Meeting of the Works Committee of May 11 are submitted and
confirmed.

The Minutes of the Meeting of the Education Board of May 13 are submitted
and confirmed.

Chinese Factory Laws. - The Secretary General reads a communication received
3811 from the Senior Consul and the Council's reply thereto on the subject of
the restriction of female and child labour in the Settlement.

Mr. Foscoenden states that he understands that the Chinese
Authorities have applied to Geneva for the appointment of three experts
to come to Shanghai to advise on the provisions of these Laws and the
application thereof. Pending these negotiations, it is improbable that
further action will be taken to give these laws effect.

Annual Basket Fair. - With reference to the Council's decision to restrict
3812 the extent of this Fair, the Chairman reports that a protest has been
received from the Chief Priest of the Temple and a large number of
stall-holders that inadequate notice had been given of the Council's
intention. As presumably the stall-holders are engaged for a whole
year in preparing for this Fair, it is evident that a hardship would
be inflicted if the Council's decision is enforced this year.

In the circumstances, and as there was no time again to
refer this question to the Council, he notified the Chief Priest that

the Fair for this year could be conducted as formerly provided its limits did not exceed those reached last year.

In confirming the action taken by the Chairman, members direct that a further report on this question be called for from the Commissioner of Police, in order that early consideration may be given to any necessary restriction to be effected in respect of the 1932 Annual Fair.

Orchestra & Band Committee - Membership. - With respect to the nomination by 1866 the Chinese members of Council of Mr. Tzu Huang to membership of the above Committee, Mr. Hughes points out that this nomination was left by the Council to the Committee. The nomination by the Chinese Councillors would, therefore, appear to be out of order. The gentleman nominated is, however, one of those whom the Committee had in mind for recommending to membership, and, at a recent informal meeting of the Committee, it was decided to support this nomination.

In view of Mr. Hughes' remarks, it is decided to invite Mr. Tzu Huang to serve on this Committee.

Greyhound Race Tracks. - The Secretary General reports that, in connection 5705 with the Council's decision to abolish Greyhound Racing, and as a result of its offer to compensate any of the Staff in cases of proved hardship following closure of these tracks, he has been approached by various ex-employees of the Stadium requesting that consideration be given to their cases.

A claim for compensation under other heads has been received from the Stadium and as regards the portion thereof relating to individual members of the Staff the Treasurer has reported that, subject to verification, a sum of approximately \$44,000 would be necessary to discharge the Council's undertaking. He, therefore, suggests that, subject to final examination by the Treasurer of the figures submitted, compensation be paid to those employees upon whom it can be established a definite hardship has been inflicted through the closure of this track. If the Council concurs in this proposal, it would be necessary to secure an undertaking that the Stadium Authorities will not institute a suit against the Council, and this he will endeavour to secure. He will also take steps to ensure that any compensation paid to the Stadium Authorities is actually transmitted to the employees concerned.

After discussion, and in agreeing in principle to the payment of compensation on the basis and under the conditions above outlined, the Secretary General is requested to consult further with the Treasurer & Controller and to submit a definite statement as to the amount involved by this payment.

Appointment of Chinese Officials. - The Chairman reports that, at a meeting of the Special Sub-Committee held on Monday last, it was unanimously decided to recommend that the designation of the Senior Chinese Official to be appointed should be "Adviser on Municipal Affairs."

Although a number of applications for this post has been received and considered, he understands that the Chinese members of Council desire to nominate an appointee to this post although the gentleman in question has made no application therefor.

Mr. Hsu states that the gentleman whom the Chinese Councillors have in mind for this appointment is Dr. J. C. H. Wu, formerly Judge and later President of the late Provisional Court. The Chinese Councillors regard Judge Wu as eminently suitable for this position, and, if the Council adopts the Sub-Committee's recommendation as to the designation of this post, it is obvious that the appointment will be superior to that originally contemplated when the probable designations of Secretary and Liaison Officer were under consideration. On this ground, therefore, he does not consider that applicants who have already applied for a position under an inferior designation can be aggrieved if Dr. Wu is selected for the more important post.

After discussion, and in view of Dr. Wu's proved capabilities, and in realizing that in an appointment of this nature the Council must of necessity be guided by the Chinese members, it is decided to appoint Dr. Wu with the designation recommended by the Sub-Committee.

With regard to the pay for this appointment, the Chairman states that this question was also discussed by the Sub-Committee, and as this appointment will be a part-time one only, the Sub-Committee suggest provisionally that a retaining fee of £15,000 per annum be offered.

Certain members regard this fee as somewhat on the low side, but, upon the Chinese members stating that it is submitted provisionally, and, after suggesting that Dr. Wu be approached by Mr. Yu Kah Ching with a view to ascertaining whether he would accept the appointment on these terms, definite decision in the matter is deferred until a further report is received from Mr. Yu Kah Ching.

Chinese Assistant Secretary. - The Chairman states that, at the last meeting of the special Sub-Committee, consideration was also given to the appointment of a Chinese Assistant Secretary and that the Chinese members of Council desire to nominate an appointee to this post.

On behalf of the Chinese members, Mr. Hsu states that it is desired to nominate Mr. T. K. Ho. He then outlines Mr. Ho's academic qualifications and past experience. Mr. Ho is at present employed as Secretary of the Shanghai Chinese Ratepayers Association, and, although

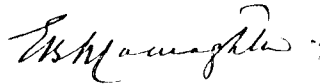
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in that capacity he has been called upon to address letters to the Council on questions upon which the views of the Council and the Association are diametrically opposed, it will, he submits, be appreciated that Mr. Ho is merely the servant of the Association and that he is not in a position to dictate its policy. His colleagues and himself feel assured that, if Mr. Ho is appointed to this post, the Council will secure a loyal servant and one who will honestly endeavour to safeguard the Council's interests.

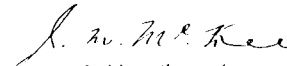
After discussion, it is decided to offer this appointment to Mr. Ho, and Mr. Ksu undertakes to arrange for him to call upon the Secretary General with a view to settlement of the necessary formal details.

The Municipal Gazette for Friday May 22, is submitted in draft and authorized for publication.

The meeting terminates at 6 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, June 3, 1931, 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. L. Hsu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Yah Ching

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. A. J. Hughes

O. S. Lieu

Welcome to Chinese Officials. - On behalf of the Council the Chairman extends a

5882/ welcome to Dr. J.C.H. Wu and Mr. T.K. Ho upon their joining the Municipal Service. He feels assured that the Council in appointing these two gentlemen to assist in the conduct of municipal matters has made a wise selection. He warmly applauds the sentiments expressed in their speeches at a gathering arranged yesterday in their honour by the Chinese General Chamber of Commerce that their aim and object will be to promote the interest and the welfare of the Shanghai Community and to further the noble cause of Sino-foreign co-operation.

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

5039 Publicity Committee. - Mr. Bell states that he was under the impression that the minutes of the two meetings of this Committee would be confirmed at to-day's meeting. The Acting Secretary states that it is not usual for the minutes of a non-standing Committee to be submitted to the Council for formal confirmation; they have, however, been circulated to members of Council for information.

Mr. Bell accordingly undertakes to arrange for the Committee's formal report to be prepared for submission to the Council at its next meeting.

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525 Annual Basket Fair. - The Chairman states that the recent fair was conducted in an orderly manner and that no untoward incidents occurred in connection therewith. The Commissioner of Police has undertaken to submit a report within the course of the next few days outlining his views as to the necessity or otherwise of restricting the limits of this Fair in the future.

576 Greyhound Race Tracks. - The Secretary General reports that he has addressed a letter to the Stadium authorities notifying the substance of the decision recorded at the last meeting but that no reply thereto has been received.

1098 The Minutes of the meetings of the Rate Assessment Appeal Committee of May 19 and May 29 are submitted and the recommendation recorded by the majority of its members is, in each case, confirmed.

Mr. Bell states that it has occurred to him that it might be advisable in the case of tenants who enjoy favourable rental rates to increase the taxation to that based on the assessed rental value by gradual process. The majority of members are however unable to support this proposal since, in their view, adoption of this course would weaken the Council's position as to its right to tax on assessed values; would re-act to the detriment of the municipal revenue and would be inequitable to the general body of Ratepayers.

The Minutes of the meeting of the Staff Committee of May 26 are submitted and confirmed.

587 Legal Department - By of Municipal Advocate and Staff. - It is decided to refer the question of the pay of the Legal Department staff to Dr. Wu for his views. The Chairman explains to Dr. Wu that the Council has only recently adopted the scales of pay for the whole of the Municipal service recommended by the Salaries Commission. Upon his stating that he does not understand why this question was not taken up by the Municipal Advocate with the Salaries Commission during the period of the Commission's deliberations, the Secretary General states that neither the Commission nor Mr. Clear afforded anyone having special knowledge of the subject an opportunity of outlining the duties and responsibilities attaching to this Department and that he informed Mr. Clear of his disapproval when these scales were framed without consulting anyone familiar with the working of this Department.

1025 Mokanshan Sanatorium. - The Chairman suggests that, as a number of the lower paid employees will not be able to take a vacation this year owing to the closure of the Sanatorium buildings, it might be possible to utilize

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the sum which represents the Council's contribution to the maintenance of the Sanatorium to assist these employees to proceed to Tsingtao or elsewhere. Upon Mr. Sheppard stating that the Committee gathered that it might be possible partially to re-open the Sanatorium buildings this year, the Chairman withdraws his suggestion.

4298/5 Revenue Office - Pay of Japanese Collectors. - Mr. Okamoto desires that his reasons for not supporting the Committee's recommendation be placed on record. He states that the scale of pay for four Japanese Park Keepers is Tls.200/280 as against the scale now proposed for Collectors of \$205/\$365. In his opinion, the responsibilities of Japanese collectors are equivalent to those undertaken by Japanese Park Keepers, and, on this ground he considers that the commencing rate of pay for the former grade should be equivalent to that authorized for Park Keepers.

The Minutes of the meeting of the Education Board of May 27 are submitted and confirmed.

5868/1 Secondary Schools for Chinese - Chinese Staff Appointments. - In view of the serious difference of opinion between the foreign and Chinese members on the above question and owing to the hostile attitude adopted by the neighbouring educational Authorities towards the Council's education policy, Mr. Bell suggests that Dr. Wu should attend the next meeting of the Board with a view to advising as to the best means of overcoming the difficulties confronting the Council on these questions.

The Minutes of the meeting of the Watch Committee of May 28 are submitted and confirmed.

The Minutes of the joint meeting of the Watch and Works Committees of May 28 are submitted and confirmed.

4655/11 Country Hospital - Board of Governors. - A letter is submitted from the Superintendent of this Hospital stating that, in accordance with the terms of the Deed of Gift, Mr. Fessenden will retire from the Board of Governors this year but that he is eligible for re-election.

Upon Mr. Fessenden consenting to continue to serve on the Board, it is unanimously decided that he be re-elected thereto.

1168 Price of Rice. - The Chairman refers to the price of rice which recently has been gradually increasing. Upon his enquiring whether any action can be taken by the Council to stabilize the price of this commodity, the Chinese members express the opinion that action by the Council to this end is not called for at the present time.

5876 Presentation to Mr. Justice Feetham. - Members unanimously endorse the Chairman's proposal that a presentation in the form of a piece of Chinese porcelain should be made to Mr. Justice Feetham prior to his

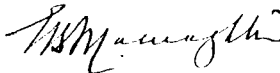
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departure. At the Chairman's request, Mr. Brown undertakes, in collaboration with an expert connoisseur, to select a suitable piece of porcelain for this purpose and to report to the Council as to the cost involved.

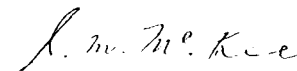
Annual Recess. - It is decided that the Annual Recess shall extend from July 30 1172 to September 1 inclusive.

The Municipal Gazette for Friday June 5 is submitted in proof and authorized 1185 for publication. It is decided to delete the correspondence between the Council and the Senior Consul on the subject of Land Registration; the Vice-Chairman's proposal being adopted that publication be deferred until a greater degree of finality in these negotiations is reached, when a summarized version of the new conditions could be published in the form of a special Gazette.

The meeting terminates at 5.45 p.m.



Chairman.



Acting Secretary.

At the special meeting of the Council held on Friday, June 12, 1931, at

4 o'clock 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

C. S. Lieu

T. D. Woo

L. T. Yuan

The Commissioner of Police,

The Municipal Advocate,

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. A. J. Hughes

O. Okamoto

F. J. Raven

Yu Yah Ching.

Dr. J. C. H. Wu attends.

Police Closure of Unlicensed Premises. - The Chairman ^{outlined} re-capitulates the circumstances in which the building formerly known as the New World was closed by the Police Department on June 9 owing to non-compliance by the occupiers with the Departmental Licensing requirements. He had no knowledge that this action had been taken until the following day when his attention was drawn to this through the medium of a press report. The Secretary General on seeing the press report presumed that this action had been taken on his (the Chairman's) instructions. It transpired however that orders for closure had been issued by the Acting Secretary. As it would appear that an error of judgment has been committed in the manner in which this matter has been handled he desires to know upon what authority the Acting Secretary acted and whether any definite authority exists for such action.

The Acting Secretary states that in October 1920 the Secretary was authorized without reference to the Council or a Committee to take executive action to order compliance with the licensing requirements under penalty of withdrawal of the licence "after 48 hours". Accordingly, acting on this authority he gave the requisite notice to put the required work in hand but as no action was taken to this end the Police Department was

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instructed to close the premises. Since the recent institution of a Licensing Board the Secretary has little to do with the licensing requirements other than to see that these are enforced or penalties inflicted for non-compliance therewith. He agrees that in the light of later developments it would have been desirable to have consulted the Secretary General before giving instructions for the closure of these premises but his action was influenced by the fact that the Town Hall was closed down last year owing to non-compliance by the same party with the Departmental licensing requirements.

The Secretary General states that this matter was not brought to his attention until the day after action had been taken and whilst he is satisfied that the Acting Secretary acted under the impression that he was authorized to take such action, had he been consulted beforehand he would have pointed out that such action would undoubtedly result in political complications. In his opinion, blame for the position which has now arisen lies somewhat with past Councils in giving the Secretary power arbitrarily to close down premises without giving due consideration to the Council's legal position in such cases. The Council as a body is not amenable to any particular code of law but on such occasions has acted under the wide powers conferred on it by the Land Regulations in the interest of the safety of the public. In respect of this particular case he considers that some means might have been devised in the interest of the public safety other than the method adopted.

Mr. Bell states that since the publication of the revised Standing Orders there appears to be a growing tendency on the part of municipal officials to underrate the importance and responsibilities of Committees and to shelter themselves behind the literal interpretation of such Standing Orders. In his opinion this matter should in the first instance have been referred to the Watch Committee. In this view members concur.

The Vice-Chairman points out that it would appear that a certain measure of blame attaches to the previous licensee of the New World premises inasmuch as certain of the Departmental requirements should have been complied with prior to these premises being taken over by the China Productions Bazaar. In this connection the Secretary General states that additional departmental requirements were stipulated upon these premises being taken over by the present occupants and utilized for purposes other than those for which they were originally licensed. Moreover the present occupants not only have not complied with such requirements but have erected unauthorized structures which constitute a considerable menace to frequenters of this building.

At Mr. Hsu's request the Acting Secretary reads the list of Departmental requirements stipulated in order to render these premises safe. Having regard to the comprehensive nature of these Mr. Hsu is of the opinion that undue haste was exercised in ordering the closure thereof. He submits

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that decision in this matter was not so urgent as to preclude reference thereof to the Secretary General whereafter an application could have been made to the Court for the closure of this building.

The Chief Officer of the Fire Brigade then attends and replying to members states that the departmental requirements would not have been so comprehensive had these premises continued to be used for their original purpose. Although the existing occupant states in his letter that these requirements have been complied with this is not the case. The premises have in fact been inspected by his Department six or seven times since the beginning of this month.

A letter is then submitted from Mr. H. D. Rodger on behalf of the China Productions Bazaar alleging that the Council has acted illegally in forcibly closing these premises and stating that a suit may be instituted against the Council for such action.

Upon Mr. Fukushima enquiring as to the Council's legal position in this matter the Secretary General states that whilst the Land Regulations do not deal specifically with this point the Council has in the past taken such action if in its opinion such was justified in the interests of the safety of the public frequenting such buildings.

Replying to the Chairman Dr. Wu states that he considers it would be regrettable if the Council had to face an action brought against it in the Court of Consuls. The majority of members have expressed their dissatisfaction at the arbitrary manner in which this matter has been handled. He considers it is highly desirable that members should maintain a united front in arriving at a decision as to the settlement of the situation which has now arisen. Further he suggests the desirability of definite instructions being issued to ensure that action on matters of this nature should not in future be taken without prior reference to the Secretary General.

The Chairman then requests members' views as to the desirability of publishing the correspondence between the Council and the Manager of the China Productions Bazaar in order that the public may be informed of the Council's reasons for closing these premises. After discussion as to this the view obtains that no good purpose would be served at this time by publication of this correspondence and it is decided that publication thereof be withheld.

As the latest letter received from the Manager of the China Productions Bazaar has not yet been replied to, the Vice-Chairman suggests that he now be informed that, upon compliance with the departmental requirements, the necessary licences will be issued forthwith.

After considerable discussion as to the form this letter should take it is decided to notify the occupiers of these premises that the

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regulations governing the issue of licences are designed in the interests of the safety of the public and that the necessary licences will be issued immediately the departmental requirements are complied with.

The meeting terminates at 5.40 p.m.

W. H. ...

Chairman.

J. M. ...
Acting Secretary.

At the meeting of the Council held on Wednesday, June 17, 1931, 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
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Huan
 Yu Yeh Ching
 The Commissioner of Police,
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. A. J. Hughes
 C. S. Lieu.

Dr. J. C. H. Wu attends.

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

9298/8 Revenue Office - Pay of Japanese Collectors. - Mr. Okamoto points out that, at the last meeting, he expressed the opinion that the duties undertaken by the above employees were of a more responsible nature than those performed by Japanese Park Keepers.

9326 Presentation to Mr. Justice Festina. - Mr. Brown reports that, in conjunction with an expert connoisseur, he is endeavouring to select a suitable piece of Chinese porcelain. Up to the present, the only piece which he has inspected which might be suitable for presentation purposes is of the Sung Dynasty and the price of it is in the neighbourhood of \$12,000. He will, however, continue his enquiries and report further to the Council.

The Minutes of the meeting of the Works Committee of June 8, are submitted and confirmed.

1162 Hongkew Park. - In confirming the recommendation that a shelter be erected for the use of Japanese golfers frequenting this park, it is directed that the Japanese Residents' Corporation be notified that the Council has, in the past, considered the question as to the feasibility or otherwise of continuing to permit this game to be played in the Park.

Whilst members generally endorse Mr. Brown's view that it would be regrettable if the playing of this game had to be prevented, in the interests of other frequenters of the Park, it is considered that the applicants for the erection of this shelter should be warned of the possibility of discontinuance of this game prior to their incurring the expenditure involved in erection of this structure.

5595 Special Parks Committee. - The Chairman questions the necessity of instituting a Special Committee to consider this question and suggests that, as such a Committee would have to be guided by the advice of the Commissioner of Public Works, this matter be dealt with by the Works Committee.

Mr. Brown suggests that the Special Committee might be composed of the Chairman of Council and the Commissioner of Public Works. In expressing his willingness to act in this capacity, the Chairman proposes and members concur that decision on this question be deferred until the report awaited from Mr. Harpur is available.

The Chief Officer of the Fire Brigade attends.

The Minutes of the Special meeting of June 12 are submitted, and, subject to amplifications included in the Minutes of to-day's meeting, are confirmed and signed by the Chairman.

1131 Police Closure of Unlicensed premises. - Mr. Fukushima desires his view recorded that the Acting Secretary exercised undue haste in ordering the closure of these premises, but that, when the stipulated period had expired, unnecessary time was allowed to elapse before giving effect to the order for closure.

Mr. Corney states that, with a view to obviating recurrences of this nature in future, the Council directed that the procedure to be observed should be re-considered by the Watch Committee.

With regard to the reference made at this meeting as to the stage reached in the revision of the Building Rules, the Secretary General is requested to enquire as to this and to report to the Council.

Mr. Esu submits that the fact that the letter dated June 4 received from the Manager of the China Productions Bazaar was not transmitted to the Chief Officer of the Fire Brigade points to a lack of co-ordination among the Departments concerned. The Acting Secretary states that this action should have been taken by the Revenue Office and he will enquire as to why this was not done.

Mr. Tuan states that, in company with Mr. Yu Yeh Ching, Mr. T. K. Ho and the Chairman of the Chinese General Chamber of Commerce, he inspected the New World premises this morning and he details a list of the improvements which have been effected by the occupants.

The Chief Officer of the Fire Brigade replies that certain of these works, which have been executed since the closure of the premises,

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have been undertaken without a building permit being applied for; that, in place of a 10 inch wall stipulated by the Council, a 5 inch wall was erected which subsequently collapsed, and that certain other of the improvements effected are in accordance with Departmental requirements.

The Secretary General states that just prior to this meeting the Chairman of the Licensing Board supplied him with a memorandum outlining the minimum requirements which should be complied with to render this building safe. This list is divided into two parts i.e., those relating to the portion of the building utilized for the sale of products and those in respect of that portion devoted to amusement purposes.

Replying to the Chairman, the Acting Secretary states that no reply has been received to the Council's letter despatched on Saturday last to the Manager of the China Productions Bazaar relative to the conditions upon which this building will be permitted to re-open.

The Secretary General states that on Monday last Mr. H. D. Rodger called on him and stressed the fact that he held power of attorney for the Manager of the China Productions Bazaar. He desired to emphasize this as he believed that the Manager had been approached by professional agitators with the object of conducting his case against the Council for the purpose of embarrassing the Council. Mr. Rodger brought with him a letter addressed to the Secretary in which it is stated that the Manager claims £15,300,000 as compensation for damages sustained through the Council's action in closing these premises. He replied to Mr. Rodger that, in his opinion, this claim was preposterous and that nothing was contained in his letter to support such a claim. Mr. Rodger then stated that he would endeavour to induce his client to submit a more reasonable claim.

The Chairman observes that there would appear to be three courses open to the Council with a view to a settlement being reached on this question. (I) to permit these premises to re-open immediately, and, if Departmental requirements are not complied with, to take action in the Chinese Court. (II) to re-open only the portion of the premises utilized for the sale of goods and (III) not to re-open the premises until the Council's requirements are complied with.

Referring to the memorandum he has furnished to members, the Secretary General states that he does not regard as feasible the suggestion put forward by the President of the Special District Court (No.1 above). In his opinion, it would be inconsistent on the part of the Council to take such action having regard to the fact that these premises have already been closed by the Council. He suggests, however, that the Council might permit the premises to re-open on the condition that its requirements are complied with within a stipulated and reasonable period of time.

Whilst certain members are inclined to favour this proposal, Mr. Bell

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is unable to do so. On the assumption that the Council's action in closing these premises was based on the fact that, at present, they constituted a serious menace to human life, he considers that the Council could not conscientiously permit these premises to be re-opened even for a stipulated and limited period prior to its requirements being fulfilled. He therefore is in favour of action being taken against the occupants in the Chinese Court forthwith.

The Secretary General states that he understood from Mr. Rodger that the occupants have no intention of re-opening these premises; in view of this fact it might be somewhat difficult for the Court to inflict any penalty in respect of an offence previously committed.

The Chairman then suggests that the section of the building utilized for the sale of products be permitted to be re-opened immediately provided the doors are opened in compliance with departmental requirements.

Mr. Raven supports the view expressed by Mr. Bell since, in his opinion, in view of the potential risk to the public frequenting these premises under existing conditions, it should be insisted that the Council's requirements be complied with prior to their re-opening.

The Vice-Chairman enquires whether there has been any attempt on the part of the Council's officials to notify, in simple language, the occupants of this building precisely what work is required to be undertaken. Upon the Chief Officer stating that this has been done by departmental officials on the spot, the Vice-Chairman suggests the desirability of appointing a small Committee to interview the Manager on the premises for the purpose of pointing out exactly what is required and endeavouring to persuade him to effect these works.

The Secretary General states that, at the outset, he was not given to understand that the conditions obtaining at this building rendered it a veritable death trap and that he gained this impression only as a result of subsequent discussions. From perusal of the minimum requirements outlined by the Licensing Board however the degree of danger would not appear to be established.

The Chief Officer states that this building can accommodate 5000 people, and, in the event of an outbreak of fire with resultant panic, there is no doubt in his mind that the result would be a very heavy loss of life. He therefore would be most reluctant to support the proposal that these premises should be re-opened in their present condition if only for a limited period.

Upon Mr. Fukushima stating that he is not convinced that the Council's action in closing this building has been mistaken and that, for this reason, he does not favour action being taken against the occupants in Court, the Chairman points out that, so far as the section utilized for the sale of goods is concerned, the only requirement not complied with is the opening of certain doors. It would, therefore appear that in this respect the Council's action is open to question.

The Chairman then proposes that a letter be addressed to the Manager stating that, as since the closure of the building a commencement has been made in effecting the improvements stipulated by the Council, the section utilized for the sale of goods can be re-opened immediately provided the doors are opened and that the amusement section can also be re-opened provided that the repairs etc., thereto are completed within one week, failing which Court action will be taken by the Council.

In view of the very definite opinion expressed by the Chief Officer as to the potential fire risk constituted by the conditions obtaining within the building, Mr. Raven is unable to support this proposal even though additional precautions were taken by the Fire Department.

Mr. Brown states that, if it were possible for the Chinese members to assure the Council that no untoward incident would occur through insisting that the Council's requirements be complied with prior to the re-opening of the building, he would support Mr. Raven's opinion. He is, however, somewhat apprehensive that, unless some compromise is arrived at, this question may become a political issue and place the Council in an embarrassing position.

The Vice-Chairman then suggests as a possible solution that a Committee consisting of Mr. Ku Yau Ching, the Chairman of the Watch Committee and a representative from the Public Works Department and from the Fire Brigade be appointed to meet the manager on the premises and indicate clearly the Council's requirements with the object of persuading him to undertake this work, which, it is noted, the Chief Officer estimates could be completed within one week.

After further discussion, the above proposal is adopted and it is requested that this Committee will take action in this matter as early as possible.

The Commissioner of Police and the Chief Officer of the Fire Brigade withdrew.

The Minutes of the meeting of the Library Committee of June 9 are submitted and confirmed.

The Minutes of the meeting of the Education Board of June 10 are submitted and confirmed.

5118/ Secondary Schools for Chinese - Chinese Staff Appointments. - Mr. Bell states that he has mentioned to the Chairman of the Staff Committee the desire of members of the Board to be consulted on any matters dealing with the staffing of the Municipal Schools and the arrangement reached will, he considers, be acceptable to members of the Board.

5612/ Subsidies for non-Municipal Schools. - In view of the observations recorded in this minute and having regard to the hostility displayed by the

neighbouring education authorities, the Chairman questions the advisability of proceeding with the educational programme already authorized.

Mr. Woo states that, from a conversation he recently had with Mr. Hsu, Commissioner of Education for Greater Shanghai, he gathered that a certain amount of misunderstanding exists between the Council and the neighbouring Education Authorities. Dr. Wu supports this view and expresses the opinion that Mr. Paul Hsu's attitude is not so much influenced by a feeling of hostility against the Council as by a conflict of the systems adopted by the two Education Authorities.

Mr. Sing Lon Hsu submits that it would be most regrettable if the Council abandoned its educational programme solely on account of the attitude adopted by certain Chinese officials. In his opinion, the future educational needs of the Settlement should be of primary importance on all occasions when the question of the Council's educational policy is under consideration.

848/ Secondary School for Chinese Girls. - Mr. Brown's suggestion is adopted that, in connection with the selection of a Headmistress for this School, the assistance of the Chinese Women's Association might be invoked. The Chinese members undertake to take up this question with this Association.

The Minutes of the meeting of the Finance Committee of June 12 are submitted and, subject to the following exception, are confirmed.

861/ Legal expenses in Edwards' Case. - Mr. Brown states that, upon further consideration of this recommendation and having regard to the amount of business transacted by this firm each year for the Council, he regards the reduced amount of £12,000 as excessive. He therefore suggests that decision on this question be deferred until a report is furnished by the Treasurer giving details as to the amount paid annually for the services of Messrs. Mansons. In his opinion, the fact that the Council pays Messrs. Mansons a considerable sum each year for professional services should be taken into account by them when assessing their fees for special cases.

After brief discussion, Mr. Brown's proposal is adopted and confirmation of this recommendation is accordingly withheld.

809/ Report of Publicity Committee. - Copies of this report with its summarized recommendations have been furnished to members.

In connection with the recommendation put forward by the Japanese member of the Committee that a Japanese Press Officer should also be appointed to the staff of the Press Information Office, Mr. Fukushima states that he strongly supports this proposal, as the services of the European Press Officer will be available to the whole of the community with the exception of the Japanese. The local press may be broadly divided into three classes, i.e., those papers published in the English, Chinese and Japanese languages. Unless, therefore, an official is available for co-operation with the Japanese press, the Council's scheme for promoting understanding between the

Council and the community generally will be incomplete.

Mr. Hsu states that he is not convinced of the necessity of instituting a Press Information Office, particularly so since this would presumably involve considerable expenditure to an extent which may not be commensurate with the results achieved. He therefore suggests that any additional publicity desired might be undertaken by members of the existing staff.

Mr. Bell states that the Committee was impressed by the views recorded by its Chinese members that the information at present given out to the Chinese Press was not in such a form as to be of interest to the Chinese community. In the Committee's view, it was essential that this work should be undertaken by individuals possessing high journalistic qualifications.

Upon Mr. Hsu questioning whether there is sufficient material for publication to warrant the appointments recommended, Mr. Bell states that publicity on educational matters alone could occupy a trained journalist for a considerable period in order to remove the misunderstandings which now exist in certain quarters as to the Council's policy.

Upon the Chairman enquiring as to whether the Committee has considered the cost involved by adoption of its recommendations, Mr. Bell states that this question has not been considered in detail. It may be anticipated however that a salary of Tls. 1000 - Tls. 1500 per mensem for the senior official would be required to attract the desired type of man.

After discussion members generally concur that the dissemination of information on properly conducted lines would be of great value in the removal of misunderstandings on the part of the Community.

Accordingly, the Chairman requests members to give further consideration to the Committee's report with a view to decision on its recommendations being reached at the next meeting.

Annual Basket Fair. - A report by the Commissioner of Police accompanied by a plan illustrating his proposals for the restriction of the limits of future Basket Fairs has been circulated to members.

These proposals are endorsed, and it is directed that they be notified to the Temple Authorities.

Land Registration. - In a memorandum, submitted, the Secretary General refers to a report by the Deputy Commissioner of Public Works in which he states that there are several hundred official plans which are awaiting the cadastral office chop. He, therefore, suggests the necessity of arriving at an early settlement in regard to the new system of registration.

The Secretary General is of opinion that no useful purpose will be served by continuing to hold up the chopping of official plans as prepared by the Chinese Land Bureau; he therefore recommends that this be authorized.

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Replying to members, he states that he does not consider this course will re-act detrimentally on the outstanding questions on the general subject of the new system of Land Registration which have been taken up by the Council with the Consular Body.

If this is the case, members express their agreement with the proposal put forward by the Secretary General. In view, however, of the importance of this question, Mr. Brown suggests the advisability of the views of the Shanghai Property Owners' Association being taken thereon.

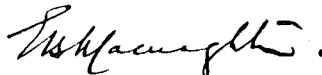
Before taking the action proposed, the Secretary General is accordingly requested to ascertain from representatives of the Shanghai Property Owners' Association whether they have any objection to adoption of this course, and whether, in their opinion, such action by the Council will in any way prejudice the position so far as regards those questions which have been brought by the Council to the attention of the Consular Body relative to the revised procedure governing Land Registration.

Country Hospital and General Hospital - Increase of Fees. - The proposals of the 389 above two Hospitals to increase their fees in accordance with the scales submitted have been circulated.

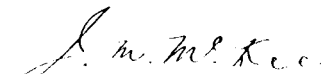
The Chairman observes that the proposal to give these increases effect as from July 1, next, will only permit of short notice being given to the public. As, however, the General Hospital Authorities have already given public notice as to this, it is decided to approve the increased fees in respect of both Institutions becoming effective from that date.

Board of Film Censors. - The Chairman requests the Chinese members to expedite 390 their nominations for the Chinese representatives on the above Board to fill the vacancies created by the resignations of Mr. Hsia and Mr. T. K. Ho. The Municipal Gazette for Friday, June 19, is submitted in proof and authorized for publication.

The meeting terminates at 7.40 p.m.



Chairman.


Acting Secretary.

At the meeting of the Council held on Wednesday, July 1, 1932, at 4.30 P.M.

There were:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
Messrs. J. W. Sheppard (Vice-Chairman)
A. J. Bell
M. S. Brown
J. W. Carney
K. Fukushima
S. L. Hsu
O. Okamoto
J. J. Raven
T. D. Woo
L. T. Yuan
Yu Yah Ching,
The Secretary General, and
The Acting Secretary.

Absent:

Messrs. A. J. Hughes
O. S. Liou.

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

Police Closure of Unlicensed premises. - Replying to the Chairman, the Acting

Secretary states that he is informed by the Commissioner of Revenue that he did not consider it necessary to transmit the letter dated June 4 from the China Productions Bazaar, to the Chief Officer of the Fire Brigade as he was aware that the Chief Officer was reporting as to the condition of the premises on the following day.

In concurring with Mr. Hsu that the omission of the Commissioner of Revenue to do this points to a lack of co-ordination amongst the Departments concerned, the Secretary General is requested to draw to the attention of Heads of Departments the necessity for co-ordination in matters of this nature.

At Mr. Brown's request, the Secretary General undertakes to ascertain the circumstances under which the former management of the New World premises were permitted to operate a Theatre in this building under a Sing-song Licence.

The Secretary General reports that practically no developments have taken place in the situation since he circulated a memorandum furnishing information on the meetings which were held between representatives of the Council and the China Productions Bazaar. He has however received a further letter from Mr. H. D. Hodger in which he suggests that representatives of both parties should attend a dinner at his house with a view to an amicable settlement being reached.

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After brief discussion members are unable to adopt this proposal.

At Mr. Yuan's suggestion, it is decided to forward to the Chinese Chamber of Commerce a copy of the Council's letter to the Manager of the China Productions Bazaar in which are outlined the minimum requirements which must be complied with prior to the re-opening of this building being permitted.

After discussion, the view is recorded that no further action by the Council in this matter is called for at the present time; in the meanwhile the Committee appointed to meet representatives of the management will remain in being to conduct any further negotiations for a settlement if any proposals to that end are put forward by the management.

Legal Expenses in Edwards' Case. - A statement of payments made to Messrs. Hansons during the past four years has been prepared by the Treasurer & Controller and circulated to members.

As in members' view these charges are framed on a reasonable basis, payment of a reduced fee of \$12,000 as recommended by the Finance Committee for their services in the above case, is authorized.

Publicity Committee. - Relative to the discussion at the last meeting, Mr. Hsu states that he adheres to his view that the institution of a Publicity Bureau as recommended by the Committee is unnecessary and that in the interests of economy he is unable to support this proposal.

Members generally however record the following views:- That little has been done by the Council to give effect to its undertaking to the Ratepayers that additional publicity on municipal activities will be given; that the present system of giving publicity on such matters is inadequate and is in such a form as to cause misunderstanding particularly on the part of the Chinese Ratepayers; that the form in which publicity is given is unattractive, for which reason information furnished to the press is, in many instances, disregarded; that in order to supply information on municipal matters in an attractive form the services of an official possessing high journalistic qualifications and who can be relied upon to exercise the utmost discretion in the selection of municipal information for dissemination to the public is essential; that the personality and status of this official must be such as to command the confidence of the Council and the Heads of senior departments; that there is no employee in the service possessing the required qualifications, whose services would be available for this post and that it is essential that the official appointed should be responsible direct to the Council through the Secretary General.

For the reasons above given, it is decided by a majority of members to adopt the proposals put forward by the Publicity Committee as also that submitted by its Japanese member that a Japanese Press Officer be appointed.

Mr. Hsu states that since the last Council meeting he has discussed this question with his fellow Chinese members who agree with him that in the interests of economy the Committee's proposals should not be adopted. They are however

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prepared to abstain from voting on this question in order that the Council's decision may be given effect for a trial period in order that it may be ascertained whether the results achieved by the institution of a Press Bureau are commensurate with the cost involved.

In this respect, the Secretary General states that he has been approached informally by one or two local journalists who may be regarded as suitably qualified for the senior position contemplated. He is not in a position at present to disclose their names but he will in due course do this to enable the Council to frame an approximate estimate of the cost involved by the institution of a Press Bureau.

1115 Land Registration. - In a further memorandum which has been circulated to members the Secretary General states that the Shanghai Property Owners' Association is substantially in accord with his proposal that the chopping of plans should be resumed but that it recommends that, before doing so the Council should have it placed on record that this action is taken under protest.

In amplification of the reasons given in his memorandum as to why in his opinion the Council should not lodge a further protest with the Consular Body the Secretary General states that the chopping of plans is not essential to the issue of title deeds by the various Consulates and that in fact this arrangement was not brought into force until 1900. Moreover in the correspondence conducted between the Consular Body and the Council last year, it is stated that the Council would agree to the chopping of plans issued by the Chinese Land Office which are prepared from sketches furnished by the Council's Public Works Department. A further protest would therefore in his opinion be inconsistent and undignified.

Mr. Brown states that his understanding is that the Association would itself lodge this protest although he agrees that its letter definitely suggests that such protest should be lodged by the Council.

After discussion resumption of the chopping of these plans is authorized and a reply will be made to the Property Owners' Association to the effect that as the Council has already registered its protest with the Consular Body on the general question of the revised system of Land Registration no further protest will be lodged in respect of this specific aspect thereof but that the Council has no objection to protests being lodged by the Association and similar organizations in this matter.

The Minutes of the meeting of the Works Committee of June 23 are submitted and confirmed.

1819 Staff - Acceptance of fees for outside professional services. - Authority is accorded for members of the staff of the Public Works Department to render outside professional advice or assistance in special cases and to

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except a fee therefor provided it is clearly understood that the Council does not encourage such applications, that each case be specifically referred to the Council for approval and that the fee received for such professional advice and assistance be allocated between the Council and the employee.

The Minutes of the meeting of the Library Committee of June 23 are submitted and confirmed.

2408 Municipal Employees - Terms of Membership. - The Committee's recommendations that the members of the Police Force on the free list should be charged a reduced subscription and that the privilege of membership at reduced fees be offered to the lower paid employees of all other Departments are adopted.

It is accordingly decided that members of the Police Force be required to pay an annual subscription of \$5 and that this reduced subscription be extended to apply to all other municipal employees whose salaries do not exceed \$1.175 per month.

The Minutes of the meeting of the Education Board of June 24 are submitted and confirmed.

2750 Secondary School for Chinese Girls - Staff. - Mr. Bell states that at a special meeting held yesterday the Board recommended the appointment of two Chinese ladies to the posts of Headmistress and Senior Assistant Mistress respectively. As the engagement of these ladies is a matter of urgency, he requests the Council's approval of this recommendation at to-day's meeting.

After brief discussion this recommendation is approved.

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

4100 Licence Fee for Hotels and Taverns. - Mr. Hou's suggestion is adopted that communications addressed to the proprietors of the smaller Chinese Hotels and Taverns should, if necessary, be written in the Chinese language.

4400 Law of Weights and Measures. - In connection with the Law of Weights and Measures which has been promulgated by the National Government to be enforced as from to-day, the Secretary General requests instructions as to what action should be taken in the event of Chinese Government officials attempting to enforce this law in the Settlement. He states that conferences have been held between Council officials and those of the Chinese Government and that the Council's representatives endeavoured to come to an arrangement with the Chinese Authorities whereunder inspection in the Settlement would be undertaken by the Council's officials on behalf of the Chinese government. A similar arrangement is already in force in respect of the collection within the Settlement of the tobacco tax. The Chinese Authorities are not however prepared to accept this proposal although they have intimated their willingness to provide a course of instruction for any employees nominated by the Council. Upon their passing the required tests they would however be

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required to function within the Settlement under the direct control of the Chinese Government.

After discussion and in order to preserve the Council's rights in this respect the Secretary General is authorized to instruct the Police Department to prevent the inspection of Weights and measures within the Settlement by Chinese Government Officials. He is also requested as early as possible to interview the Mayor of Greater Shanghai with a view if possible to reaching an agreement satisfactory to both parties which will meet the requirements of the Government in giving effect to the provisions of this law within the Settlement.

Avenue Haig Shooting Affair. - A memorandum on this incident prepared by the Secretary General has been circulated to members. He states that the findings, as to the responsibility for the actual shooting, of the investigations undertaken by the two Police Departments cannot be reconciled which circumstance will necessarily add to the difficulties of arriving at an amicable settlement of this incident.

Replying to Mr. Brown, the Secretary General states that little progress is being made in the negotiations as to the status of Extra-Settlement Roads nor does it appear that any further action can be taken by the Council to expedite a settlement being reached on this major question.

Mr. Han suggests that in order to avoid similar future incidents the police should be instructed not to draw their weapons when in contact with the neighbouring Chinese Police and that the Greater Shanghai Authorities be requested to issue a similar instruction to their Police.

While agreeing as to the desirability of such an instruction being observed members realize that compliance therewith might prove to be impracticable since unless rigidly observed by both parties a police officer might be deprived of his right of self defence. The Commissioner of Police will however be asked whether he can put forward any practical suggestion whereunder the drawing of arms would not be resorted to by Police officers when in contact with neighbouring Chinese Police.

Mr. Brown observes that presumably the house in which this incident occurred is actually in Chinese territory and that the property does not abut on to a Municipal Road. If this is the case, he considers that the action of the police in entering these premises cannot be justified. Before decision is taken he suggests that a plan be prepared by the Public Works Department showing precisely whether or not this property abuts on to a road, the status of which is disputed and that it be ascertained whether its occupants pay General Municipal Rate.

In adopting this proposal it is decided to refer this matter to the Watch Committee for its investigation and recommendation. In the

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meantime the Chinese Authorities will be informed that this question is engaging the serious consideration of the Council.

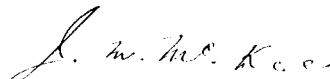
Members concur in the view expressed by the Secretary General that orders for the police to function in houses which although adjoining on to the municipal roads are situated within Chinese territory should only be issued on the authority of the senior police officials and that it is desirable that the Council should issue definite instructions as to this.

Committee Membership. - A recommendation by the Joint Committee of Shanghai ~~Chinese~~ ^{F4/24} Women's Organizations that qualified women members be elected to serve on all municipal Committees and specifically upon the Health, Education, Library and Orchestra Committees and upon the Board of Film Censors is submitted.

As lady members are already serving on the Education Board and the Board of Film Censors, it is decided that this organization be invited to nominate a lady member to the Health, Library and Orchestra Committees.
The meeting terminates at 7.15 p.m.



Chairman.


Acting Secretary.

At the meeting of the Council held on Wednesday, July 15, 1931, at 4.30 p.m.,

there were:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. J. Sheppard (Vice-Chairman)
 A. D. Bell
 N. S. Brown
 J. W. Conroy
 A. J. Hughes
 O. Okamoto
 C. S. Lico
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Yeh Ching
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. S. L. Hsu
 K. Fukushima.

Dr. J. C. H. Wu attends.

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

114 Police Closure of Unlicensed Premises. - The Secretary General reports that the Chief Secretary to the Mayor of Greater Shanghai has further discussed this question with him and that he took the view that in two important respects the Council's action was mistaken i.e., in closing the portion of the building utilized for the sale of products and by summarily closing the building without an application to the Court for an Order for this purpose. Such action by the Council he regards as technical breaches of the terms of the Rendition Agreement. In connection with the claim against the Council for heavy damages, the Chief Secretary stated that the Greater Shanghai Municipal Authorities dissociated themselves from this action by the Management. He considered however that, as the Council's action was technically wrong, some amends should be made to the management and he suggested that if a reasonable claim for compensation were submitted this might be favourably considered by the Council. The Secretary General informed the Chief Secretary that he considered the Council would undoubtedly give the matter consideration.

Replying to the Chairman the Secretary General states that the Chief Secretary informed him that the reason why the Greater Shanghai Municipal Authorities had approached the Council on this question was that certain Chinese organizations were attempting to make it a political issue; the Greater Shanghai Municipal Authorities were accordingly of the

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view that unless a satisfactory settlement was reached agitators might take the opportunity to create trouble and thus embarrass the Council.

The Secretary General then explains the circumstances under which the former management of this building conducted theatrical performances under a sing-song licence; although the type of theatrical performances given did not constitute a breach of the licence conditions some misunderstanding arose departmentally in connection with the holding of cinematograph performances in this building. To avoid a repetition of this, the procedure for the departmental inspection of premises and the issue of licences, etc., has now been revised under which a stronger degree of co-ordination amongst the Departments concerned will be maintained and a more definite final authority for ensuring compliance with departmental licensing requirements will be delegated to the Public Works Department. In his opinion this revised procedure should achieve the end desired by the Council.

Publicity Bureau. - The Secretary General reports that he has ascertained from the two journalists who desire to apply for the senior post in the Publicity Bureau that they consider a commencing salary in the neighbourhood of Tls.1250 per mensem is reasonable.

His suggestion is adopted that a small Committee be appointed to interview these candidates for the purpose of examining their qualifications in detail and selecting one of them for appointment. Messrs. Bell, Brown and Coney agree to serve on this Committee.

Law of Weights and Measures. - The Chairman reports that he has informed the Mayor of Greater Shanghai that the Council will not permit Chinese Government officials to function in the Settlement under the above Law but that as the Council did not wish to hamper the desire of the National Government to give this law effect within the Settlement, the Council through its officials were prepared to administer this law.

The Secretary General states that he is informed unofficially that the administration of this law has been the subject of discussion by the Consular Body but that they are unable to agree as to the form the letter to be addressed to the Council should take. In principle the Consular Body agrees that the enforcement of this law within the Settlement is most desirable and that it should be enforced therein by the Council. Certain of the Consuls however take the view that an undertaking should be obtained that, before penalties under this law are inflicted, a period of 12 months will be allowed to enable residents to make the necessary arrangements and adjust themselves to the new conditions. He understands that owing to the opposition by the merchant classes to the provisions of this law no serious attempt has yet been made to give it effect within the Settlement nor have the Greater Shanghai Authorities re-opened discussions with the Council as to details of its administration.

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After discussion, the Chairman's proposal is adopted that a letter be addressed to the Consular Body requesting its views on this question.

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

5915/ Secretariat - Appointment of Japanese Assistant Secretary. - At the request of Mr. Fukusima made to the Chairman of the Committee, it is decided to defer consideration of this application until Mr. Fukusima is present and can present his views thereon.

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

5916/ Secondary School for Chinese Girls - Appointment of Staff. - Mr. Bell informs members that unfortunately Mrs. Tang has intimated that she is unable to accept the appointment as Headmistress of this School. It is therefore probable that the Board may recommend that Mrs. M. Young who has been selected as senior Assistant Mistress be appointed as Headmistress in an acting capacity.

The Minutes of the meeting of the Works Committee of July 7 are submitted and confirmed.

12/ Annual supplies of Coal. - Members' suggestions are adopted that for future supplies of coal stricter specifications should be adopted whereunder the number of thermal units required would be defined and the required standard required for by Laboratory tests; also that a system of fines be introduced for non-compliance with the Council's requirements.

For the Council's guidance, Mr. Lieu undertakes to obtain a copy of the specification for coal supplies issued by the Shanghai Nanking Railway.

5917/ Central Police Station - Protest by American Club. - It is noted that the President of the Club has intimated that he will address a further letter to the Council amplifying the reasons upon which protest is made against the erection of the Central Police Station on this site and that this letter will receive the Committee's further consideration.

The Minutes of the meeting of the Watch Committee of July 8 are submitted and confirmed.

5918/ Avenue Haig Shooting Incident. - A copy of instructions issued by the Commissioner of Police with a view to preventing such future incidents is submitted. As, in the opinion of the Secretary General, observance of these instructions will achieve the desired end they are approved.

With regard to the reply to be made to the Mayor of Greater Shanghai, the Chairman suggests that he be informed that, as technically there is no question as to the propriety of the action of the municipal police in entering these premises, the Council disclaims liability for

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this incident. That, in order to avoid future similar incidents, instructions have been issued whereunder such cases will only be handled by senior police officers, and that the Greater Shanghai Authorities be requested to issue similar instructions. That it be pointed out, in the opinion of the Council, this incident would not have occurred if the Chinese police had not rashly drawn their weapons in the first instance. That, as an act of grace the Council is prepared to defray the hospital expenses incurred by the wounded Chinese police officer but that consideration of any further payment in the nature of a compassionate grant is contingent upon his suffering permanent disablement as a result of the injury received.

Dr. Wu undertakes to endeavour to ascertain the degree of injury sustained by this police officer and to advise the Council as to the amount of the compassionate grant, if any, to be made.

After discussion a reply to the Mayor in the sense suggested by the Chairman is approved, it being directed that the draft of this letter be submitted to the Watch Committee for its approval.

Chinese Government Bureau in the Settlement - Navigation Bureau. - A notification 3690 from the Shanghai Navigation Bureau of the Ministry of Communications dated June 20, that an office will be established in the Settlement on June 25, is considered.

Mr. Yuan states that the Chinese members of Council have been requested by the officials of this Bureau to render them assistance in securing the Council's co-operation in instituting this Bureau. Replying to the Chairman, he states that the functions to be undertaken by the Bureau are now being performed by Customs officials, but, as these duties have now been entrusted to the Board of Communications and as the Customs is administered by the Ministry of Finance, it is desired to establish a separate office.

The Secretary General states that, in connection of this communication, he called for a police report and advised the Commissioner of Police that it should be suggested to these officials that the proposed Bureau should not be established in the Settlement until the Council's formal approval therefor had been obtained. He was informed by the Police Department that the Ministry of Finance had not yet authorized the transfer of these duties from the Customs Authorities and that although an office has been established the Bureau has not actually commenced to function.

The Chairman points out that the customary procedure hitherto consistently maintained by the Council that Chinese Government Bureaux can only function in the Settlement with the permission of the Council first obtained has not been observed and he deprecates the action taken by the officials concerned in this instance.

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After discussion, and in agreeing with the Chairman as to the necessity of strict adherence to the principle that Chinese Government Bureaux will only be permitted to function within the Settlement by permission of the Council, members record the view that the institution of this Bureau will not trespass on the Council's functions and that it will in fact prove of convenience to Chinese ship-owners. The view also obtains that the communication forwarded to the Council may have been regarded by its senders as an application for permission for this Bureau to function.

It is accordingly decided formally to authorize the setting up of this office in the Settlement.

Mr. Yuan undertakes to submit a memorandum outlining precisely the functions which will be discharged by this Bureau.

Legal Department Staff - Pay. - A report and recommendation by Dr. J. C. H. Wu on the subject of the salaries of the Chinese Municipal Advocates are submitted. The Chairman states that the Treasurer has commented that the approximate additional cost to the current year's Budget by adoption of the proposal put forward by Dr. Wu would amount to Tls. 16,730. He further submits that the complete scrapping in the manner suggested of the Salaries Commission recommendations as issued to the public is a most dangerous proceeding. He is therefore unable to support these proposals.

In view of the above observations, and having regard to the dissatisfaction which would undoubtedly be expressed by senior police officials of long service if the proposals now submitted were adopted, the Chairman suggests and members concur that this question be referred to the Finance Committee for its most careful consideration. Dr. Wu is requested to attend the meeting when this subject is under discussion.

Retirement of Observatory Director - Rev. Pere Froc. - The Commissioner of Public Health reports that, upon the retirement of the Rev. Pere Froc, some recognition of his services is to be made by the French Municipal Administration. He therefore suggests that the Council should also accord its recognition of the valuable services rendered by this gentleman.

In concurring in the above view, the Chairman is authorized to incur expenditure up to Tls. 500 for the purchase of some memento of this gentleman's long association with the Council in the form of an inscribed silver shield or an illuminated address.

Board of Film Censors. - To fill vacancies on this Board the nominations by the Chinese Councillors of Mrs. L. T. Glen and Mr. Percy Chu are accepted.

Mr. Justice Feetham's Report. - The Chairman reads a letter which he has addressed to the Prime Minister of the Government of the Union of South Africa expressing the Council's appreciation of the action of his Government in placing the services of the Hon. Mr. Justice Feetham at its disposal.

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The Chairman's proposal is adopted that a letter of thanks be addressed to Mr. Justice Feetham thanking him for the services he has rendered to the Council.

The Chairman then proposes that Mr. Justice Feetham's report should be adopted in principle by the Council.

After considerable discussion on this proposal, the view obtains that, as Mr. Justice Feetham specifically requested that very careful consideration should be given to his report prior to its adoption or otherwise and as the Chinese translation of the report is not yet available for the benefit of the Chinese members and, moreover, a final section of the report is still awaited, action as proposed would at present be inopportune.

It is accordingly decided to defer adoption of this report until a later meeting.

Outside Roads. - The Chairman suggests that early action should be taken on SR9 part IV of Mr. Justice Feetham's report which deals with the question of the status of Extra-Settlement roads.

In favouring the adoption of some scheme whereunder these roads could be administered jointly by both Municipal Authorities, he suggests that the Secretary General, the Commissioner of Public Works and the Treasurer & Controller be authorized to frame such a scheme as a basis for discussion with the Chinese Municipal Authorities, and that this scheme should be considered at a special Council meeting to be convened on Wednesday next.

This proposal is approved.

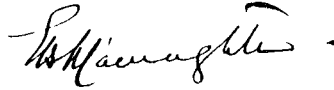
Additional Public Parks. - The Chairman reports that the area near Kiaochow SR9 Road which the Council authorized to be purchased for an additional park has already been sold. Mr. Bell states that he understands this area has been purchased by a Chinese Syndicate at the rate of Tls.17,000 per mow and that they are prepared to re-sell at the rate of Tls.18,000 per mow. He suggests that, if it could be represented by the Chinese members to this syndicate that the Council desired to acquire this area in the interests of the poorer classes of the Chinese, they might be willing in the public interest to dispose of it to the Council at the price they paid provided any costs incurred in the transaction were defrayed by the Council.

The Chairman observes that the method adopted by the Council for the purchase of land for public purposes is somewhat unsatisfactory inasmuch as the delay involved frequently results in land being disposed of to other parties. He suggests, and members concur, that some means should be devised whereunder the time which elapses between a report being forwarded

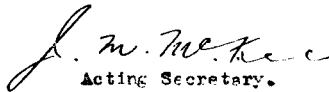
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as to the availability of any area and the Council's decision to acquire same should be curtailed.

The meeting terminates at 7.05 p.m.



Chairman.



Acting Secretary.

At the Special Council meeting held on Wednesday, July 26, 1931, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 W. S. Brown
 J. W. Carney
 A. J. Hughes
 O. Okamoto
 O. S. Lieu
 Y. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Wah Chung
 The Treasurer & Controller,
 The Commissioner of Public Works,
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. K. Fukushima
 S. L. Hsu.

Extra Settlement Roads. - In accordance with the decision recorded at the last meeting, a scheme outlining the proposed arrangements with the Shanghai City Government for a temporary system of joint control of the Extra-Settlement Roads has been prepared by the Secretary General in collaboration with the Commissioner of Public Works and the Treasurer & Controller. The proposals therein contained are considered seriatim and approved.

The Secretary General in conjunction with the Commissioner of Public Works and the Treasurer is authorized to enter into negotiations forthwith with the Greater Shanghai Municipal Authorities with a view to obtaining their approval of this scheme and their co-operation in giving it effect. It is directed that in the course of these preliminary negotiations no definite commitment be given on the Council's behalf and that any tentative arrangement reached be subject to the Council's final confirmation.

In connection with para 4 of the Memorandum submitted dealing with the construction and widening of existing roads, Mr. Bell suggests that in the interests of land owners an endeavour should be made to secure an undertaking from the Shanghai City Government that land for road purposes will not be expropriated without compensation. Replying to Mr. Bell the Secretary General states that while no liability towards land

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owners would rest with the Council in the event of road land being expropriated by the Greater Shanghai Municipal Authorities without compensation, he will endeavour to reach an agreement with them whereunder the procedure adopted by the Council in the matter of the acquisition of road land will be adhered to.

Report of Mr. Justice Feetham. - Mr. Brown refers to cablegrams which have been received from Home by the British Chamber of Commerce and the China Association which advocate the adoption of this report by the Council not later than the end of July. Mr. Brown states that this view has been the subject of consideration by the above two organizations and he reads a draft reply which it is proposed to despatch. The contents of this draft are noted.

The Chairman requests the further views of members as to the feasibility or otherwise of the immediate adoption of this report in principle. After discussion and as the foreign members of Council are not unanimous on this question, the Chairman states his willingness to withdraw this suggestion.

The Chairman then reads a draft statement which he proposes be issued to the press relative to the receipt of and the steps proposed to be taken for the transmission of this Report to the Chinese and Foreign Governments. After considerable discussion as to the precise phraseology to be employed in this statement a revised draft thereof is unanimously approved for issue to the Press.

Legal Department - Pay of Staff. - At the Vice-Chairman's request the Secretary General undertakes to furnish him with detailed information as to the duties undertaken by the staff of this department. Mr. Sheppard states that this information is desired in order to facilitate consideration of this question at the meeting of the Finance Committee convened for to-morrow.

In this connection, the Treasurer & Controller states that as a result of further discussion with the Municipal Advocate it will be possible to submit proposals for consideration at to-morrow's meeting which are jointly agreed by Mr. Bryan and himself. These proposals will conform to the scales put forward by the Salaries Commission with certain adaptations to provide for the special aspects of the duties undertaken by members of this Department.

The meeting terminates at 5.45 p.m.

W. Macgregor
Chairman.

J. M. McKee
Acting Secretary.

At the meeting of the Council held on Wednesday, July 26, 1931, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

H. G. Brown

J. W. Carney

A. J. Hughes

O. Okamoto

O. S. Liu

F. J. Raven

L. T. Yuan

Yu Yah Ching

The Commissioner of Public Works,

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. K. Fukushima

S. L. Hsu

T. D. Woo

Dr. J. C. H. Wu attends.

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

583/4 Avenue Haig Shooting Incident. - The Chairman states that a reply to the Council's letter has been received from the Secretary to the Mayor of Greater Shanghai and that whilst this official is unable to agree with certain of the contentions contained therein, he (the Chairman) anticipates that a satisfactory settlement of this incident can be reached.

5014 Publicity Bureau. - It is decided to leave to the Committee which nominated Mr. Burton-Sayer as the senior official of this office, the selection of a Chinese and Japanese press officer. The Chinese and Japanese members of Council undertake to submit their nominations to this Committee. The Committee will also consider and submit its recommendation as to the rate of pay to be offered for these posts.

4104 Law of Weights and Measures. - The Secretary General reports that, as he has been notified unofficially of the views of the Consular Body on this question and as it is not yet in a position to address the Council thereon, he has not communicated officially with the Senior Consul. In company with the Commissioner of Police, he, yesterday, attended a conference with the Chinese officials as a result of which he anticipates that within a few days concrete proposals will be submitted by the Chinese Authorities for the Council's consideration. These proposals will provide for Chinese officials to function in the Settlement in collaboration with the Municipal

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police. It is unlikely that any penalties will be inflicted within a year of this law becoming operative and any prosecutions thereunder will be conducted by the Municipal Advocate. He has reason to believe that these proposals, which will be submitted to the Council in due course, will be acceptable to the Consular Body.

1233 General Supplies of Coal. - Replying to the Chairman as to whether economy could be effected by the establishment of a general coal store, the Commissioner of Public Works states that under the existing system coal supplies are delivered direct by the contractor in varying quantities to numerous departments and employees. The establishment of a general store would involve utilization of an area of approximately 3 or 4 mow of land, additional staff and transport. He is therefore doubtful whether economy would result by the establishment of such a store. In view of Mr. Harpur's observations, members agree that no advantage would be gained by establishing a general coal store.

The Commissioner of Public Works withdraws.

3690 Chinese Government Bureau in the Settlement - Navigation Bureau. - The Secretary General reports that the Chinese Members have furnished him with a memorandum outlining the functions to be undertaken by this Bureau. This memorandum is in Chinese with a translation which shows that the functions of the Bureau are the same as those hitherto exercised by the Customs.

5912/ Retirement of Observatory Director - Rev. Pere Froc. - The Chairman's proposal is adopted that a reception be arranged about the middle of August for the purpose of presenting the Rev. Pere Froc with a memento of his long association with the Council.

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

5129 Extra-Settlement Roads. - The Secretary General reports that the Chief Secretary to the Mayor of Greater Shanghai has expressed himself as highly gratified at the Council's proposal that these discussions should be renewed with a view to a definite arrangement being arrived at. This official undertook shortly to address the Council on this subject and to nominate representatives with whom these negotiations can be conducted.

5486 Report of Mr. Justice Nathan. - The Secretary General states that he has conferred with the Senior Consul as to the best means by which this report can be transmitted to the Chinese and Foreign Governments. He was informed that the majority of the Consuls had already furnished their governments with this report. Mr. Curtis has suggested to him that the Council should officially request the transmission of this report to the Chinese and Foreign Governments and that the foreign newspaper correspondents should be notified that this has been done.

After discussion, it is directed that a letter be addressed to the Senior Consul requesting him to transmit a copy of this Report to the

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Chinese Government and stating that, in order to facilitate distribution, copies of the Report are being supplied to all members of the Consular Body for transmission to their respective Governments. It is directed that the letter to the Senior Consul be published in the Municipal Gazette.

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

1114/ Licensing Procedure. - With reference to the recommendation that in future no premises occupied by Chinese be closed for functioning without a licence or for non-compliance with licensing conditions unless in the first instance application is made to and an order issued by the Special District Court for such closure, the Secretary General submits that it should be clearly laid down that adoption of this recommendation will in no way curtail the Council's powers to suspend or revoke a licence. In cases of extreme urgency it is, in his opinion, essential in the public interest that the Council should reserve the right to close down premises without application to the several Courts - a process which in many cases would involve considerable delay.

After discussion, and in agreeing that there is no objection to the proposed procedure so far as concerns normal cases of breach of the licence conditions, it is considered that adoption of this recommendation without qualification would be subversive of the public interest. The proposal of the Secretary General is accordingly adopted that he should frame an amended recommendation on this subject for reference to the Watch Committee, which, whilst upholding the views of the Committee in principle, will in no way restrict the Council from closing premises when in its opinion such action is imperative in the public interest.

The Minutes of the meeting of the Works Committee of July 21 are submitted and confirmed.

1155/ Taxation of Unregistered Land. - In view of the considerable area of unregistered land in the Settlement upon which no land tax is paid and having regard to the observations on this question included in the Peetham Report, the Secretary General undertakes to submit a memorandum embodying his suggestions for remedying this anomalous position.

1155/ Land Commission - Membership. - Owing to the difficulty of regularizing the appointment of two Chinese members to the Land Commission, Mr. Bell suggests that possibly the Chinese Councillors would agree to the appointment of one Chinese Commissioner as the Council's representative thereon which would be arranged for in 1932; alternatively it would appear that the only means by which the aspirations of the Chinese Community could be met would be by securing the consent of parties to Land Commission cases to abide by the awards signed by two Chinese members of the Commission.

Mr. Yuan states that the Chinese community desires the appointment of two Chinese Land Commissioners but that, under the provisions of

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the Fund Regulations, he fully appreciates the difficulty of securing their appointment. He will however give further consideration to the suggestion put forward by Mr. Bell and submit the views of his Chinese colleagues thereon at a later meeting.

The Minutes of the Meeting of the Finance Committee of July 23 are submitted and confirmed.

The Minutes of the Meeting of the Traffic Committee of July 24 are submitted and confirmed.

The Minutes of the Meeting of the Staff Committee of July 27 are submitted and confirmed.

Rice Shortage. - Mr. Hughes suggests the advisability of a Committee being formed to consider and devise means for alleviating the suffering caused by the existing shortage in rice. It is to be anticipated that the existing shortage will become more acute with resultant hardship on the poorer classes of the Chinese Community. He suggests that stocks of this commodity could be purchased by the Council and resold without profit or loss; and that such a course would tend to stabilize local prices. Alternatively, the Council might consider appropriate funds for the relief of distress.

The Chairman recalls that the Council contributed last year to the fund for the purchase of rice. Upon the Chinese members stating that, in their opinion, action by the Council on the lines suggested is not called for at the present time, it is decided to defer consideration of the proposal put forward by Mr. Hughes.

In this connection, Dr. Wu points out that the Council has no Department which can investigate and advise the Council on matters such as this. In many large Western Cities a Department of Public Welfare exists which handles questions concerning the provision of institutions, relief of poverty, etc. The absence of such a Department in the Municipal Service is referred to in Mr. Justice Peethan's report and he suggests that the institution of such a Department might be worthy of the Council's consideration. Mr. Bell then suggests that a certain proportion of the Council's income should be definitely allocated to hospitals, schools and other works of beneficence, and that consideration of this proposal should be undertaken in connection with the framing of next year's Budget.

Labour and Factory Laws. - A letter from the Employers' Federation of Shanghai on this subject with a memorandum thereon by the Secretary General is submitted.

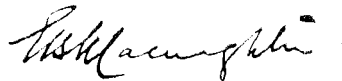
The Secretary General states that, since writing his memorandum, he has had discussions with certain members of the Special Committee formed to investigate the above Laws from which it transpired that this letter was put forward by the Employers' Federation in order that, in any public announcement expressing its approval in principle of these

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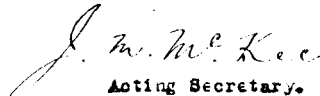
Law, the Council should limit itself so far as concerns the scope thereof. In this opinion Mr. Lieu, a member of the Special Committee concurs. He, the Secretary General, has discussed this subject with the Senior Consul and was informed unofficially of the tenor of the announcement which will be made by the Consular Body. There has not yet been sufficient time for members of the Consular Body to consult with their respective Governments although it is apparent that the individual members of the Consular Body will recommend their Governments to support this Law. He endorses the proposal put forward by the Employers' Federation that an announcement on broad lines be made by the Council to the effect that it supports this Law in principle. As there is no doubt that this Law will operate to the benefit of the majority, an early announcement by the Council on the lines suggested will in his opinion obviate any criticisms that the Council is opposed to effect being given thereto. Under existing conditions it is however impracticable to give this Law full effect and this he submits is fully realized by the Chinese Government officials. In this connection Mr. Lieu states that he considers the Bureau of Social Affairs will be satisfied if the Council announces that it is generally in sympathy with this new Law and that its provisions will be given gradual effect as and when circumstances permit.

After discussion, the Secretary General is requested to prepare a statement for publication indicating the Council's sympathy with the provisions of this new Law. Subject to the Council's approval of this draft, it is directed that this announcement be published early in August.

The meeting terminates at 6.35 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, September 2, 1931, at 4.30 p.m.
there are:-

Present:-

Brig.-Gen. E. D. Macgregor (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 O. Okamoto
 O. S. Lieu
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Public Health
 The Secretary General, and
 The Acting Secretary.

Absent:

Mr. N. S. Brown.

Dr. John C. H. Wu attends.

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

588/4 Avenue Haig Shooting Incident. - A further letter from the Chief Secretary of the Municipality of Greater Shanghai, requesting further consideration of the decision reached by the Council in connection with this incident is submitted.

It is directed that the terms proposed to the Chinese Authorities for the settlement of this incident be adhered to.

708/4 Publicity Bureau. - Replying to the Chairman Mr. Bell states that he has been in touch with the Chinese Press Association and that he understands that a nomination will shortly be forthcoming through the Chinese members of Council for the post of Chinese Press Officer.

Mr. Fukushima states that he understands that the Japanese community will also submit its nominations for the post of Japanese Press Officer at an early date.

709/4 Law of Weight and Measure. - In view of the opinion expressed by certain members that action by the Council for the enforcement of this Law within the Settlement should be withheld until the ^{Customs} Chinese Authorities have given effect thereto, it is decided to take no action until a further report is

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submitted by the Secretary General on the result of enquiries to be made by him as to the attitude of the Customs Authorities in giving effect to this Law.

1189 Extra-Settlement Roads. - The Secretary General reports that the Greater Shanghai Municipal Authorities have appointed delegates with whom the negotiations on this question can be conducted. A preliminary meeting has already been held and he anticipates that these discussions will be resumed at an early date.

1188 Taxation of Unregistered Land. - The Chairman's suggestion is adopted that consideration of this question be deferred until he has conferred further thereon with the Secretary General.

1187 Land Commission - Membership. - Relative to the proposal put forward at the last meeting, Mr. Yuan states that the Chinese members are prepared to agree to the appointment of one Chinese Land Commissioner as the Council's representative.

Mr. Bell points out that in the past the Council has elected as its representative a Land Commissioner skilled in land values who is qualified to safeguard the Council's interests in cases heard by the Commission, the other two members of which were professionally qualified for this work. He therefore is of opinion that any departure from this system might be a detriment to the Council's interests.

Mr. Hsu suggests that the appointment of two Chinese Commissioners be effected by the same means as was adopted for the election of the Chinese members of Council. Whilst members generally are prepared to support this proposal, it is agreed on Mr. Hsu's suggestion to defer decision on this question until the Chinese members have had an opportunity of submitting a further recommendation thereon.

Allocation of Municipal Funds. - The Secretary General is requested to consult with the Treasurer & Controller with a view to the latter submitting proposals for the inclusion in the 1932 Budget of a definite sum for the provision of institutions in the interests of the welfare of the Chinese community. Members agree as to the desirability of a definite sum being annually hypothecated for this purpose and clearly shown in the Budget which amount would not be exceeded except in exceptional circumstances.

1186 The Hankow Situation - Refugees. - A report by the Commissioner of Public Health embodying suggestions for measures to be undertaken to cope with any disease which may become prevalent as a result of the influx of a large number of refugees from the flooded areas is submitted. As a preliminary step, Dr. Jordan is authorized to arrange for the recruitment of volunteer workers having nursing experience whose services would be available if and when required.

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The Chairman informs members that he was recently present at a meeting which was attended by representatives of the Health Authorities of the Greater Shanghai and French Municipalities and the National Quarantine Service. In order to isolate refugees it is hoped to secure the use of an island on the Pootung side of the Whangpoo River. In the interests of the health of the residents of the Settlement, the Chairman states that he agreed, subject to the Council's approval, to defray the cost of erection of huts thereon for the accommodation of these refugees.

The undertaking given by the Chairman is confirmed; if, however, the Council's liability in this respect should approach the sum of \$100,000, this question will be the subject of further consideration. It is decided to notify the appropriate authorities that, upon the submission of a statement showing the charges incurred, the Council is prepared to contribute towards the cost of the scheme for accommodating refugees, but that no specific sum be mentioned in connection therewith.

With regard to the formation of one or more "Cordons Sanitaires" which are being arranged in conjunction with the Fanking Authorities, at the Vice-Chairman's suggestion, the Chairman undertakes to draw to the attention of the organizers of the scheme for the accommodation of refugees the advisability of these "Cordons Sanitaires" being established at such a distance from Shanghai as will ensure that refugees are unable to reach Shanghai by rail or creek and thus elude the inspection which those arriving by river steamers will be required to undergo.

3333 The application by the Chairman of the Collecting Committee of the International Flood Relief Fund to hold a Flag Day on September 12, in aid thereof, is approved.

The Commissioner of Public Health withdraws.

38113 Chinese Government Bureaux in the Settlement-Business Tax Bureau. - With regard to the institution within the settlement of a Bureau in connection with the collection of a tax on Companies operating therein, it is noted that this has been established without the consent of the Council first being obtained.

In view of the requirement of the Consular Body and the Council that such Bureaux can only function within the Settlement with their approval and as its object is to collect taxation from Settlement residents for the benefit of the revenue of the Greater Shanghai Municipality, the Chairman is strongly of opinion that in the interests of the Settlement ratepayers, the Bureau should be prevented from functioning forthwith.

In concurring as to the necessity of adhering to the principle of requiring Chinese Government Bureaux to obtain the necessary permission to function within the Settlement prior to operating therein, Mr. Bell

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suggests that it is not inappropriate that the Settlement, which may be regarded as the wealthier section of Shanghai as a whole, should contribute towards the maintenance of the poorer sections thereof. He agrees, however, that such a contribution is contingent upon a mutually satisfactory agreement being reached on such outstanding questions as the status of extra-Settlement roads. As distinct from this broader issue, he is of the opinion that the institution of a Bureau within the Settlement by the neighbouring Chinese Municipality for the purpose of collecting additional revenue should not be permitted.

After considerable discussion, members agree that this Bureau should be prevented from functioning in the Settlement. In order however to avoid friction with the Chinese Authorities, the Chinese members are requested and they undertake to intimate to these Authorities that the Council will not permit this Bureau to function unless in the first instance the usual procedure is observed in applying for the necessary permission whereafter such application will receive consideration. In the event of the Bureau not having ceased to function on the date of the next Council meeting, it is decided to close it forthwith.

In view of the changed attitude on the part of a section of the Chinese Community as is evidenced by their willingness to pay additional taxation for the benefit of the neighbouring Chinese Municipality, Mr. Bell suggests that, when this question is taken up by the Chinese members with the members of the Chinese Chamber of Commerce, it be intimated to the latter that it is highly probable that the Council will have to increase the General Municipal Rate next year and that they be requested to take this factor into consideration in conjunction with the proposal of the Chinese Authorities to levy taxation on residents of the Settlement.

Secretariat - Appointment of Japanese Assistant Secretary. - With reference to 8918/ the minute of the meeting of July 15, the Chairman enquires of Mr. Fukushima whether, in view of the contemplated engagement of a Japanese Press Official, the Japanese community desires to press for the immediate appointment of a Japanese Assistant Secretary. In pointing out that such an appointment will necessitate additional expenditure, he suggests that possibly additional remuneration might be authorized to the Japanese Press Officer to act in the capacity of liaison officer between the Japanese community and the Council.

Mr. Fukushima replies that he is unable to express his views on this proposal prior to consulting with members of the Japanese community. He will, however, do this and report further.

Municipal Administration Problems. - A letter is submitted from the Chinese Ratepayers' Association proposing that certain problems in Municipal Administration as outlined therein be the subject of a comprehensive

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study and report by Dr. John C. H. Wu.

In expressing his willingness to undertake this work, Dr. Wu alludes to the admirable report furnished by Mr. Justice Feetham. He suggests however that certain aspects of the municipal administration could still be investigated to the mutual advantage of the Council and the Community. Moreover he submits that a research into such problems and the submission of an independent report might, if considered in conjunction with the proposals put forward by Mr. Justice Feetham, facilitate the acceptance by the Chinese community of certain of those proposals. His object would be to furnish impartial views and suggestions in any report he was authorized to prepare, although he realizes that by doing this he may incur the enmity of a section of the Chinese community. Such a report would be confined to problems solely of a municipal nature and any questions having a diplomatic aspect such as extrajurisdiction would be excluded.

If his proposal is approved, Dr. Wu expresses his desire that, except in exceptional cases, reference to him on current questions be discontinued for a period of one or two years in order that he may be in a position to devote the whole of his time to the study of municipal administration generally and the preparation of his report.

Mr. Bell suggests that, if Dr. Wu's proposal is approved, there may be a tendency on the part of the Chinese Councillors to defer giving their views on the Feetham Report until Dr. Wu's further report is available.

Replying, Dr. Wu states that it might be possible to issue his report in sections but that in any case it is not his desire that action on Mr. Justice Feetham's report should be delayed until his own complete report is in the Council's hands. If his proposal is approved, he requests that, to assist him, he be permitted to engage experts on subjects such as the Factory Law and specialists in education, etc. Failing such assistance, he could issue an announcement that he was undertaking this research work and invite the community to furnish him with information in the same manner as was adopted by Mr. Justice Feetham. In this case he could undertake this work with the assistance of a Secretary and a Stenographer.

Upon Mr. Hsu observing that the secondment of Dr. Wu for this specialized duty is a departure from the purpose for which he was originally appointed and would preclude the Council from obtaining the benefit of his advice and assistance on all but the most important current questions, members concur that Dr. Wu's proposal should receive further consideration. It is accordingly decided to defer definite decision thereon until the next meeting of Council.

The meeting terminates at 6.35 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, September 16, 1931, at 4.30 p.m.

there are:-

Present:

Brig. Gen. E. B. Macnaughten (Chairman)
 Messrs. A. D. Fell
 E. S. Brown
 J. W. Carney
 K. Fukushima
 S. L. Pau
 A. J. Hughes
 O. S. Lieu
 T. D. Woo
 L. T. Yuan
 Yu Ya Shing
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. O. Ono to
 F. J. Raven
 G. J. Sheppard.

Mr. John C. H. Wu attends.

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

3031/ Publicity Bureau. - The Chairman states that he has received a nomination from the Japanese members of Council and that one will shortly be forthcoming from the Chinese members for a Japanese and a Chinese press officer respectively.

Messrs. Fukushima and Pau undertake to endeavour to ascertain upon what terms these gentlemen would be prepared to accept these positions, whereafter they will notify the Secretary General in order that he in consultation with the Treasurer/Controller can be in a position to submit a definite proposal to the Council.

4103/ 22/ Law of Weights and Measures. - The Secretary General reports that he is advised by the Customs Authorities that unless ultimately they propose to give effect to this law they cannot for the time being do so on account of the inconvenience which would be caused in connection with their tariff basis. Mr. Fessenden's suggestion is adopted that he should re-circulate to members the relative file on this subject.

3101/ Loan Commission - Membership. - The Chinese members undertake to submit their further views on this question at the next meeting.

5931/ The Refugee Problem. The Chairman reports that plans for this camp have been prepared by the Commissioner of Public Works, the estimated cost of which is \$100,000. Prior to incurring expenditure exceeding \$70,000

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Mr. Harpur has been requested to report further to the Council. A letter has been received from Dr. Hou Ki Mu stating that the erection of this camp is not of immediate urgency.

The Chairman further reports that, at the request of the Commissioner of Public Health, the Police Department has been instructed to endeavour to obtain through the Greater Shanghai Municipality advance information as to any impending movement of refugees towards the Shanghai area.

5111 Chinese Government Bureaux in the Settlement - Business Tax Bureau. - The

Chairman proposes that, in accordance with the decision reached at the last meeting, this Bureau be closed by the Council forthwith.

Mr. Yuan outlines the steps which has been taken by the Chinese members in their endeavours to persuade the officials of the Greater Shanghai Municipality to conform to the usual procedure in the matter of application being made for the institution of this Bureau within the Settlement. He regrets, however, that their endeavours to this end have not been successful. Moreover he gained the impression that, if the Bureau is closed by the Council, negotiations between the two administrations on important outstanding questions will be jeopardized and that the Chinese members themselves will be placed in a most embarrassing position.

Members concur with the Chairman that, in connection with the institution of this Bureau, the Chinese Authorities have treated the Council with a complete lack of courtesy; that any sign of weakness on the part of the Council will result in encouraging attempts to institute further Bureaux in the Settlement and that the institution of Bureaux having for their purpose the collection of taxation strikes at the root of the Settlement administration.

In view of the lack of success which has attended the efforts made by the Chinese members and the Secretary General to induce the Chinese officials to regularize this position, the Chairman submits that the Council has no alternative but to notify this Bureau that it will be closed by the Council within the next few days.

In order that the amicable relationship between the two municipalities may not be jeopardized, and, in particular, having regard to the unenviable position in which the Chinese members will be placed if this Bureau is closed by the Council prior to the exploration of every avenue for regularization of this matter, Mr. Carney suggests that as a final resort the good offices of Mr. T. V. Soong should be sought to bring pressure to bear on the Greater Shanghai Municipal officials. Mr. Bell observes that, at one stage in the discussion at the last meeting, October 1 was suggested as the final date upon which this Bureau would be permitted to function.

After considerable discussion, in the course of which the Chairman reluctantly withdraws his proposal that this Bureau be closed forthwith, he undertakes in conjunction with the Secretary General to put forward the

necessary representations to Mr. T. V. Soong; should these prove to be unsuccessful, it is decided that the Bureau will be closed not later than October 1 next.

Individual members who know Mr. T. V. Soong personally will also take up this question with him informally.

5915/ Secretariat - Appointment of Japanese Assistant Secretary. - Replying to the Chairman, Mr. Fukushima states that members of the Japanese Community strongly feel that the appointment of a Japanese Assistant Secretary is highly desirable on the ground that their's is the largest single foreign community and that hitherto they have been placed at a disadvantage owing to the fact that there is no official who can act as a liaison officer between the Council and the Community. The opinion has been expressed that the Japanese Press Officer to be appointed will not be qualified satisfactorily to fulfil this function. Mr. Fukushima adds that the Japanese community does not ask that this appointment should be made immediately as they realize that the selection of such an official will require the most careful consideration. They are however keenly desirous that this appointment be approved in principle.

After brief discussion, members unanimously concur that the request put forward by the Japanese community is reasonable. The appointment of a Japanese Assistant Secretary in the near future is accordingly authorized.

5916/ Municipal Administration Problems. - With reference to the discussion at the last meeting, the Secretary General reads a letter he has received from Dr. John C. Wu in which the proposals put forward by him at that meeting are modified to the extent that he would continue to discharge the functions at present undertaken by him in addition to investigating and preparing a report on certain phases of the Municipal Administration. Dr. Wu adds that he estimates that approximately 18 months to 2 years would be required to complete his report and that this would be written in the English language and subsequently translated into Chinese by himself.

In the course of discussion, the view is expressed that a report such as is suggested would be valuable inasmuch as it would represent a Chinese point of view on certain problems which have to be faced by the Council. For this reason and on the clear understanding that compilation of this report does not interfere with Dr. Wu's official duties, and that the preparation thereof is undertaken at the instance of Dr. Wu and not at the request of the Council, his proposal, the details of which are set forth in the letter addressed to the Secretary General, is adopted.

The engagement of a Secretary and of a stenographer to assist Dr. Wu at a total cost not exceeding Tia.300 per mensem is authorized.

The Commissioner of Public Works attends.

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The Minutes of the meeting of the Orchestra and Band Committee of September 3 are submitted and confirmed.

5908/ Orchestral Accommodation. - Mr. Hughes refers to a letter which has today been received from the Management of the Grand Theatre intimating that the Carlton Theatre can be rented at a charge of \$1000 per night and that when reconstructed the Grand Theatre will be available at a rental of Tls. 1250 per night. As it is anticipated that this latter rental will be made up from the increased receipts accruing from the additional seating capacity acceptance of this offer is authorized subject to no extended lease being entered into.

The Minutes of the meeting of the Works Committee of September 7 are submitted and confirmed.

5912/ Weyssie Road - Surplus Land - Cad. Lot 3573. - In the event of the adjoining owner not being prepared to purchase this surplus area at the rate of Tls. 18,000 per acre, the Commissioner of Public Works is requested again to submit this question to the Committee.

5913/ Proposed Central Police and Fire Stations - Protest by American Club. - Mr. Harpur states that he is preparing a further report for submission to the Committee on the proposal of this Club to purchase a strip of land from the Council to increase the distance between the Club premises and the proposed Central Police Station.

5914/ North Tennessie Road - Prevention of Smuggling. - The Commissioner of Public Works illustrates on a map submitted the various roads which would be closed if the application of the Customs Authorities and certain Shipping Companies is acceded to.

Mr. Brown submits that such action by the Council would be of a discriminative nature since the effect thereof would confer a benefit on one section of the Community at the expense of another section. Moreover, the policy of closing roads is opposed to that generally adopted in other Ports where endeavours are being made to extend the areas of roads abutting on to Docks. He suggests that these factors should be carefully considered in conjunction with the proposals put forward for the closure of these roads.

It is noted that no decision has yet been reached on this question.

The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Health Committee of September 8 are submitted and confirmed.

The Minutes of the meeting of the Education Board of September 10 are submitted and confirmed.

5955/ Junior School for Boys - Western District. - The Chairman undertakes to confer with Mr. Bell and the Commissioner of Public Works with a view to progress being made in the matter of the acquisition of a site for this School.

Purchase of Rice. - A letter from the Bureau of Social Affairs of the Municipality of Greater Shanghai, requesting that the Council will contribute towards the cost involved by the purchase of rice which is being obtained to alleviate the suffering of the refugees arriving in Shanghai from the flooded areas, is submitted.

The Chairman states that a sum of \$20,000 has been returned from the contribution made by the Council last year towards the purchase of rice and this, he suggests, be donated to the present fund for the establishment of a granary.

This proposal is unanimously approved.

Operation of Factory Law in the Settlement. - A report by the Commissioner of Police on this subject has been circulated to members.

After brief discussion, the view is recorded that, as presumably the owners of mills, factories, etc., have no objection to their premises being visited by officials of the Bureau of Social Affairs, the Council should offer no objection.

It is accordingly directed that the Commissioner of Police be informed that no action by the Police Department is called for.

Waterworks Investigation. - Mr. Bell alludes to the political capital which is being made by the Chinese press out of the appointment of Mr. C. T. Hsiao to the Commission formed to assist Mr. Nicholas Hill in this investigation. Mr. Hsiao is a subordinate member of the staff of the Public Works Bureau of the Greater Shanghai Municipality, although members of Council were not aware of this fact until a few days ago. The relations between the Waterworks Company and this Bureau are such that the appointment of this subordinate official has placed the Company in an embarrassing position particularly so as Mr. Hsiao has visited the Company's offices in his capacity as a member of the Commission prior to any official notification being given to the Company that he had been appointed thereto. He is of opinion that a lack of discretion was exercised by Mr. K. H. Ling in not advising the Council when this nomination was put forward that Mr. Hsiao was an employee of the Greater Shanghai Municipality as had that fact been known his appointment would doubtless have been negated.

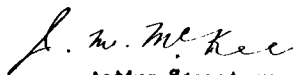
As a matter of courtesy towards the waterworks Company and in order that there may be no misunderstanding as to the capacity in which Mr. Hsiao functions on this Commission, Mr. Bell proposes that letters be addressed to the Company and to this gentleman clearly indicating that he has been elected to this Commission solely in a personal capacity and in no sense by virtue of his official position.

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In concurring with Mr. Bell as to the necessity of members of this Commission functioning in a strictly impartial capacity and in deprecating the fact that Mr. K. H. Ling did not see fit to notify the Council of the official position held by Mr. Hsiao, the Secretary General is requested to address letters to the Company and to Mr. Hsiao in the sense above suggested.

The meeting terminates at 7.35 p.m.


Chairman.


Acting Secretary.

At the meeting of the Council held on Wednesday, September 30, 1931, at

4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macneighten (Chairman)

Messrs. A. D. Bell

N. S. Brown

J. W. Carney

K. Fukushima

S. L. Hsu

O. Okamoto

O. S. Lieu

F. J. Raven

L. T. Yuan

Yu Ya Ching

The Treasurer & Controller,

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. A. J. Hughes

G. W. Sheppard

T. D. Woo

Dr. John C. H. Wu attends.

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

Waterworks Investigation. - Mr. Bell states that, since the last meeting, he has learned that, prior to Mr. Hsiao being invited to serve on this Commission, the Council was informed that he held a position in the Public Works Bureau of the Greater Shanghai Municipality. In view of the criticism directed against Mr. K. H. Ling at the last meeting, he suggests, and members concur, that in fairness to this gentleman a reference as to this be included in the minutes of today's meeting.

Publicity Bureau. - Mr. Hsu states that he has ascertained through the Chinese Press Association that the nominee to the post of Chinese Press Officer would expect to receive a salary of Tls. 500/550 per mensem. Mr. Fukushima states that he has not yet been able to obtain information as to the salary the Japanese nominee would be prepared to accept.

Both these members undertake to pursue their enquiries and to communicate the result to the Secretary General.

Land Commission - Membership. - Mr. Hsu proposes that the procedure to be followed for the appointment of one or two Chinese members to the Land Commission should be the same as that adopted for the appointment of Chinese members to the Council. Upon it being pointed out that this

procedure would involve the submission of the necessary resolution to the Annual meeting of Ratepayers, Mr. Hsu suggests, and members concur, that consideration of this question be deferred to the next meeting.

§861/ Chinese Government Bureaux in the Settlement - Business Tax Bureau. -

Relative to the discussion at the last meeting, the Chairman reports that Mr. T. V. Soong was interviewed by the Secretary General and himself and that he expressed his willingness to assist the Council in this matter. Subsequent to this interview, Mr. Brown received an assurance through Mr. Soong's Secretary, for transmission to the Council, that this Bureau would be definitely withdrawn from the Settlement.

Mr. Brown states that, later, he was informed that this Bureau is to be given up and that any Chinese who desire to pay this additional tax will do so through the medium of the Chinese Chamber of Commerce.

Members express their gratification at the satisfactory settlement of this difficult matter.

§862/ Junior School for Boys - Western District. - The Chairman reports that he has arranged a conference with Mr. Bell and the Commissioner of Public Works on Friday, next, and that he hopes to be in a position to submit definite proposals for consideration at the next meeting.

The Minute of the meeting of the Finance Committee of September 25 are submitted and confirmed.

§863/ Financial Statement for the half year ended June 30, 1931. - At the Chairman's request, the Treasurer & Controller details the major aspects of the financial situation as set forth in these Minutes. It is noted that some measure of relief will be obtained for the remainder of the financial year if the existing exchange rate is maintained during that period. The Treasurer's proposals that Heads of Departments be required to submit proposals for retrenchment and that early publicity be given to the fact that it will be necessary for the General Municipal Rate to revert to the former rate of 16% from April, 1932, are unanimously approved.

The Treasurer & Controller withdraws.

The Minutes of the meeting of the Public Utilities Committee of September 21 are submitted and confirmed.

The Minutes of the meetings of the Education Board of September 15 and 23, are submitted and confirmed.

§864/ Grant Code for Aided Schools. - Copies of the Grant Code as prepared by the Board have been furnished to members. The terms thereof are unanimously approved for application to foreign schools, and, subject to approval by one of the Council's legal staff of the phraseology employed, the Code is authorized for publication.

With regard to the application of the Grant Code to Chinese private schools, Mr. Bell refers to the desire of the Board to co-operate with the Chinese Education Authorities in bringing this into effect.

Members of the Board are unanimous in the view that the control of Chinese private educational establishments in the Settlement should appropriately be left to the Chinese Education Authorities. For this reason, and despite the fact that the personality of the Chinese Commissioner of Education of the Greater Shanghai Municipality renders most difficult negotiations for measures of co-operation, the Board does not feel that the Council should be deterred in its efforts to achieve such co-operation. The basis upon which co-operation with the Chinese Authorities would be sought and given is dealt with fully in the minutes of the last two meetings, and, whilst progress on these lines would in effect involve an admission that the Council does not seek to control Chinese Education within the Settlement, the Board is unanimous in the view that, with the safeguards proposed, such a policy if adopted will be to the mutual advantage of the foreign and Chinese communities.

The Board will shortly submit a memorandum on this question with a request that the Council will address the Mayor of Greater Shanghai on the lines suggested.

After discussion, it is unanimously decided to adopt the policy advocated by the Board of Education.

Committee Appointments. - The following nominations to Committee membership, submitted by the Joint Committee of Shanghai Women's Organizations are approved:-

<u>Health Committee</u>	-	Dr. T. N. Kwong M. D.
<u>Library Committee</u>	-	Mrs. J. S. Whitney
<u>Orchestra & Band Committee</u>	-	Mrs. A. Renner.

Sulphur and Saltpetre Monopoly in the Settlement. - A letter from the Commissioner of Police stating that the officials of this Bureau have agreed to observe the principles laid down in the Council's letter of September 30, 1929, which grant permission for the qualified functioning of this Bureau in the Settlement is submitted.

As in the Commissioner's opinion there is no occasion for interfering with the functioning of this Bureau, the existence of which is long duration, it is agreed that no action is called for.

Law of Weights and Measures. - As requested at the last meeting, the Secretary General has circulated an outline of the proposed arrangement between the Council and the Chinese Authorities regarding enforcement of this Law.

With regard to the comment thereon by the Vice-Chairman, members are inclined to the view that it would be unwise for the Council to defer any preparatory measures until effect is given to this law by the Customs Authorities since conceivably these Authorities might decide to adopt it at very short notice with the result that the Council in the absence of having made the necessary preparation would be unable to follow suit.

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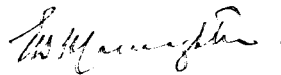
They are, therefore, of the opinion that any requisite preliminary action should be proceeded with to enable the Council to give effect to this law when it deems such action expedient.

The Secretary General reports that he has conferred with M. Verdier on this question and he was informed that the French Municipal Authorities did not attach undue weight to the fact that the Customs Authorities have not yet adopted the new system of weights and measures. The French Council has no objection to the introduction of these regulations in the French Concession subject to the observance of certain conditions by the Chinese Authorities. He supplied M. Verdier with a copy of the outline of the proposed arrangements and this has been accepted by the French Council subject to formal confirmation by the French Minister. The French Municipal Authorities are anxious to co-operate with the Council in this matter and they agree that no hasty action should be taken in giving effect to these regulations. He gathers that little progress is being made in enforcing this law in Chinese territory. He therefore proposes that the Council should agree in principle to the introduction of these regulations within the Settlement and that the necessary preparatory measures be taken to enable them to be enforced as and when conditions permit.

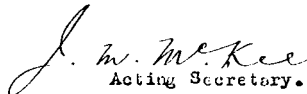
After discussion the above proposal is adopted. At the Chairman's suggestion the Secretary General undertakes to confer with the Chinese Authorities with a view to the transition period referred to in paragraph 6 of the proposed arrangements being more definitely defined.

Orchestral Concerts - Admission Charges. - The recommendation of the Orchestra & Band Committee that the admission charges to these Concerts be increased as from the commencement of the forthcoming Winter Season, in accordance with the scale submitted, is endorsed.

The meeting terminates at 5.50 p.m.



Chairman.


Acting Secretary.

At the meeting of the Council held on Wednesday, October 14, 1931, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. R. Macnaghten (Chairman)

Messrs. A. D. Bell

H. S. Brown

J. W. Carney

K. Fukushima

A. J. Hughes

O. Okamoto

O. S. Lieu

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. S. L. Hsu

G. W. Sheppard.

Dr. J. C. H. Wu attends.

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

303/ Publicity Bureau. - The suggestion of the Secretary General is adopted that the question of the pay for the nominees to the posts of Chinese and Japanese Press Officers be referred to Mr. Burton Sayer for his consideration.

483/ Land Commission - Membership. - Owing to the absence of Mr. S. L. Hsu consideration of this question is deferred to the next meeting.

575/ Junior School for Boys - Western District. - The Chairman reports that the Commissioner of Public Works has suggested that a new school building be erected on the area of land abutting on to Kiaochoh Road recently purchased by the Council or alternatively that this be built on a portion of land in Yu Yuen Road between the Public School for Girls and the Fire Station. His proposal is adopted that these alternative schemes be submitted to the Education Board for its views.

478/ Law of Weights and Measures. - The Secretary General reports that he has notified the Chinese Authorities of the Council's desire that the transition period referred to in the proposed arrangements be more definitely defined.

327/ The Minutes of the meeting of the Works Committee of September 29 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of October 5 are submitted and, subject to the following exception, are confirmed.

5987/ Fire Brigade - Appointment of Sub-Officers. - Mr. Bell states that, in his opinion, it is to be regretted that the disinclination for manual labour on the part of the recently engaged Chinese cadets should frustrate the Council's desire to replace a number of the foreign staff in the Brigade by Chinese. As possibly insufficient attention may be given by the senior foreign staff to the training of these cadets in their duties, he suggests that it be ascertained whether all possible endeavours are being made to fit them for these posts. In his opinion, young foreign officers should not be engaged for positions which, it may be anticipated, would not require to be filled by foreigners after the comparatively short period of three years. Moreover, he considers that, if the inability of the recently engaged cadets for subsequent promotion is clearly demonstrated after a reasonable period, their services should be dispensed with and others appointed in their stead.

Members concur in these views and the Secretary General undertakes to take up this question with the Chief Officer. Meanwhile, confirmation of the Committee's recommendation is deferred.

5990/ Police Force - Chinese Superintendents. - The Chairman's proposal is adopted that a recommendation as to the scale of pay for future appointees to the post of Chinese Superintendent be recorded at the next meeting of the Committee.

The Minutes of the meeting of the Education Board of October 7 are submitted and confirmed.

5992/ Grants-in-Aid for Foreign and Chinese Schools. - The draft letter to the Mayor of Greater Shanghai on the subject of co-operation between the Council and the Chinese Education Authorities submitted by the Board for the Chairman's signature is approved.

With regard to the consideration of applications for grants-in-aid from Chinese private schools, Mr. Bell's proposal is adopted that a Committee of Chinese, including one or two lady members, be appointed for this purpose. The Chinese members of the Council undertake to confer with the Chinese members of the Board with a view to submitting nominations to the Council at its next meeting.

The Minutes of the meetings of the Public Utilities Committee of October 9 are submitted and confirmed.

5993/ Orchestral Concerts - Accommodation. - Mr. Hughes reports that the China Theatres Ltd. have notified that their offer to rent the Carlton Theatre for the accommodation of the Orchestral Concerts during the present Season will be withdrawn unless the Council agrees to enter into a five year lease for the Grand Theatre upon its reconstruction being completed. The Committee is unanimous in the view that the increased rental of Fls.1,250 per night will be more than offset by the additional receipts which will accrue from the greatly increased seating capacity. As this lease will contain a clause permitting the Council to terminate it at six months' notice in the event

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of the Orchestra being disbanded, the Committee strongly recommends that the Council should agree to a lease on the terms stated.

After discussion this recommendation is endorsed subject to the insertion of a clause permitting the Council to sub-let the Theatre on any particular evening it is not required for the holding of a concert and to the terms of the lease being approved by the Commissioner of Public Works.

Waterworks Investigation - Mr. Hill's report. - A summary of conclusions from the report of Mr. Nicholas S. Hill, Jr., has been circulated to members. This, the Secretary General suggests, should be published immediately.

Mr. Woo is of opinion that a Chinese version of this summary should be published simultaneously with the foreign version. Members concur in this view and request Mr. Burton Sayer to arrange either with the Official Chinese Translator or with the Chinese Assistant Secretary to have Chinese translations made in order that this summary may appear in the Press on Friday morning.

It is also directed that a copy of this Summary be transmitted to the Waterworks Company and copies furnished to members of the Public Utilities Committee tomorrow.

With regard to the main report, which, it is decided, will be considered by the Public Utilities Committee prior to formal submission to the Council and to publication thereof, it is directed that it be printed and that a number of blank leaves be attached to the end of the report to enable members of the Committee to record any comments they may desire to make.

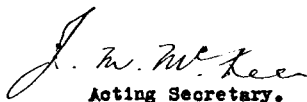
Women's International Zionist Organization. - An application by this organization to hold a "Flag Day" on November 2, to collect funds for welfare work is submitted.

In view of the recent considerable increase in the number of applications for collecting funds by this method, this application is disapproved.

The meeting terminates at 5.40 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, October 28, 1931, 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

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. S. L. Hsu

G. W. Sheppard.

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

1031 Publicity Bureau. - Reports by the Press Information Officer and the Treasurer & Controller on the question of the pay for the posts of the Chinese and Japanese Press Officer have been circulated.

Members adopt the Chairman's suggestion that this question be referred to the Staff Committee for its recommendation at an early date in order that a decision thereon can be reached at the next Council meeting.

1131 Land Commission - Membership. - Consideration of this question is deferred to the next meeting.

The Chief Officer of the Fire Brigade attends.

5933
5121 Fire Brigade - Appointment of Sub-Officers. - In amplification of a report submitted by him on this question, the Chief Officer states there is no reason to assume that the 10 cadets now being trained will not eventually qualify for promotion to the post of Sub-Officer. In his opinion, however, some two years will be required for training purposes. He intends next year to increase the number of cadets at present in the course of training. Meanwhile the foreign personnel is six below the authorized establishment and, if the efficiency of the Brigade is to be maintained, he is of opinion that the existing vacancies should be filled.

In the course of discussion the view is expressed that the authorized establishment of this Department should be maintained as far as possible and that, in respect of the Chinese cadets, it is desirable to

select candidates for these posts with a fair standard of education. At the same time the Chief Officer is requested to assure himself that the educational requirements therefor are not of such a high standard as to preclude cadets from ultimately qualifying for the post of Sub-Officer.

The recommendation of the Staff Committee that Messrs. Martin and Vurm be appointed as Sub-Officers is then endorsed.

5613/ Grants-in-Aid for Foreign and Chinese Schools. - Nine nominations to the Committee to be instituted for the consideration of applications for grants-in-aid to Chinese private schools are submitted by the Chinese members.

Subject to the endorsement thereof by the Education Board these are approved.

1308 Waterworks Investigation - Mr. Hill's report. - In view of the inability of the official Translator to furnish a Chinese translation of this report at an early date owing to the additional work entailed by the translation of the Feetham Report, Mr. Bell suggests that outside expert assistance should be obtained in order that the translation of Mr. Hill's report may be expedited.

After brief discussion, this proposal is unanimously approved and Mr. Bell is authorized in conjunction with the Chinese Assistant Secretary to make the necessary arrangements.

The Minutes of the meeting of the Works Committee of October 20 are submitted and confirmed.

5615/ Proposed Central Police and Fire Stations. - It is unanimously decided that the Central Police Station should be erected on the Western portion of Cadastral Lot 174, that the corner portion thereof be sold and that the American Club be given an opportunity to purchase a strip of the land between its property and that owned by the Council.

It is also agreed that, in the event of the provision of a new Town Hall, it should be erected on a portion of the Municipal Compound.

Members concur with Mr. Bell that if possible a covenant should be included in the agreement for the sale of the corner portion of Cadastral Lot 174 to ensure that the development thereof will not be inferior to that of adjacent buildings.

1357/ Drain Extensions - Columbia Road. - The Secretary General is requested to solicit the good offices of the Secretary to the Mayor of Greater Shanghai with the object of securing permission for this drain extension.

The Minutes of the meeting of the Education Board of October 21 are submitted and confirmed.

5612/ Grants-in-Aid for Chinese private Schools. - Mr. Bell reports that owing to the existing political situation certain of the Chinese members of the Board have suggested that it would be inadvisable to publish these General

Conditions for the time being on account of the restriction included therein against the teaching of subjects likely to arouse racial animosity. The Chairman of the Board has informed him that he concurs in this view. It has been suggested in the Chinese Press that the Council is endeavouring to prohibit patriotic activities in these Schools. This, the Council will realize is definitely not the intention of the Board; the requirement referred to in these General Conditions having been inserted as a result of observations contained in the Feetham Report.

After discussion, and in recording their regret that progress in the matter of the issue of these grants will be retarded, it is unanimously agreed that it would be inadvisable to publish these General Conditions at the present time. It is accordingly decided to defer publication thereof as also publication of the General Conditions pertaining to the issue of grants to foreign Schools until the existing political situation has improved.

Taxation of Unregistered Land. - Relative to previous discussions on this subject,

1588 the Secretary General refers to the procedure at present in force whereunder an endeavour is made to secure the consent of owners of unregistered land to pay land tax thereon in cases where they purchase adjoining areas from the Council or in which the Council requires portions of such unregistered land for road purposes. Under the Land Regulations the Council has no power to tax such land which is in fact expressly excluded for purposes of taxation. Recently, Chinese land owners have protested against payment of such taxation although in some cases a definite undertaking had been given as to this. As the collection of taxation on unregistered land is ultra vires the Land Regulations and as the amount of revenue involved is negligible, he is strongly of the view that, having regard to the major questions outstanding between the Council and the Chinese Authorities, continuance of this policy is not in the best interests of the Council. He therefore recommends that this practice be abandoned and that the collection of taxation on unregistered land should cease in all cases where the owner protests against such payment.

After hearing the Secretary General, his proposal is unanimously adopted.

Bicycle Licence Fee. - An intimation from the French Municipal Authorities that

1589 they propose to increase the annual licence fee for bicycles from \$3 to \$4 as from January 1, next, and enquiring whether the Council is prepared to take similar action is submitted. The Commissioner of Revenue favours this proposal.

It is recalled that this licence fee was imposed originally with the object of securing more effective police control over these vehicles rather than for the purpose of obtaining additional revenue. Moreover,

as this licence fee was increased in 1930 and as, in members' view, a further increase would inflict a hardship on a certain section of the community, it is directed that the French Municipal Authorities be informed that the Council is unwilling to again increase this fee in 1932.

Status of Shanghai. - The Secretary General has reported that it has been suggested that the present time is opportune for the Council to make an effort to secure consideration of the questions relating to the International Settlement by a conference of the Government of China and the principal foreign countries interested. He accordingly submits a draft of a resolution to that effect for members' consideration.

For the reasons advanced by Mr. Fukushima, members agree to deletion of the reference to the League of Nations in this draft Resolution it being agreed however that there would be no objection to the machinery of the League being utilized for convening such a Conference as distinct from its participation in the deliberations of the Conference.

Certain other minor amendments in phraseology suggested by Mr. Fukushima are also approved.

Whilst the view obtains that it is highly desirable that any such Conference should be held in Shanghai owing to the inability of the Council to send representatives to remote places, it is appreciated that this could not be definitely provided for in any resolution framed by the Council. It is accordingly decided to include a reference in the resolution only as to the desirability of this Conference being held in Shanghai.

In view of the importance of this question, Mr. Lieu's proposal is adopted that no action be taken until further consideration is given thereto at the next Council meeting. In the meantime, the Secretary General undertakes to redraft the resolution in accordance with the amendments agreed to and to circulate copies to members.

Health Committee Membership. - The recommendation of the Health Committee that, to fill the vacancy caused by the resignation of Dr. E. L. Marsh, Dr. J. E. Murray be invited to serve thereon, is unanimously approved.

Overcrowding of Buses. - In view of the overcrowded condition of the vehicles operated by the China General Omnibus Company, the Chairman's proposal is adopted that this question be referred to a joint meeting of the Traffic and Public Utilities Committees with a view to means being devised to ameliorate the existing conditions.

Street Hawkers. - Mr. Bell refers to the recent action by the Police Department in arresting large numbers of street hawkers. As this action has been the subject of criticism in certain quarters, he suggests that the Police Department should desist from activities on such a scale unless members of the Watch Committee or the Council are notified thereof in advance.

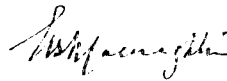
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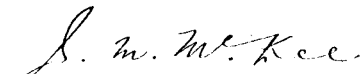
The Chairman states that, in the absence of information from the Police Department, it is to be presumed that the hawkers arrested had not obtained the necessary licences, and as it is a part of the normal functions of the Police Department to ensure that hawkers take out licences, he is reluctant to criticize the Department for the action taken on this occasion. He will, however, take up this question with the Commissioner of Police and convey to him the views expressed by certain members.

Membership. - Mr. Brown states that, as he is leaving Shanghai on November 10, he desires to tender his resignation as a member of the Council as from today's date.

On behalf of the Council, the Chairman expresses regret at the loss of Mr. Brown's services on the Council and best wishes for his future welfare at home.

The meeting terminates at 6.25 p.m.


Chairman.


Acting Secretary.

At the meeting of the Council held on Wednesday, November 11, 1931, 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

A. J. Hughes

O. S. Lieu

O. Okano

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General, and

The Acting Secretary.

Absent:

Mr. G. W. Sheppard.

Dr. J. C. H. Wu attends.

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

383/17 Land Commission - Membership. - On behalf of the Chinese members Mr. Hsu renews his recommendation that the same procedure be adopted for the election of two Chinese members to the Land Commission as was followed for the election of the Chinese Councillors.

In agreeing as to the ^{property} of the Ratepayers being consulted on this question, it is unanimously decided that arrangements be made to bring forward the necessary resolution at the next annual meeting. It is also directed that early publicity be given of the Council's intention to support this resolution.

455/17 Drain Extensions - Columbia Road. - The Secretary General states that he has taken up this matter with Mr. Yu and that this has now been referred back to the Commissioner of Public Works for further detailed information. With regard to the statement made by Mr. Yu to Mr. Fessenden that the City Government in granting the original permit was not influenced by the fact that one of the residences involved was to be occupied by Mr. Sun Fo, Mr. Bell states that reference to the previous correspondence on this question will prove that this is not the case and he suggests that Mr. Yu be advised accordingly.

542/1 Status of Shanghai. - Copies of the amended draft resolution prepared by the Secretary General have been furnished to members. In deference to the request of the Chinese members who wish to consult further thereon, it is decided to defer consideration of this resolution to the next meeting.

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Council Membership. - With regard to the vacancy on the Council caused by the resignation of Mr. N. S. Brown, the Chairman reads a letter he has received from Mr. N. Leslie in reply to an informal invitation to him to fill this vacancy.

The contents of this letter are noted and it is unanimously decided to invite Mr. Leslie to accept a seat on the Council.

The Minutes of the meetings of the Education Board of November 5 and 10 are submitted and confirmed.

Grants-in-Aid for Chinese Schools - General Conditions. - The amendment to Clause 10 (b) of these General Conditions as recommended by the Board at its meeting yesterday is approved as is also the Chinese translation thereof furnished by the Board.

It is directed that the letter to the Mayor of Greater Shanghai on this question be transmitted forthwith and that, upon his reply being received, the Publicity Office should furnish to the Chinese and Japanese press for publication the Council's reasons for the inclusion of this clause.

The Minutes of the meeting of the Staff Committee of November 6 are submitted and confirmed.

Press Information Office - Pay of Chinese and Japanese Press Officers. - Mr. Carney informs members that the question of the pay of these officers is referred back to the Council on two grounds (I) for decision as to the duration of these appointments, i.e., whether the institution of the Press Bureau should be for an experimental period, and, if so, of what length; and (II) for the reason that the Press Information Officer would prefer the engagement of Chinese and Japanese translators and writers rather than the highly qualified nominees recommended for these posts.

With regard to the latter point Mr. Hsu recalls that the Council has already decided that highly qualified professional journalists should be engaged, and, having regard to the emphasis laid by the Publicity Committee on the desirability of trained journalists being appointed, he considers this decision should be adhered to. With regard to the duration of these appointments, at the time the above decision was reached it was decided that the Publicity Bureau should be instituted for an experimental period although no definite period was specified. He is still of the opinion that the Bureau should function for a trial period in order that, as a result of its activities the Council may be in a position to decide as to the necessity or otherwise of its retention. He agrees however that it will be difficult to obtain the services of qualified Japanese and Chinese press officers for a comparatively short period.

With regard to the opinion of the Press Information Officer that these appointments will entail the engagement of additional junior staff to discharge the more routine duties of his office, members concur with the

Chairman that the necessity of these additional appointments was not contemplated during the course of previous discussions now are they convinced that the appointment of these two Press Officers need necessarily entail the engagement of additional subordinate staff.

Mr. Bell states that the Publicity Committee did not contemplate the engagement of Press Officers at the relatively high rates of pay now proposed. As, however, in his opinion the Council will be impressed by the value of the Publicity Bureau during its experimental period, thus rendering its abolition unlikely, he favours these two officers being given appointments for three years.

On the ground that the Council is committed to these two appointments, the Chairman is prepared to support this proposal with the reservation that no additional subordinate staff be engaged.

The Press Information Officer outlines the difficulties experienced by him in obtaining Chinese and Japanese translations of municipal news items although Mr. Kliene is assisting him so far as his ordinary official duties will permit and the editors of both Chinese and Japanese newspapers are readily co-operating with him. Although the nominees to these two posts would undoubtedly be capable and willing to undertake translation work, he emphasizes that this takes a very considerable time and requires very careful checking; hence his recommendation that sub-ordinate staff be engaged for this work in its preliminary stages.

Mr. Raven suggests that the Press Information Officer should submit for consideration a budget as to his essential requirements bearing in mind the Council's appreciation of the necessity of keeping the cost of the Publicity Bureau as low as possible.

After further discussion, the Chairman's proposal is adopted that the nominees to the posts of Chinese and Japanese Press Officers be appointed for a period of three years upon the terms proposed by the Chinese and Japanese Councillors as is also that put forward by Mr. Raven in the preceding paragraph.

On the suggestion of Mr. Hsu, it is also decided that, at the conclusion of one year from the institution of the Publicity Bureau, the Council should review the results achieved thereby with the object of determining upon its retention or otherwise.

Avenue Haig Shooting Incident. - With reference to previous minutes, a memorandum by the Secretary General outlining the results of his discussions with Mr. Yu Hung-chun has been circulated. Mr. Fessenden states that the Chinese Authorities are prepared to settle this matter upon payment of \$2000 as compensation to the wounded Chinese Police Officer. In amplification of the information contained on this circular, Mr. Fessenden suggests that the Council may not be aware how seriously the Chinese Authorities

regard this incident. He desires it to be clearly understood that, in the course of his discussions with Mr. Yu, the question of jurisdiction either of the Council or of the Chinese authorities over these roads did not arise as a major issue. He is convinced that the Chinese Authorities are as sincere in their contention that the wounding of one of their police officers was unjustified as is the Council in its belief that this shooting occurred as the result of the truculent behaviour and threatening attitude adopted by this Chinese police officer. Accordingly, the position arises where two irreconcilable points of view obtain. Neither the Mayor nor Mr. Yu have stated during these discussions that negotiations on major outstanding questions would be suspended until a settlement is reached regarding this incident. Certain other influential Chinese Officials are, however, irritated and dissatisfied over this incident and this has affected the hitherto friendly relations between the two Municipalities. He therefore regards it as highly desirable that a settlement should be reached as to this incident. He informed Mr. Yu that in his opinion the Council might regard the claim of \$2000 as compensation as excessive since he is not aware that the Chinese Police Officer will suffer a permanent serious disability. He considers, however, there should be no difficulty in obtaining a reduction in this sum to a reasonable figure since acceptance by the Council of the principle that payment of compensation is called for is more important to the Chinese Authorities than the actual amount of such compensation.

Mr. Bell states that he is strongly opposed to payment of compensation in the sum suggested. Apart from the fact that such a sum is out of all proportion to the degree of injury received, he considers payment of this amount would be tantamount to an admission of guilt by the Council. In his opinion, the maximum sum which the Council should agree to pay as a solatium to this Police Officer is \$500.

Mr. Hughes is of opinion that, when these negotiations are renewed, it should be brought home to the Chinese Authorities that, had agreement on the major question of the status of the outside roads been reached, an incident such as that now under discussion could not have occurred without it being possible definitely to fix the responsibility therefor. He, therefore, suggests that this would afford a useful opportunity to emphasize that the Council has done all in its power to secure a settlement of this major question and that its non-success is entirely due to the vacillating attitude adopted by the Chinese Authorities.

In this connection, Mr. Fessenden states that he is informed that the delay in these negotiations is due not to the local Chinese officials but to the Nanking Authorities to whom this question has been referred.

After further general discussion, it is decided that a sum of \$500 be offered as a solatium to this wounded Chinese Police Officer; the letter embodying this offer to be so worded as to avoid the implication that the Council accepts any blame for the occurrence of this unfortunate incident.

Telephone Contract for Outside Areas. - A letter from the Shanghai Telephone Company forwarding a draft of a temporary contract between the Bureau of Public Utilities of the City Government of Greater Shanghai, the Chinese Government Telephone Administration and the Company has been furnished to members for information.

Mr. Bell's suggestion is adopted that this draft contract be forwarded to the Commissioner of Public Works and the Treasurer & Controller for their comment and in order that they may confer thereon with the Secretary General prior to its submission to the Public Utilities Committee for approval.

Flood Refugees. - The Chairman reports that the Municipality of Greater Shanghai requests that the Council and the French Municipal Authorities will jointly contribute the sum of \$50/60,000 to enable the repatriation of refugees from the flooded areas to be proceeded with. As the Council has not been called upon to carry out its undertaking to donate approximately Tls.70,000 towards the cost of erection of a refugee camp, the Treasurer recommends that, in the absence of particulars as to income and expenditure, a contribution of Tls.10,000 be authorized to meet immediate needs.

After brief discussion, this recommendation is unanimously adopted.

Board of Film Censors. - Owing to the departure from Shanghai of Mr. E. Gordon Lowder, it is unanimously decided to invite Mr. A. de C. Sowerby to serve on this Board for the remainder of the current municipal year.

Russian Emigrants' Committee. - On the proposal of Mr. Hughes, it is decided to defer consideration as to the question of continuing financial support to this Committee until the conclusion of the conference which has been arranged by the various local Russian organizations.

Factory Inspection. - For members' information, the Chairman reports that he and the Secretary General recently attended two representative conferences relative to the inspection of Chinese factories in the Settlement. At the final Conference it was agreed that trained Chinese inspectors should be permitted to inspect Chinese factories within the International Settlement and the French Concession provided they are under the sole control of the respective Councils.

It is noted that, prior to giving effect to this principle, the working details involved will be the subject of further discussion.

The meeting terminates at 6.25 p.m.

W. H. Macgregor
Chairman.

J. W. McKee
Acting Secretary.

At the meeting of the Council held on Wednesday, November 25, 1931, 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

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

T. D. Woo

L. T. Yuan

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. F. J. Raven

G. W. Sheppard

Yu Yaa Ching.

Dr. J. C. H. Wu attends.

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

432/4/ Land Commission - Membership. - With reference to the decision reached at the last meeting the Chairman observes that to amend the Land Regulations to provide for any increase in the number of Land Commissioners it would be necessary to convene a special meeting of ratepayers. In view of the difficulty which has been experienced in the past in securing a quorum for a special meeting, he doubts whether it will be possible to obtain the requisite attendance at a special meeting to be called for this purpose.

Mr. Bell suggests that if this should prove to be the case then the views of the Ratepayers might be obtained at the Annual meeting without proposing a formal resolution to amend the Land Regulations. In the event of no objection on their part then he suggests it should be possible to arrange with the Consular Body for the necessary approval to be obtained.

After discussion and in the absence of any other business arising which would necessitate the summoning of a special meeting it is decided to adopt the course suggested by Mr. Bell.

432/4/ Status of Shanghai. - The Chairman states that, since the last meeting, it has been suggested to him that, having regard to the existing political situation, the present time is not opportune to take action on this draft resolution. It has been further suggested that this resolution might be submitted to the Ratepayers at the next Annual meeting.

After brief discussion, it is decided to defer consideration of this draft resolution for the time being. In the event of an improvement in the existing political situation, it will be again submitted to members for their consideration.

5014
Press Information Office - Pay of Chinese and Japanese Press Officers. - The Chairman informs members that, since the last meeting, the question has arisen as to whether the Japanese Press Officer should receive a Class "A" or a Class "L" Letter of Appointment and also as to whether the Chinese and Japanese Press Officers should not receive equivalent rates of pay.

In this connection, Mr. Fukushima states that, on the circular which has been submitted to members, it was stated that he took exception to the issue of a Class "L" Letter of Appointment to the Japanese Press Officer. This is not the case. He did, however, suggest to the Secretary General that, in view of the importance of the duties attaching to this post, the issue of a Class "A" Letter of Appointment was justified. With regard to the rates of pay for these posts, he submits that Japanese nationals are in the same position as other foreign municipal employees who, owing to the fact that they are not permanently domiciled in Shanghai, are called upon to meet heavier expenses than Chinese employees. Although the proposal that these officials receive equal pay may be put forward on the grounds of expediency, he desires it to be clearly understood that, in his opinion, the principle governing the differentiation in the terms of service for foreign and Chinese staff should be maintained in this particular case.

Mr. Bell states that he has gathered that any differentiation in the rates of pay for these two posts may result in a feeling of dissatisfaction on the part of the Chinese nominee, particularly so as in the first instance the engagement of a Chinese press officer only was contemplated. Whilst he agrees with Mr. Fukushima that a Japanese employee, as a foreign national, is placed in a different position from Chinese employees he nevertheless favours the same rate of pay being issued to these two officials. He accordingly suggests that both should receive pay at the rate of Tls.550 per mensem, that the Japanese Press Officer be granted a Class "A" Letter of Appointment and that the Chinese Press Officer be given an assurance that, under his Class "J" Letter of Appointment, his employment is guaranteed for three years.

In adhering to his view that the terms to be granted to these employees should be considered on the merits of the individual, Mr. Fukushima expresses his willingness to endeavour to induce Mr. Tatsuoka to accept this appointment on the reduced rate of pay of Tls.550 per mensem.

Subject to his acceptance thereof, the proposal put forward by Mr. Bell is unanimously adopted.

5515/11
Avenue Haig Shooting Incident. - The Secretary General reports that, since the last meeting, he has conferred further with Mr. Yu Hung-chun who stated that the Chinese Authorities are now prepared to accept compensation on behalf of

the wounded Chinese police officer in the reduced sum of \$1000. He has ascertained that a .44 calibre bullet penetrated this police officer's arm, subsequent to which he developed fever and had to spend a considerable time in hospital. His relatives have put forward claims for compensation and the Chinese Authorities were apprehensive that an embarrassing situation might arise unless this incident is closed upon the amended basis now proposed. He, therefore, enquires whether members are prepared to sanction this payment.

Mr. Bell states that he adheres to his view that payment of a sum of \$500 as a solatium is ample and he is unable to agree with the Secretary General that, unless the demand of the Chinese Authorities is acceded to, the relations between the two municipalities will be vitally affected. He recalls that only recently the Council has donated Tls. 10,000 in respect of Flood Relief and he submits that this gesture should offset any ill-feeling on the part of the Chinese Authorities should the Council decide as a matter of principle that it is unable to recede from the position it has taken up in this particular case.

Messrs. Leslie, Fukushima and Carney concur with Mr. Bell that the amount of compensation offered by the Council is adequate if compared with the sum which would have been authorized in respect of injuries sustained by a municipal Chinese police officer. They, therefore, favour adherence to the Council's decision.

The Secretary General replies that he does not suggest that, by adherence to this decision, the Council's relations with the Chinese Authorities will be irretrievably strained: at the same time, however, there will remain a feeling of resentment and irritation on the part of certain Chinese officials which will not conduce to facilitation of settlement of the major questions outstanding between the two municipalities. The Council having admitted its willingness to pay a solatium, he submits that the adequacy or otherwise of the amount thereof is entirely a matter of opinion. At the outset, the Council agreed to pay the hospital expenses incurred and the reduced sum of \$1000 now demanded would be accepted in full settlement. In view of this, Messrs. Hsu and Yuan favour closure of this incident on these terms.

Upon Dr. Wu stating that, under the principles of modern law, a Court in assessing damages might take into consideration the mental anguish suffered by the victim, Mr. Bell states that, in this particular case, the Council regards this police officer not so much in the light of a victim but as an aggressor and it was on these premises that the Council reluctantly decided to authorize compensation.

The Secretary General re-iterates that the evidence in this incident was most conflicting and as before stated the Chinese Authorities are as adamant in their opinion that it occurred owing to the action of the Municipal Police as is the Council in its conviction that it was provoked by the attitude adopted by the Chinese police officer.

The Chairman states that he is reluctant to advocate any increase in the amount already authorized since by so doing the Council would abandon the principle upon which the issue of this solatium was based. Whilst he appreciates the efforts of the Secretary General to secure a settlement of this incident upon the terms authorized, the Council has, in his opinion, no alternative but to adhere to its original decision.

He, therefore, proposes and the majority of members concur that no increase be made in the amount of the solatium already authorized.

The Minutes of the meetings of the Public Utilities Committee of November 9 and 16 are submitted and confirmed.

1408 Shanghai Waterworks Company Ltd - Report of Mr. N. S. Hill, Jr. - Mr. Bell refers to a misleading sentence contained in the introduction to the bound report of Mr. Hill in which statements are attributed to Mr. Hill after he had sailed from Shanghai. In concurring with Mr. Bell that such statements indicate carelessness on the part of the official responsible for having this volume set up, members adopt his proposal that, in order to avoid public criticism, the necessary correction be made prior to publication of this report and that the attention of the persons to whom advance copies have been issued be drawn thereto.

The Minutes of the joint meeting of the Traffic and Public Utilities Committee of November 9 are submitted and confirmed.

1689 Motor 'Bus Stops - Mr. Leslie refers to the inconvenience and potential danger caused by the existing practice under which motor 'buses draw up on the near side of street crossings. His suggestion is adopted that the Traffic Committee be requested to consider the feasibility of requiring these vehicles to draw up on the far side of street crossings for the purpose of taking up and setting down passengers.

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

6612/ Grants-in-aid to Non-Municipal Schools - General Conditions. - Mr. Bell refers to the desirability of the early publication of the General Conditions pertaining to the issue of grants to foreign Schools in order that they may be in a position to apply for financial assistance in respect of the current year: at the same time the Board desires, if possible, that the General Conditions relative to both foreign and Chinese Schools should be published simultaneously. Publication of the latter is being withheld pending receipt of a reply to the letter despatched to the Mayor of Greater Shanghai.

Mr. Yuan suggests that both sets of General Conditions should be published next week irrespective of whether or not a reply is received from the Mayor. In the interval he will endeavour to interview the Mayor and will advise the Council as to the prospects of an early reply being received.

Mr. Yuan's proposal is unanimously adopted.

The Minutes of the meetings of the Rate Assessors of November 13 and 20 are submitted and confirmed.

New World Case. - With reference to previous minutes, a further memorandum giving 1131 a resume of this case has been prepared by the Secretary General and circulated to members. Therein, it is stated that the authorities of the Municipality of Greater Shanghai now propose that the claim of the Emporium be submitted to a Committee or Board constituted of one foreign and one Chinese member of Council, one appointee of the Chinese Chamber of Commerce and two appointees of the Mayor of Greater Shanghai.

The Chairman states that, while he appreciates the efforts of the Chinese Authorities to effect a satisfactory settlement of this case, he is unable to support this proposal on the ground that this issue is one entirely between the Council and the Emporium. If the latter has a just grievance, it has redress by bringing an action against the Council in the Court of Consuls. For the reason that the proprietors of this Emporium undoubtedly have endeavoured and would continue to attempt to make political capital out of this case, the Secretary General supports this view.

Mr. Lieu refers to the number of commercial cases which are referred to arbitration for settlement and states that he sees no objection to this course being adopted in this case. The Secretary General replies that, at no time, have the proprietors of this Emporium put forward a claim which could reasonably be regarded as a basis for reference of this case to arbitration.

Mr. Bell states that, had this been done at the outset, he would have had no objection to the case being referred to arbitration. If, however, this course were now adopted and reasonable but relatively small damages awarded by a non-legal body, he considers that the agitation directed against the Council would become intensified.

In view of the above observations, it is agreed that the suggestion that this case be referred to arbitration cannot be entertained.

Memorandum on Municipal Economy. - With reference to the memorandum recently 1132 received from the Chinese Ratepayers' Association and which has been published the Chairman suggests that, in order to avoid any misapprehension on the part of the public, a series of articles be prepared for publication outlining the steps which are being taken departmentally to effect all possible economies.

This proposal is adopted and the Press Information Officer undertakes, in conjunction with the Heads of Departments, to prepare the necessary articles.

Wharfage Dues on Flood Relief Supplies. - Letters are submitted from the Commiss- 1133 ioner of Customs and the Municipality of Greater Shanghai stating that the Minister of Finance has authorized the exemption from taxes and duties of food supplies imported for flood relief purposes and requesting that the Council will co-operate by foregoing wharfage dues thereon.

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As the Council complied with a similar request in 1921, it is unanimously decided to approve this application.

Status of Shanghai. - The Secretary General refers to the memorandum circulated *5826* by the Chairman in August last, relative to the proposal put forward by the Hon. Mr. Justice Feetham that the Council should obtain the services of someone to continue the work undertaken by him.

As members are aware, on the recommendation of Mr. Curtis and Sir Arthur Salter, the Council got into touch with Mr. Howland. The latter has now cabled that he is prepared to arrive in Shanghai in February but he questions, *wi*gher in view of the existing political situation, the present time is opportune to proceed with this work. This impression has been confirmed by Mr. Carter, a member of the Institute of Pacific Relations and a close personal friend of Mr. Howland with whom he has discussed this question. Meanwhile, further consultation is proceeding between Mr. Howland and Mr. Carter and, upon hearing from either of these gentlemen, he (the Secretary General) will report further to the Council.

Education Board - Membership. - Mr. Okamoto states that, owing to ill health, *5519* Mr. Murakami has left for Japan and will not return for six weeks or possibly longer. He, therefore, suggests that another Japanese member be invited to take Mr. Murakami's place on the Education Board during his absence.

Members concur with Mr. Bell as to the desirability of securing continuity of the services of a Japanese member on the Board, and Mr. Okamoto is requested to submit a nomination, if possible, before the date of its next meeting.

The meeting terminates at 6.25 p.m.

S. M. ...

Chairman.

A. M. ...
Acting Secretary.

At the meeting of the Council held on Wednesday, December 9, 1931, at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macneughten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 L. T. Yuan
 The Secretary General, and
 The Acting Secretary.

Absent:

Messrs. K. Fukushima
 T. D. Woo
 Yu Ya Ching.

Dr. J. C. H. Wu attends.

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

The Minutes of the meeting of the Public Utilities Committee of November 23, are submitted and confirmed.

2095 Shanghai Telephone Company. - The Secretary General reports that he has discussed with Mr. Gill and Mr. Porter the amendments to the draft Temporary Contract desired by the Committee. The Company has no objection to these amendments but its officials have expressed doubt as to whether the Chinese Authorities will accept them. The final draft of these amendments will be circulated to members of the Committee within the course of the next few days.

The Commissioner of Public Works attends.

The Minutes of the meeting of the Works Committee of November 24 are submitted and confirmed.

The Minutes of the meeting of the Education Board of December 2 are submitted and confirmed.

(010) Building Programme - 1932. - With regard to the recommendation that an area of at least now 15.834 of the site of the late Victoria Nursing Home be allotted for the erection of the new Public and Thomas Hanbury School for Girls, Mr. Bell states that, whilst the majority of the members of the Board strongly support this recommendation, he personally is of the view

that having regard to the value of this land the provision of playing space should be reduced to a minimum. In support of this view, he states that playing space adjoining schools in other large and densely populated cities is seldom provided, such space usually being located in areas where lower land values obtain. He agrees, however, to the desirability of providing a lung in this congested district and is prepared to support the proposal that the area not required for school purposes be converted to a small public park.

Replying to the Chairmen, the Commissioner of Public Works states that, if the school is erected as placed on plan "A" submitted, the building will be closer to the road than under the alternative schemes which provide for larger areas. The disadvantages from street noises can, however, be partially overcome by the erection of a high wall bounding the road.

The Vice Chairman alludes to the potential expenditure which will be incurred by the decision to utilize this space for the provision of a new school, and, whilst he does not overlook the fact that the Council is committed to this provision, he re-iterates the view expressed by him during previous discussions on education projects that the educational programme upon which the Council has embarked may be impossible of achievement owing to the vast expenditure involved. Although this scheme has been approved in principle by the Ratepayers, he cannot but feel that, even if it is possible to meet the requirements of this policy for the next few years, the impression will be conveyed to the Ratepayers that the Council has unlimited funds at its disposal. He, therefore, urges that the Council's financial position should be borne in mind when proposals necessitating increased taxation are under consideration.

Upon Mr. Leslie suggesting that a measure of financial relief might be afforded by the erection of buildings of a less costly nature than at present contemplated, the Commissioner of Public Works states that, in his opinion, the provision of first class buildings is in the long run economically sound if considered in conjunction with the recurring costs, involved by the maintenance of inferior types of buildings. With regard to the provision of Chinese primary schools, he states that it has been possible materially to reduce the costs originally contemplated by abandonment of the provision of staff and servants quarters.

After discussion on the recommendation as to the area to be allotted for the erection of a new Public and Thomas Hanbury School for Girls, it is unanimously decided that an area of now 11,992 be utilized for this purpose; the remaining portion of this site to be converted to a small public park.

The Commissioner of Public Works withdraws.

The Minutes of the meeting of the Staff Committee of November 27 are submitted and confirmed.

The Commissioner of Police attends.

Bubbling Well Basket Fair. - In connection with the Council's decision to 2887 restrict the proportions of the Annual Basket Fair, a petition from the Chief Priest and stall-holders for permission to utilize an area in excess of that permitted this year is submitted.

In view of the fact that this question has been very fully considered by the Council, the Chairman is of the opinion that the Council's decision should be adhered to. As, however, a memorandum embodying alternative proposals has been prepared by the Chinese Assistant Secretary and furnished to members only immediately prior to this meeting, he suggests that members and the Commissioner of Police should give it their careful consideration prior to definite decision being recorded at the next meeting.

This proposal is unanimously adopted.

The Commissioner of Police withdraws.

Dismissal of Police Sub-Inspector. - For members' information, the Chairman 2890 reports that, following the findings of a Disciplinary Board convened to investigate charges of corrupt practice, Sub-Inspector A. E. J. Andrews and two Chinese police employees have been dismissed the Force. He is informed by the Secretary General that it is not improbable that this foreign police officer will appeal to the Council against his dismissal or alternatively that he may bring a suit against the Council in the Court of Consuls as a result thereof.

Volunteer Corps. - The Secretary General states that the Commandant has suggested 2894 that the services of the recently instituted Press Information Office be utilized with a view to effecting an increase in the strength of the Volunteer Corps.

This proposal is unanimously adopted.

Amendment of Byelaw XXXIV. - The Chairman states that he and the Secretary 2898 General recently attended a meeting of the Employers' Federation when the proposal was put forward that, in order to regularize the inspection of factories within the Settlement, an amendment be made to Byelaw XXXIV which provides for the licensing of certain premises, occupations, etc. Under such an amendment foreign factories would require to be licensed and thus could be inspected by the Council's officials. The Employers' Federation undertook to accord full support to any steps taken by the Council to effect this amendment. Under existing conditions, the Council

has no power to enforce requirements in the interests of public health and safety, and, as the Council has agreed to the operation within the Settlement of the Act recently promulgated by the Central Government so far as concerns Chinese factories, it is felt that the Council will be in a stronger position if it can enforce the inspection of foreign factories. For this reason, he and the Secretary General are prepared to support this proposal.

The Secretary General states that the Greater Shanghai Authorities have recently commenced the inspection of Chinese factories although they are aware that, having regard to local conditions, enforcement of the provisions of the Factory Act in their entirety is impracticable. Whilst foreign owners are unwilling to have their factories inspected by Chinese Local Government officials on the ground that they are insufficiently trained and experienced, they are willing to submit to inspection by the Council's officials if the necessary amendment can be effected to Byelaw XXXIV. To effect this amendment, it will be necessary to convene a special meeting of Ratepayers, and, with the support of the Employers' Federation, it is hoped that the requisite quorum will be obtained; after which the necessary action would be taken to secure the approval of the Diplomatic Body and the Chinese Authorities.

The Chairman then proposes that arrangements be made to convene a special meeting of Ratepayers immediately prior to the next annual meeting for the purpose of securing their approval of an amendment to this Byelaw.

In concurring with the Chairman as to the desirability of provision being made for the inspection of all factories within the Settlement, members unanimously adopt this proposal.

Development of Shanghai. - The Chairman reads a letter he has received from (602) Mr. E. R. Skipwith, a representative of the "Financial Times", wherein he states that it is proposed to organize a special supplement devoted to the commercial economic and financial development of China. As it is contended that this publicity will be of the utmost value to Shanghai and to China as a whole, Mr. Skipwith requests the Council's support and a contribution towards the expenses which will be incurred. He, therefore, suggests that he be afforded an opportunity to address the Council in order that he may personally answer any questions put by members.

The Chairman states that he understands unofficially that the Council would be asked to contribute approximately £250 towards the

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cost of this project. Several members states that they have already been approached by Mr. Skipwith and that they regard his proposal as worthy of consideration.

After discussion, it is decided to invite Mr. Skipwith to attend for a brief period at the next Council meeting.

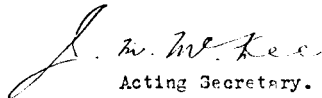
Appointment of Japanese Assistant Secretary. - With reference to the minute of 5915/1 the meeting held on September 16, in a letter submitted the Japanese members nominate Mr. Hidehiko Ibusuki to fill the post of Japanese Assistant Secretary.

In accordance with the usual procedure, it is decided to refer this recommendation to the Staff Committee for consideration.

The meeting terminates at 6.30 p.m.



Chairman.



Acting Secretary.

At the meeting of the Council held on Wednesday, December 23, 1931, at

4.30 p.m., there are:-

Present:-

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

K. Fukushima

S. L. Hsu

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General, and

The Acting Secretary.

Absent:

Messrs. J. W. Carney

A. J. Hughes.

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

The Commissioner of Police attends.

52584 Bubbling Well Basket Fair. - Further reports on this subject are submitted by the Commissioner of Police and the Chinese Assistant Secretary. After brief discussion, it is decided to accept the agreement recommended by Mr. T. K. Ho and endorsed by the Commissioner of Police subject to clauses being inserted therein (I) enabling the Council upon giving six month's notice to the Temple Authorities to reconsider the limitations of the Fair (II) to the effect that it applies only so long as the Temple retains its present status and (III) requiring the organizers of the Fair to allow sufficient space on the sidewalks to give adequate access to residences, shops, garages and other premises abutting on to the roads affected.

The Commissioner of Police withdraws.

60221 Development of Shanghai. - With reference to the minute of the last meeting Mr. E. R. Skipwith attends and, in amplification of the information contained in his letter, states as follows:- The object of the "Financial Times" in issuing this proposed supplement is to give world wide publicity as to the opportunities offered by China of today and of the future from a financial and industrial point of view. In the opinion of his paper, this Country offers a vast field of opportunity for development and organization which could be undertaken to the benefit of the Chinese and of foreign nationals. Generally speaking other countries are in complete ignorance of the possibilities presented by this Country and the supplement to be prepared by

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his paper will have as its object enlightenment as to this. In referring briefly to the recognized value of advertising, he contends that no organizations, including government institutions, can afford to dispense with this means of publicity. From a commercial point of view, organized publicity on the part of the Chinese Government is non-existent and it is due to this fact that his paper now proposes to bring to the attention of other countries the advantages - present and future - which will accrue from a closer knowledge of conditions than hitherto has been available. Such a scheme, in his opinion, cannot but re-act to the mutual benefit of China and of those countries having sino-foreign financial and commercial interests. The cost of this project is estimated at £4000 and, if proceeded with, it is anticipated that the supplement will appear sometime in May 1932. In view of the prestige of his paper in financial and commercial circles, he feels justified in soliciting a financial contribution from the Council towards the cost of this project. Whilst the information to be contained in this supplement will deal with China as a whole, Shanghai and its environs will as its chief financial and commercial centre receive special attention.

Replying to members' questions, Mr. Skipwith states that when a similar project was undertaken in Japan various municipalities there donated an average sum of £250 each towards the costs incurred. The "Financial Times" is associated with the "Daily Telegraph", and, if it can be arranged for this supplement to be included with an issue of that journal, a circulation of half a million will be assured. If the supplement is only issued with the "Financial Times" its circulation will be approximately 160,000 copies.

After Mr. Skipwith has withdrawn, the Chairman's proposal is adopted that decision in the matter of making a financial contribution to this project be deferred until the next meeting.

The Minutes of the meeting of the Works Committee of December 15 are submitted and confirmed.

The Minutes of the meeting of the Education Board of December 16 are submitted and confirmed.

(610) Building Programme - 1932. - The recommendation that the new Public and Thomas Hanbury School for Girls be erected on the Northern portion of the site of the former Victoria Nursing Home is approved. It is noted that its erection on the extreme northern section of this site is contingent upon removal of the Mental Ward patients to temporary premises, as to the feasibility of which information is awaited from the Commissioners of Public Health and Works.

(5612) Grants-in-Aid to Non-Municipal Schools. - Mr. Bell states that he is informed that, in reply to the Council's letter, a communication has today been received from the Mayor covering a letter from Mr. Paul Heu. As

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reference is included in Mr. Hsu's letter to the conditions governing the issue of these grants, these communications will be considered by the Education Board at its next meeting.

The Minutes of the meeting of the Staff Committee of December 18 are submitted and confirmed.

1891/ Secretary - Appointment of Japanese Assistant Secretary. - It is decided that Mr. H. Ibusuki be appointed to this post as from January 1, 1932, it being noted that as he is proceeding to Japan in order to bring back his family he may not be in a position to take up his official duties until shortly after that date.

1891/ Health Department - Dairy Inspector - Mr. G. H. Bloom. - The Secretary General reports that, since the last meeting of the Staff Committee, Mr. Bloom requested an interview with him. From the comprehensive information furnished by Mr. Bloom as to his position during that interview he is reasonably satisfied that the money advanced by him to the late proprietor of this Dairy was in a personal capacity and that he had no direct business interests therein. Accordingly, he and Dr. Jordan do not consider any further investigation by the Legal Department to be necessary although the latter proposes to transfer him from the Dairy Inspectorial Staff to other duties.

He therefore proposes, and members concur, that no further action be taken in this matter other than to transfer this employee to other duties, as suggested by the Commissioner of Public Health.

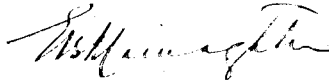
1891/ Shanghai Telephone Company. - With reference to the minute of the last meeting, the Secretary General reports that he is not yet in a position to furnish definite information on this subject. The amendments desired by the Committee to the Temporary Contract have been drafted and accepted by the Company. The Company's officials have undertaken to submit these amendments to the Chinese authorities as a basis for discussion. He has since been informed by Mr. Gill that one of the Chinese officials has suggested that, in order to meet the Council's views so far as concerns boundaries in the outer-Western area, an area of 100 yards beyond the roads be taken for this purpose and that an area of 20 yards beyond North Szechuen Road be adopted as a boundary line. Meanwhile, negotiations between the Company and the Chinese officials are proceeding and, upon receiving further information from the Company, he will again report to the Council.

1891/ Dates of Election of Councillors and Ratepayers' Meetings. - It is decided to suggest to the Consular Body that the election of Councillors be held on March 28 and 29, and that the Ratepayers' meetings be convened on April 13, next.

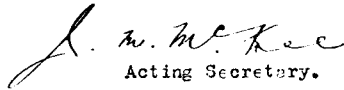
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Land Commissioner - Council's nominee. - It is unanimously decided to invite
1141 Mr. H. Berents to continue to serve as the Council's nominee on the
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The meeting terminates at 5.30 p.m.



Chairman.



Acting Secretary.

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W.

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X.

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Y.

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Z.

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At a Special Meeting of the Council held on Monday, November 30, 1931,
at 4.30 P.M. in the Hall:-

Present:

Brig.-Gen. D. E. Macnaghten (Chairman)
Messrs. G. J. Sheppard (Vice-Chairman)
A. D. Bell
J. W. Carney
K. Fushima
S. I. Hsu
A. J. Hughes
M. Leslie
C. S. Lieu
C. Okamoto
F. J. Raven
T. D. Woo
L. T. Yuan
Yu Ya Ching
The Secretary General, and
The Acting Secretary.

Dr. J. C. H. Ju attends.

Political Situation. - The Chairman reports that on Friday last he convened an informal meeting of the garrison Commanders in Shanghai in order to explain to them the Council's position and to discuss what action it should take in the event of serious trouble occurring or threatening in or near the Settlement as a result of the situation existing in Manchuria.

There were present at this meeting the Secretary General, Brigadier Fleming, Commander, Shanghai Area, Colonel R. S. Hooker, U.S.M.C., Captain Paxon Shibayama, Commander, Imperial Japanese Naval Landing Party, Col. Mercuire, Commanding French Troops in Shanghai, Colonel Thoms, Commandant S.V.C., Lieut-Colonel Parker, U.S.M.C., the Commander-designate, Imperial Japanese Naval Landing Party, ^{Major} ~~Staff~~ Penney, Brigade Major, British Troops, Captain Harris, R.M. Staff Officer (1) R.M. Office and Lieut. Arbey, Staff Officer to Commander, French Troops in Shanghai.

The Chairman states that he explained to those present at the meeting that the Council's object was the preservation of law and order in the Settlement and if possible in the Western area up to the Railway line and that it was determined to prevent any hostile military activities therein. The Garrison Commanders supported this policy and

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November 30, 1931.

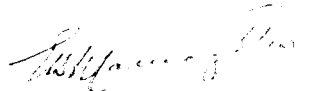
expressed their willingness to give the Council their utmost support with the object of preserving the lives and property of all residents of the Settlement, irrespective of the nationality of such residents. He was informed that a complete defence scheme has been prepared and could be brought into operation immediately upon the declaration by the Council of a State of Emergency. He illustrates on a map the sectors for the protection of which the various national defence forces would assume responsibility. The Mayor of Greater Shanghai is aware that these forces would occupy the Western extra-Settlement area up to the Railway line in the event of a State of Emergency being declared.

Within the past forty-eight hours the situation in Manchuria has eased very considerably; there would thus appear to be less likelihood of the necessity for declaring a State of Emergency than existed at the time this meeting was held. He explained to the Garrison Commanders that, in his opinion, in the event of serious trouble arising, the Western extra-settlement area was not of a sufficient size effectively to guarantee the safety of the lives and property of Settlement residents. He accordingly suggested that a neutral belt should be established. Those present took the view that as this proposal involved a question of policy they were not at liberty to discuss it at this meeting although they intimated their willingness to confer thereon with their respective Consuls. The Chairman recalls that in 1894 the Council communicated with the Consular body and suggested the desirability of the approval of the Chinese Authorities being sought for the establishment of a neutral zone, and he requests members' views as to whether a similar course should be followed at this stage.

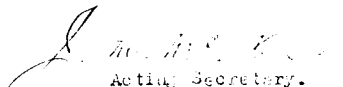
After brief discussion, the view is recorded that, having regard to the recent improvement in the Manchurian situation, such action is unnecessary for the time being.

In conclusion, the Chairman requests members to regard the information given them at this meeting as confidential.

The meeting terminates at 4.40 p.m.



Chairman.



Acting Secretary.

At the special meeting of Council held on Thursday, January 28, 1932, at

12.00 noon this date:-

Present:

Brig.-Gen. J. E. Macnaughten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Gerney

K. Fukushima

S. I. Pau

N. Leslie

O. B. Lieu

G. Chameto

T. D. Joo

L. T. Yuan

Yu Ya Ching

The Secretary General, and

The Secretary.

Absent:

Messrs. F. J. Raven

A. J. Hughes.

Political Situation. - In connection with the developments in the political situation locally the Chairman states that these were discussed yesterday at a conference attended by military and naval representatives of the various foreign powers. The meeting decided it was advisable for the Council to declare a State of Emergency prior to any definite action being taken by the Japanese Defence Force. The Japanese representative attending the Conference undertook to give Brigadier Fleming twenty four hours notice of any action contemplated and this notice was given Brigadier Fleming at 7.30 this morning. A further meeting of the Defence Committee was held this morning when it was decided formally to recommend to the Council that a State of Emergency be declared at 4 p.m. today. Members of the Volunteer Corps will be mobilized but it is not considered necessary to close the gates at the Settlement boundaries for the time being, this action being contingent upon the recommendation of the Police Department which is maintaining a close liaison with the sectional Commanders. The Commissioner of Police will report immediately to the Secretary General and the necessary action will be taken forthwith if in his opinion such action is called for. All vulnerable points in the Settlement will be manned at 4 p.m. today.

The Secretary General reads a draft proclamation announcing

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the declaration of a State of Emergency which he has drawn up in collaboration with the Secretary and which, if approved, will be printed in English and Chinese, and posted in prominent places in the Settlement. Any further measures which it may be necessary to adopt such as the imposition of a curfew will depend upon developments in the local situation and these will be notified to the community by means of public proclamations.

Members unanimously approve the proposal that a State of Emergency be declared to take effect as from 4 p.m. today.

The meeting terminates at 12.10 p.m.


Chairman.


Secretary.

special
At the meeting of Council held on Monday, February 1, 1932, at 4.30 p.m
there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 T. D. Woo
 Yu Ya Ching,
 The Secretary General, and
 The Secretary.

Absent:

Messrs. F. J. Raven
 L. T. Yuan.

Local Situation. - The Chairman's proposal is adopted that in order to keep members advised of developments in the local situation inform meetings of the Council be held daily.

The Chairman refers to the meeting he attended yesterday at which were present the British and American Consuls-General, the Japanese Admiral and his staff, the Mayor of Greater Shanghai, Brigadier Fleming and others. The object of the meeting was to secure a suspension of hostilities in the hope that by discussion and mediation these could be terminated. One proposal put forward was the establishment as a neutral zone of a strip along the railway line in the area formed by the salient extending to Hongkew Park, which area is included in the Defence Scheme, and the withdrawal of both Chinese and Japanese combatants to an agreed distance from the strip which would be taken over by forces of nationalities other than Chinese or Japanese. Brigadier Fleming negatived this suggestion on the ground that there would undoubtedly be sniping from both sides and that the blame therefor would be placed on the neutral troops. As an alternative it was suggested that the whole of the area be evacuated by the Japanese troops and that it be taken over by Chinese troops as suggested above. The Chinese representatives were prepar
 ac

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February 1, 193

this proposal but the Japanese Admiral declined as he was not willing to leave the protection of his nationals to forces other than Japanese. The Japanese Consul-General undertook to cable to Tokyo for instructions as to this and a reply has been received today upholding the Admiral's decision. In the meanwhile the Chinese Authorities undertook to consult with their headquarters as to the possibility of a general withdrawal of Chinese troops from the affected area: There is however little reason to assume that this suggestion will be agreed to in view of the cabled decision received from Tokyo.

With regard to the placing of a machine gun by the Japanese forces this afternoon in the vicinity of the General Hospital and the Post Office with the result that there was a possibility of the staffs of both institutions leaving these buildings the Secretary General reports that fortunately at the time this was brought to his attention Baron Samejima was in the Municipal Building. On his representations this officer wrote an instruction to the Japanese forces authorizing the placing of a number of the Volunteer Corps in the compounds of both buildings to allay the uneasiness of the respective staffs.

With regard to the continued suspension of the native banking business, replying to the Chairman, Mr. Hsu states that originally it was proposed to resume business today. Unfortunately yesterday during meeting of the Bankers' Association shots were fired in the vicinity of Kiangse and Hankow Roads. Simultaneously a report was received that barricades had been erected at certain points between the Settlement and the French Concession. In addition a rumour was current that an attempt had been made to loot the Hongkew Branch of the Commercial Bank of China and the chief accountant and another member of one of the smaller native banks had been arrested and maltreated by Japanese plain clothes gunners. In view of these incidents the Bankers' Association decided that it would be unsafe to resume business for the time being. He appreciates that a prolonged suspension of the native banking business will have a disastrous effect on the industrial and commercial life of the Settlement. In his opinion the Bankers' Association will require an assurance that incidents such as those above referred to will not be repeated prior to deciding to resume business. The fact that native bank notes are being discounted is already inflicting a severe hardship on the community.

The Secretary General points out that it may be possible to provide additional protection for bank premises and messengers; it is however impossible at this time to give an assurance that isolated incidents such as those referred to will not be repeated. He submits however that in this time of crisis it devolves upon the Bankers to

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display the same courage as is required on the part of other sections of the business community. With regard to the wrongful arrest of the Bank Accountant referred to by Mr. Hsu, in his opinion the Japanese forces has in this respect acted with an entire lack of discretion. A number of high class Chinese residents have been arrested and maltreated and the Japanese forces have given no support to the Council's efforts to secure their release. Although he appreciates the difficulties with which the Japanese have been confronted notably in respect of the activities of plain clothes Chinese gunmen he urges that the Japanese members of Council should do their utmost to impress on the Japanese military authorities the necessity of heeding the Council's representations in respect of the illegal arrest of reputable Chinese citizens.

Mr. Fukushima agrees that during the present tense period certain illegal acts have been committed by the Japanese forces and that the Japanese civilian population in the excitement of the moment got out of control. This situation is however being gradually remedied by substitution of these armed civilians by regular naval forces. Ultimately it may be anticipated that these civilians will not except in a few exceptional cases be permitted to carry weapons of any description.

Negotiations are now proceeding with a view to reaching an arrangement satisfactory to the Municipal Police and the Japanese Naval Force for the policing of the Hongkew Area.

The Secretary General agrees that when it has been possible for the Council to get into contact with the Commander of the Japanese forces he has shown a willingness to assist the Council in reaching a solution of these conflicting problems - unfortunately however it has not always been possible to get into direct contact with him with the result that incidents such as those referred to continue.

Mr. Hsu expresses his gratification that it may be anticipated that a suitable arrangement will be made for the policing of the Hongkew area particularly in view of the recent interference by Japanese armed civilians with the municipal police and fire brigade functions. In respect of certain of these incidents the Secretary reads a report received from the Chief Officer of the Fire Brigade. Mr. Fukushima requests that he be supplied with a copy of this in order to assist him in his endeavours to ensure that such activities should cease.

Reverting to the closure of the native Banks the Vice-Chairman urges that the Chinese members exert their influence to secure their re-opening in order that confidence be restored on the part of the community. Mr. Hsu undertakes to discuss this question with the Chairman tomorrow with

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a view if possible to steps being taken to induce the native Bankers' Association to resume business.

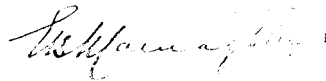
The Secretary then reads a letter which has been received from the Mayor of Greater Shanghai formally protesting against the Settlement being utilized by the Japanese Forces as a base for their activities in Chinese territory.

Replying to members the Secretary states that the Committee which has been organized under the Chairmanship of Mr. Carney is keeping in close touch with the local food and fuel supply situation. Arrangements have been made for fuel supplies to be landed at the Foochow Road jetty and stored on space on either side of the jetty. With regard to food supplies the markets are continuing to function fairly satisfactorily and from investigations made there is no reason to anticipate a shortage of essential commodities such as meat, rice, fish and vegetables. The question of steps being taken to restrict the export of meat, is now under consideration. The question of refugees entering the Settlement is serious but as any attempt to supply them with food would undoubtedly result in increasing the already considerable number no action will be taken in this respect.

The Chairman reports that the departure of the Royal Scots Fusiliers has been postponed and that another battalion and a battery of artillery will be sent here from Hongkong. There will accordingly be four battalions of British infantry available.

On behalf of the Chinese members Mr. Hsu requests a reply to their recent letter relative to the neutrality of the Settlement being observed during the existing Sino-Japanese conflict.

The meeting terminates at 5.30 p.m.


Chairman.


Secretary.

At the special meeting of Council held on Tuesday, February 2, 1932,

at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Cerney
 K. Fukushima
 A. J. Hughes
 S. L. Hsu
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 L. T. Yuan
 The Secretary General, and
 The Secretary.

Absent:

Messrs. T. D. Woo
 Yu Ya Ching.

Local Situation. - The Chairman reports that between 5 a.m. and 6 a.m. today he received a letter from the Japanese Consul-General informing him that the Chinese forces by attacking the Japanese positions with artillery and rifle fire had broken the truce agreed upon. Further there was evidence that the Chinese were massing their forces. His latest information is that hand-to-hand fighting between the opposing forces has again broken out in the vicinity of Medhurst College and the Japanese battery stationed near Hongkew Park is firing shells into Chapei.

With regard to the continued suspension of the native banking business he states that this afternoon he attended a conference at which were present the Vice-Chairman, Mr. S. L. Hsu, Mr. Winter of the Hongkong & Shanghai Bank, the Secretary General and the Secretary. Mr. Hsu stated that the native Banks were anxious to re-open but prior to doing so they required an assurance that there would be no further sniping incidents in the area South of the Soochow Creek. He informed Mr. Hsu that arrangements could be made for the provision of additional guards for the bank premises and godowns and whilst it is impossible to give a positive assurance that isolated sniping incidents will not occur the Council would be prepared to give an undertaking that it will

take all possible measures to preserve law and order in the area in question.

Mr. Hsu states that he doubts whether an assurance on these lines will be sufficient to induce the native bankers to resume business and he presses for an assurance that no further sniping activities will occur.

Members generally agree that the Council is not in a position to give such an assurance and they concur with the Secretary General that there is no reason to anticipate that any such sniping incidents which might occur would be of such consequence that adequate counter measures could not be devised.

Finally a formula is arrived at and an assurance signed by the Chairman is handed to Mr. Hsu who undertakes to transmit this to the Native Bankers Association when it next meets to consider the resumption of business.

Members regard the resumption of business by the Native banks as of the greatest importance in order to restore public confidence and they earnestly express the hope that the native bankers in a realization of their responsibility will adopt a public spirited attitude in a matter so vitally affecting the economic welfare of the Settlement.

Mr. Lieu reports that he was informed this afternoon that a meeting of the Chinese employees of the French and Italian Banks has been held with a view to inducing native employees of all foreign banks to declare a strike. No decision has yet been reached.

The Chairman then reads a protest which has been addressed by the Defence Committee to the American and British Consuls-General and to the Italian Charge d'Affaires against the activities of the Japanese forces - plain clothes - and otherwise in the sectors held by other national forces, activities which are in contravention of the defence scheme previously agreed upon and which it is maintained are likely to lead to serious incidents. Protests against such activities have been repeatedly put forward to the Japanese Authorities by the Commanders of other national Defence Forces but unfortunately with no satisfactory result.

Mr. Fukushima's request that he be supplied with a copy of this protest is complied with and he undertakes to make the strongest possible representations to the Japanese Naval Commander with a view to securing a cessation of the activities referred to. He states that two conferences have been held today for the purpose of reaching a satisfactory arrangement for the policing of the Hongkew area in order

to restore peace and order in that district but that as further military developments have occurred this afternoon it has not been possible to reach a decision.

The Chairman then reads a draft protest in support of the protest forwarded by the Defence Committee which he suggests should be transmitted to the Senior Consul. Subject to a brief amendment this is approved.

With regard to the public expenditure entailed in connection with the declaration of a State of Emergency the Chairman reports that Mr. Marden is watching this very closely and is keeping in constant touch with the Treasurer & Controller with a view to a most careful check being kept.

The Chairman's proposal is adopted that a formal letter of thanks be addressed to the French Consul General for the valuable assistance rendered by the French Municipal Authorities in accommodating a number of patients from Settlement Hospitals.

Mr. Yuan refers to cases of illegal arrest, detention and maltreatment by the Japanese forces of reputable Chinese citizens and enquires whether renewed efforts could be made to prevent these offences. He also refers to a case in which a plain clothes Japanese gunman forced his way into a room occupied by a Chinese in a local hotel and demanded and obtained \$600.

In deprecating these unlawful incidents Mr. Fukushima states that he has done his utmost to locate the whereabouts of certain reputable citizens who have been arrested as suspected snipers but without success. In agreeing that excesses have been committed by Japanese plain clothes reservists he states that strict orders have been issued that no weapons be carried by these plain clothes men. With regard to the arrest of persons on the suspicion of being snipers he alludes to the difficulty which has had to be faced by the Japanese forces in countering this form of recognized warfare. That this was indulged in by Chinese plain clothes gunmen with a view to undermining the morale of the Japanese forces is obvious, accordingly in the excitement of the moment it is to be regretted that without justification certain cases have been dealt with summarily.

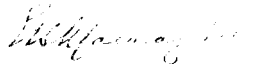
The Secretary General observes that it has become generally known that certain Chinese has been arrested and shot out of hand on the suspicion of being snipers without being given an opportunity of appearing before any tribunal before which they could have undoubtedly established their complete innocence of the charge upon which they had been arrested.

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With regard to obtaining the release of certain reputable Chinese each case which has been brought to his attention has been dealt with immediately by the Commissioner of Police and in a number of cases his efforts in this direction have been successful.

Members concur with the Vice-Chairman that the most satisfactory means by which this question could be disposed of would be by reaching an arrangement with the Japanese Authorities whereunder any Chinese who was arrested solely on suspicion of being a sniper would be handed over to the nearest Municipal Police Station. With the resumption of municipal Police control in the Hongkew area he is of opinion that no great difficulty should be experienced in reaching such an arrangement.

The meeting terminates at 5.50 p.m.



Chairman.



Secretary.

At the Special meeting of Council held on Wednesday, February 3, 1943
at 4.50 p.m., there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 The Secretary General, and
 The Secretary.

Absent:

Mr. Yu Ya Ching.

Local Situation. - The Chairman reports that the Commissioner of Police informed him today that he was prepared to resume police control of the Hongkew and Yangtzepoo areas provided the Japanese Authorities would agree that the Headquarters from which the Japanese Marines operated would be reduced to three. He was glad to understand that Mr. Fukushima would put forward this proposal to the Japanese Authorities and that a further meeting would be held this afternoon to settle details. For some reason however this meeting did not take place.

Replying to the Chairman Mr. Fukushima states that yesterday morning when comparative quiet prevailed Baron Samejima was prepared to agree to this proposal. However at 2 o'clock the situation became very threatening; the Japanese positions were fired on and the Japanese forces retaliated in order to prevent the Chinese from firing into the foreign area. Accordingly he requested Mr. Tajima to cancel the further meeting which had been arranged with the Commissioner of Police. Apparently Mr. Tajima omitted to do this. Mr. Fukushima adds that the proposal for the resumption of normal police control in these areas will be further considered as and when conditions

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permit. Baron Samejima fully appreciates that the resumption of control by the Municipal Police will allay anxiety on the part of the civilian population; at the same time he considers that in order to avoid any misunderstanding with the Japanese civilian community the return of the regular municipal police to function in these areas should be effected by gradual process.

The Chairman reports that as a result of a renewal of hostilities today a number of shells have fallen into the Settlement. He is also informed that the Japanese forces have bombarded and occupied the Woosung Forts.

Replying to the Chairman Mr. Fukushima states that in order to avoid misunderstanding the Japanese Naval Commander has ordered from the area occupied by the British troops and also the withdrawal of the Japanese Forces from the Mill districts which are located in the sector held by the American Force, although this action has been taken against the expressed wishes of the Japanese civilian community.

In compliance with Mr. Carney's suggestion Mr. Fukushima undertakes to suggest to the Japanese Naval Commander that in order to minimise the danger from retaliatory rifle fire Japanese aeroplanes should refrain from flying over the Settlement when en route to and from Chapel.

With regard to the letter addressed to the Chairman by the Chinese members relative to the adoption of effective defence measures etc., the Chairman states that it is contrary to established procedure for the Council to receive, or to reply to, letters of protest from one section of its members. It would be difficult at the present time dispassionately to discuss the contents of the letter in question; he therefore proposes that its consideration be left in abeyance until a calmer atmosphere prevails. In any case he considers that any group of members who wish to protest on any subject should bring up such subjects in open meeting instead of communicating their protest by letter.

Mr. Hsu observes that the letter was forwarded to the Chairman prior to the Council's decision to hold daily informal meetings and was only transmitted at the Chairman's request after a protest had been made verbally. Whilst the Chairman agrees that if on account of pressure of business he might have made this suggestion it was out of order and he regrets that the Chinese members may have been led to believe that such procedure was in order.

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The Secretary reports that within the past few days certain Chinese philanthropic organizations have requested that they be given authority to effect relief measures and to evacuate the sick and more needy members of the Chinese community from the Hongkew area. Later they requested authority to evacuate the entire Chinese population from the area between Range Road and Hongkew Park. The Evacuation and Billetting Committee accordingly requests information as to the Council's policy on this latter question. He understands that these charitable organizations have funds, transport and accommodation to care for some 2000 refugees but that they are not in a position to provide facilities for the wholesale evacuation of this area. To effect the more limited scheme of evacuation it would be necessary to arrange with the Japanese forces to ensure the safety of the trucks utilized for this purpose during the journey to and from the affected area.

Mr. Mukushima states that the Japanese Authorities do not desire that law abiding Chinese citizens should evacuate this area and with regard to the fear expressed for their safety he states that with the advance of the Japanese forces into Chapei, which is now proceeding there is reason to believe that this area will shortly be immune from the danger which hitherto has existed as the result of Chinese firing activities.

After discussion the Chairman's suggestion is adopted that the proposal regarding the evacuation of this area be referred by him to a meeting of the Co-ordination Committee which he is attending this evening.

Regarding the rice situation Mr. Carney reports that the price of this commodity has increased today ^{by} \$1 per picul and that no supplies are arriving only in very small quantities. The existing stocks are sufficient for three weeks. A cargo of foreign rice is lying on the River but cannot be discharged owing to the closure of the Native banks. Mr. Yuan reports that a meeting of the leading Rice merchants was held today when it was definitely decided that the price of rice should not exceed \$15 and \$11 per picul for high and low grade respectively. A considerable stock of rice is stored in Chapei and the merchants request that the Council will arrange for passes and for guards to accompany the trucks which will be used to bring these stocks into the Settlement. Mr. Yuan is requested to confer with the Secretary with a view to the necessary facilities being provided. Mr. Yuan adds that it is intended to publish a

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notification in the native press tomorrow announcing the Merchants' decision to regulate the price of rice.

With regard to the continued closure of the Native banks Mr. Hsu states that the assurance handed to him yesterday is satisfactory to the two Committees concerned and that at a meeting of the Association which has been arranged for this evening these Committees will strongly recommend resumption of the Banking business as from tomorrow. Mr. Yuan states that he is attending this meeting and he undertakes to notify the Chairman by telephone of its decision.

The Secretary reports that Sir John Hope-Simpson has offered to sell to the Council a cargo of grain etc., originally intended for flood relief purposes the despatch of which to its original destination is now fraught with great difficulty.

Mr. Carney states that this offer has been considered by the Food Control Committee which has decided that the need for these additional supplies of wheat and flour does not exist at the present time.

The meeting terminates at 5.30 p.m.

[Handwritten signature]
Chairman.

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Secretary.

At the Special meeting of Council held on Thursday, February 4, 1932

at 4.30 p.m., there are:-

Present:

Brig.-Gen. F. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 C. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 The Commissioner of Police,
 The Secretary General, and
 The Secretary.

Absent:

Messrs. A. D. Bell
 Yu Ya Ching.

Local Situation. - Mr. Fukushima informs members that the Japanese forces are continuing their advance into Chapai and that completion of the flanking movement now in progress will it is hoped render the Hongkew area immune from Chinese gunfire.

The Chairman refers to the possibility of a number of Chinese soldiers being trapped in a section of Chapai and their attempting to enter the Settlement as a result of the latest Japanese advance and he suggests that members concur that such troops be permitted to enter the Settlement provided they give up their arms.

With regard to the continued flying of Japanese aeroplanes over the Settlement Mr. Fukushima states that he transmitted to the Japanese Naval Commander the Council's request that this practice should cease and he understood that orders had been given to this effect. He will again take up this matter with Baron Samejima forthwith.

Mr. Carney reports that the price of rice today remains at the figure obtaining yesterday i.e. \$20 per picul. Arrangements have been made for the issue of passes to permit trucks to bring into the Settlement the stocks of rice stored in Chapai.

The Secretary reports that he has arranged with the Japanese Authorities for passes to be issued for trucks to proceed to the area between Dixwell and Barchet Roads to evacuate Chinese civilians. The Japanese Authorities have undertaken to provide marines to act as escorts, and he understands that the philanthropic organizations in charge of this undertaking commenced this work this afternoon.

Replying to the Chairman Mr. Hsu states that the native banks resumed business today. Owing to the volume of business to be transacted as a result of their suspension during the past six days it is found that the bank messengers cannot finish their work before 10 o'clock the commencement of the curfew period. In this connection the Secretary states that arrangements were made this afternoon to furnish passes for these messengers permitting them to be on the streets during curfew hours.

Replying to the Chairman the Commissioner of Police states that arrangements have been made with the Japanese Authorities for the gradual resumption of control of the Hongkew area by the Municipal Police. The Municipal Police are however handicapped by the lack of public lighting facilities in that district. Mr. Fukushima states that police squads consisting of one foreign and one Japanese police officer, 4 Chinese, 4 Indians, accompanied by a Japanese marine are now patrolling a section of Hongkew and that from tomorrow Chinese traffic will be admitted following search at the entrances.

With regard to the lighting of Hongkew the Secretary General states that he has just been advised by the Manager of the Power Company that a Japanese Naval Officer called on him this afternoon and peremptorily demanded that lighting be restored within three hours. Messrs. Fukushima and Okamoto and himself have repeatedly urged the Japanese Commanders not to adopt arbitrary methods such as that now referred to. These lights were deliberately shot down by the Japanese and the action of this Japanese naval officer in presenting this demand to a foreign Company operating in the Settlement is indefensible and tends further to embarrass an already difficult situation. Members concur in this view and Mr. Fukushima undertakes to take up this question with the Japanese Naval Commander.

The Vice-Chairman states that he has submitted two suggestions to the Chairman for consideration at this meeting.

(1) That if regular troops are available, the S.V.C. be withdrawn from the defence front lines and their services utilized to assist the Police to resume control of all Settlement areas.

The Secretary General states that the Volunteer Corps has always been regarded as a second line to the Police in maintaining law

and order within the Settlement. If the number of regular foreign forces has been insufficient the services of the volunteers have been utilized as on this present occasion to hold a part of the front line and in this instance a highly important section of that line. He therefore agrees that if there are now sufficient regular foreign troops to take over this section the volunteers should be withdrawn and utilized as suggested by the Vice-Chairman.

Members unanimously approve this proposal which the Chairman undertakes to put forward to the Chairman of the Defence Committee.

The second suggestion put forward by the Vice-Chairman is that an international tribunal be instituted to which persons arrested on such charges as being suspected snipers could appeal. Since the outbreak of hostilities numerous Chinese have been arrested and executed by the Japanese forces on the flimsiest evidence without being given any chance to appeal or to offer any defence. A continuance of this deplorable practice cannot but result in recriminations on both sides and although there may be technical difficulties in giving effect to his proposal he considers in the interests of humanity these should and could be surmounted. Sir Peter Grain with whom he has discussed this suggestion strongly supports the proposal. At a recent meeting he suggested that all suspected persons arrested by the Japanese forces should be handed over to the nearest Police Station. The objection to this he understands is that the Japanese Authorities maintain that if these persons were brought before the Special District Court for trial they would undoubtedly be acquitted. If the Court is not in a position to dispense justice than he considers that a tribunal should be created which can do so.

The Secretary General observes that as legally no state of war exists between Japan and China the action of the Japanese forces in arresting and executing innocent Chinese citizens is indefensible. Whilst such methods are a recognized part of regular warfare this arbitrary military law has been imposed in the Settlement in defiance of the Council and of those nations interested in the welfare of the Settlement. Whilst he appreciates the danger which has had to be faced by the Japanese forces from the activities of Chinese snipers and whilst he agrees that they could expect little redress if these persons were handed over to the District Court these factors in no way justify their illegal action in arresting and executing numerous Chinese citizens.

With regard to the institution of a tribunal as suggested by the Vice-Chairman he is of the opinion that unless this was

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instituted by agreement of the Chinese Government and representatives of the other national powers it would have no legal status and that in any case the function of such a tribunal would have to be limited to the sifting of evidence and the submission of its recommendation as to the guilt or otherwise of the persons brought before it such suspects ultimately to be handed over to the appropriate national Court.

In appreciating the limitations of such a tribunal the Vice-Chairman adheres to his opinion that the Council in conjunction with the Senior Consul could devise some scheme whereunder representatives of all nationals would be included in the tribunal with possibly one of the judges of the Special District Court and with the Municipal Advocate in attendance to protect the rights of the accused.

Mr. Fukushima states that without consulting the Japanese Authorities he cannot say whether they would agree to this proposal. He states that when persons are arrested by the Japanese forces as suspected snipers they are examined and this examination is conducted by representatives of the Japanese Consular staff. In his opinion the Japanese authorities would welcome the institution of an independent tribunal and he will do all he can to secure their acquiescence in this proposal.

Mr. Hsu states that he sympathizes with the Vice-Chairman's proposal, at the same time the institution of an independent tribunal may create a dangerous precedent regarding the jurisdiction of the Special District Court over Chinese nationals.

The Vice-Chairman re-iterates that he appreciates the legal difficulties which may have to be faced; on the other hand his proposal is put forward solely with the object of preventing the further execution of innocent citizens during the continuation of the existing abnormal period. Although so far Chinese civilians only have been the victims of this method it is not inconceivable that with the situation becoming more tense other nationals may become involved and they equally would have a right of appeal to the proposed tribunal.

If this is the intention Mr. Hsu states that he withdraws his objection to the institution of the tribunal.

The Secretary suggests that the difficulty might be solved by ~~the agreement of~~ an authorized person on behalf of each nationality agreeing to submit cases of their nationals to the tribunal for investigation during the existence of abnormal conditions.

In agreeing that whilst the proposed tribunal would be in a position only to put forward recommendations in respect of the cases it dealt with the Vice-Chairman submits that the verdict of an

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international and independent body would carry immense weight throughout the world.

After further discussion the Chairman undertakes in conjunction with the Secretary General to discuss with the Senior Consul the possibility of instituting the proposed tribunal and to elicit his views as to the most practical means by which this proposal can be given effect.

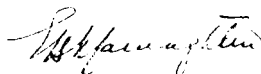
Mr. Yuan refers to reports that a number of arrested Chinese civilians are being detained in a building near the Japanese Club and to the effect that these have been subjected to torture. Mr. Fukushima states that he was not aware that any number of Chinese prisoners are being detained in this building. He will however endeavour to secure permission from the Japanese Authorities for the Commissioner of Police to visit this building in order that the anxiety of the Chinese members may be allayed.

The Chairman reports that the Commissioner of Police has been notified that all Japanese forces have been withdrawn from the sector held by the American and British Defence Forces. The Commanders of these forces now recommend that posters be displayed in these districts announcing that their defence is now solely in the hands of the American and British Forces respectively.

The Secretary General opposes this proposal on the ground that the Japanese forces and civilian community may resent such an announcement by means of posters. A certain amount of friction occurred between the American and British and the Japanese forces owing to the latter encroaching on the sectors held by the British and American troops. Largely through the good offices of the Japanese Councillors the Japanese Forces were prevailed upon to withdraw from these sectors. Accordingly he regards this incident as closed and submits that the publication of these posters would be ill advised.

Members concur in this view and the Chairman undertakes to convey to the British and American Commanders the Council's feeling in this matter.

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the Special meeting of Council held on Friday, February 5, 1932,

at 4.30 p.m., there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

The Secretary General, and

The Secretary.

Absent:

Mr. Yu Ya Ching.

Local Situation. - In connection with the discussion at yesterday's meeting relative to the withdrawal of the S.V.C. from a section of the perimeter the Chairman states that he transmitted the Council's desire to Brigadier Fleming who is attending this meeting in order to express his views on this suggestion.

Brigadier Fleming then makes the following statement:

He cannot at present definitely assure the Council that danger is past so far as regards the defence of the perimeter, fighting is still proceeding in the Northern section of Shanghai. As apart from this there is the definite possibility of serious outbreaks within the Settlement. When the defence scheme was drawn up the arrangement made was that as soon as the Council declared a State of Emergency the Volunteer Corps should come under his direct orders. A dual military control under existing conditions is quite impossible. The foreign national Commanders recognize this and regard him as their senior military Commander. Although he does not give these Commanders direct orders the position would be very difficult if they were not willing to comply with his requests. This they do most loyally. Under the agreed defence scheme, definite sectors were allotted to the various national defence forces. Subsequently the Japanese

Naval Commander was asked to increase the area for whose defence he would undertake responsibility and after some hesitation he agreed to include the area east of the Hongkew Creek. The only other troops which would have been available for this district were the S.V.C. As the Council is aware the Volunteer Corps has been allotted a most important part of the perimeter and the Corps is highly gratified at being given responsibility of defending this most vital section. With the possibility of an attempt by the Chinese forces to break through the perimeter it would in his opinion be most unwise to withdraw the S.V.C. from the section held by them and replace them by newly arrived American or British troops before they have had an opportunity to familiarize themselves with the local situation. He has only two British battalions in reserve, one of which is earmarked to support Col. Hooker's forces in the event of necessity and the other is being held to proceed to any point where further danger threatens. It may be possible ~~some time~~ by Tuesday or Wednesday next to post the 31st U.S. Infantry Regiment to the sector east of that occupied by the U.S. Marines and thus reduce the length of the perimeter now being held by the S.V.C. It would then be possible to grant the S.V.C. some leave. The Commandant does not want the Volunteers entirely withdrawn from the perimeter on the ground that if this is done the enthusiasm now shewn by the Corps will diminish. If the Corps was entirely withdrawn from the perimeter then he would advise that it be removed to a concentration camp for a week for reorganization and training. He wishes it to be clearly understood that the S.V.C. is definitely under his command and that in view of the potentialities of the situation he is not prepared to relinquish its services for the time being.

The Secretary General observes that the Council's reluctance to keep the S.V.C. in the perimeter if other forces are available is on the ground that the Corps which is entirely a municipal organization has no international status and is not protected in the same way as regular national forces should it become engaged in active warfare with opposing forces. Whilst on former occasions the Corps has operated on the perimeter it has always been withdrawn when other national forces have become available. He agrees however with Brigadier Fleming that the Defence Committee is the sole judge as to the necessity or otherwise of keeping the Volunteer Corps in its present position and that the Council has never attempted in this respect to interfere with the discretion of the Commander of the foreign forces.

With regard to Brigadier Fleming's observation on the possibility of rioting in the Settlement Mr. Bell states that hitherto the Council has regarded the Volunteer Corps as the appropriate body to act as a second

line to the Municipal Police in maintaining the internal security of the Settlement.

In this respect Brigadier Fleming states that the fact should not be overlooked that the Defence Forces holding the perimeter are also responsible for the protection of the sectors behind the perimeter. The forces at his disposal cannot be regarded as over adequate if it is borne in mind that it is reported that there are some 42,000 opposing Chinese troops.

The Vice-Chairman submits that the prolonged functioning of the Volunteer Corps has resulted in an almost complete sterilization of business native employees are refusing to resume duty owing to the lack of foreign supervision and direction. In order that business may be resumed and a sense of security restored among the native population he urges that the Volunteer Corps be released as early as the situation will permit.

After discussion members agree that there is no alternative but to accept the opinion of Brigadier Fleming that it is not possible at this time to release the Volunteers from their present duties.

Brigadier Fleming withdraws.

With regard to the proposal considered at yesterday's meeting that an independent tribunal should be established to investigate charges against persons arrested as suspected snipers etc., the Secretary General reports that he has discussed this with Mr. Cunningham. He immediately raised the point that the establishment of such a body would take considerable time and that in the meantime nothing effective could be done. He suggested to Mr. Cunningham the possibility of establishing with the consent of the Japanese Consul-General an International Committee to visit all places of detention and to investigate and to report to the Consular Body and to the Council. Mr. Cunningham at once convened a full meeting of the Consular Body which he (Mr. Fessenden) attended, the Japanese Consul-General also being present. The above proposal was discussed and Mr. Murai agreed subject to the approval of his Minister to hand over immediately to the Council a Chinese prisoners who have been arrested as suspected snipers. Mr. Murai also gave an assurance that from now on no Chinese prisoners arrested on suspicion would be summarily executed. He consented to the appointment of an International Committee and agreed to notify all detention camps inside and outside the Settlement. It was considered that this Committee would carry more weight with the foreign powers if it were appointed by the Consular Body. He informed its members that he did not consider the Council would raise any objection to this proposal. He hopes to hear from the Japanese Consul within a few hours that the Japanese Minister has agreed to the proposals discussed by the Consular Body whereupon immediate action will

taken to establish this International Committee.

With reference to the restoration of public utility services in the Hongkew area the Secretary General states that he received a courteous note this morning from Baron Samejima welcoming the proposal that Municipal workmen should proceed to Hongkew for that purpose. He stated he would arrange for them to be protected by Japanese Marines. The workmen however refused to go on this condition and subsequently protection for them by other national forces were arranged and work was commenced early this morning.

Mr. Fukushima states that he has investigated the incident referred to at yesterday's meeting and has ascertained that the person who called on the Power Company and demanded the restoration of lighting facilities within three hours was an interpreter and not a naval officer as stated by Mr. Takahashi.

With regard to the continued flying of Japanese Aeroplanes over the Settlement Mr. Fukushima states that he has made further representations to the Japanese authorities on this question and they have agreed to discontinue except in cases of emergency. In view of the number of shells which have fallen in the Settlement today members unanimously endorse the Chairman's proposal that protests be lodged with the Japanese and Chinese Authorities respectively against the flying of aeroplanes over the Settlement and against shells being fired at such aeroplanes whilst flying over the Settlement.

The Chairman reads a copy of a letter forwarded by the Senior Consul to the Japanese Consul General supporting the protest lodged by the Council against the interference by the Japanese Authorities with its normal functions in the Hongkew area.

Mr. Hughes refers to the increasing number of destitute refugees which continue to invade the Settlement and enquires whether any preparations are being made for their accommodation and feeding. The Secretary replies that the appropriate emergency Committees have full information on this question and that in co-operation with various charitable organizations the plight of these refugees is not being overlooked.

The Chairman refers to his membership of the Defence Committee and suggests that his position is rendered somewhat difficult owing to the fact that in his position as Chairman of Council his presence at the meetings of the Defence Committee might possibly by implication commit the Council to any decisions arrived at.

Mr. Bell states that it has occurred to him during the past few days that possibly the Chairman's influence on the various national Commanders could be more effectively exercised if he was not actually a member of the Defence Committee. The functioning of the Chairman in both capacities might conceivably place the Council in a delicate position.

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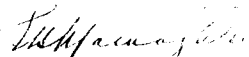
since the Committee might reach a decision which through the membersh. of the Chairman of Council on the Committee might lead its members to assume that it would automatically receive the Council's acquiescence He therefore considers the Chairman would be more favourably placed to exercise his judicial powers if he severed his connection with the Defence Committee, reports of its proceedings to be made daily by the Commandant as was done in 1927.

Members concur in this view and the Chairman intimates his willingness to resign from the Committee but to attend any meeting thereof in his private capacity if his presence is specifically requested.

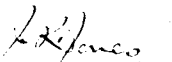
Mr. Fukushima refers to misleading and inaccurate reports published in the local Chinese press concerning activities of the Japanese forces and enquires whether any action can be taken to ensure their discontinuance.

The Press Information Officer states that reports such as those referred to which are classified as news items would be extremely difficult to suppress. He has however on various occasions induced these papers to suppress or to delete portions of matter proposed for publications and he will whenever possible continue this policy.

The meeting terminates at 5.40 p.m.



Chairman.



Secretary.

At the Special meeting of Council held on Saturday, February 6, 1932.

at 4.30 p.m., there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. A. D. Bell
 J. W. Carney
 K. Mukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 L. T. Yuan
 The Commandant, S.V.C.,
 The Commissioner of Police, and
The Secretary
 The Secretary.

Absent:

Messrs. G. W. Sheppard
 T. D. Woo
 Yu Ya Ching.

Local Situation. - For members' information the Commandant outlines the existing military situation and the dispositions of the Volunteer Corps. Yesterday a number of shells from both the Chinese and Japanese lines fell into the positions held by the Corps apparently owing to the fact that the combatants were not aware that these positions were held by neutral troops. Later apologies for these happenings were received from the Chinese and Japanese Authorities. Applications from employers for the release of members of the Corps have been complied with in each instance and employers generally have been notified that if the services of employees are urgently required for their civilian occupations the employers' requirements will be met.

The Commandant withdraws.

The Commissioner of Police reports that police squads continue to patrol the Hongkew District. About one hundred persons have been arrested on the charge of looting and these will be handed over to the Special District Court for punishment. By arrangement with the Japanese Authorities a number of persons arrested on the charge of being suspected snipers will be handed over to the police this evening. These will be photographed and

a list of their names published to assist the Chinese community who are searching for missing friends and relatives. As the prisoners are not of the type with which the Police ordinarily deal he has not yet decided whether their finger prints will be taken and retained by the Department.

In connection with these suspects the Secretary General states at a meeting of the Consular Body held today the Japanese Consul General gave an assurance that all these prisoners would be handed over to the Police whether they were arrested and detained inside or outside the Settlement.

Mr. Hughes enquires whether it is possible to provide more suitable accommodation for the Mental Ward patients who are temporarily housed in the Amoy Road Gaol. Members concur with the Chairman that at this stage it is impossible to do this.

The Commissioner of Police withdraws.

The Chairman reads a letter he has forwarded to Brigadier Fleming resigning his seat on the Defence Committee.

The Secretary General reports that last evening the Japanese Consul General notified the Senior Consul that the Japanese Authorities agreed to the proposal to establish an International tribunal to investigate the cases of prisoners arrested on the charge of being suspected snipers and, as before stated, at the meeting of the Consular Body held today an assurance was given by the Japanese Consul General that all such prisoners would be handed over to the Council. At today's meeting the following were appointed to this Committee subject to the consent of the two latter to serve thereon:- Mr. N. Aall Charge d'Affaires and Consul General for Norway, Mr. Ross (Italian) Mr. R. T. Bryan, Jr., (American) Municipal Advocate and Mr. Grant Jones (British) Assistant Judge, H.B.M. Supreme Court. He states that the Consular Body particularly desired that Mr. Bryan should serve on this Tribunal on account of his knowledge of the Chinese language and his familiarity with procedure involving examination of suspects.

Members unanimously agree to Mr. Bryan serving on the Tribunal.

In order that these cases may be dealt with expeditiously the Consular Body suggested that a Secretary to the Tribunal should be provided as also Stenographers and Interpreters. Members concur with the Secretary General that arrangements be made to provide these services from persons who have volunteered their services during the present State of Emergency.

The Secretary General then reads a letter he has drafted in reply to the letters received from the Mayor of Greater Shanghai protesting that the Council has allowed the International Settlement to be used as a base for military operations against Chinese troops. As it appears that considerable confusion exists in the public mind as to the Council's position in this matter he has given this very careful consideration from a legal point of view. He is of opinion that as this question has been raised by the Mayor in the form of a protest it is imperative that the Council should reply in definite terms in order that its position may be clarified. Otherwise the Council might be placed in an extremely difficult position if ultimately there is an investigation by an International Commission into the existing situation. In his opinion such a condition of neutrality as the Settlement is endowed with can be defined as a state which the powers that are parties to the Land Regulations are prepared to maintain. The Council as a body is not responsible for the invasion of the Settlement by one of those Powers which jointly can guarantee the neutrality of the Settlement. Japan, as one of these Powers is as interested in maintaining the integrity of the Settlement as the other major powers concerned and responsibility for the acts of any powers that may be construed as a violation of such a condition of neutrality rests with such powers and not with the Shanghai Municipal Council.

In agreeing that the Japanese Government is solely responsible for the acts of the Japanese forces within the Settlement Mr. Mukushima submits that the question of its neutrality arises only if a state of war is declared. The Japanese forces are at present engaged, as are other national forces, in defending the Settlement and he submits that had other national forces been placed in a similar position to the Japanese forces they would not have stopped at repelling one specific attack but would have taken any further military measures which in their opinion the exigencies of the situation demanded to ensure immunity against further attack.

With regard to Mr. Mukushima's observation that the Japanese Forces were only defending the Settlement Mr. Hsu requests that it be recorded that he emphatically disagrees with the contention since this implies that the Settlement was attacked by Chinese troops.

As a somewhat, although not entirely, analogous case the Secretary General instances the case of Belgium at the commencement of the World War. No one has ever contended that Belgium, a sovereign State, was responsible for the violation of its neutrality. In this case however certain of the major powers had by treaty guaranteed

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to observe and maintain its neutrality. Accordingly when one of the contracting parties disregarded its obligation in this respect other Powers were contractually bound to uphold the neutrality of Belgium.

There is however no treaty or convention under which the International Settlement is ensured neutrality. Such a state can only be maintained by agreement between the powers concerned as circumstances permit. Whilst in the past the principle may have been tacitly accepted that the Settlement's neutrality should be maintained in cases of national disputes such an understanding could only be arrived at by the major powers concerned since the Settlement not being a sovereign state its governing body is incapable of deciding such a momentous question.

After hearing the Secretary General Mr. Hsu states that whilst the distinction drawn by the Secretary General between the condition of neutrality which the Powers tacit agreement or understanding gave to the Settlement and the neutrality which he had thought the Settlement to be endowed with ^{is} ~~was~~ somewhat subtle he was prepared to accept the General's interpretation of the position.

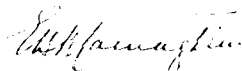
After discussion the draft letter submitted by the Secretary General is approved subject to a minor amendment.

It is also decided that this letter be published.

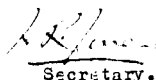
With regard to the Council's decision that any defeated Chinese troops will only be permitted to enter the Settlement if they are first disarmed Mr. Yuan enquires whether this stipulation will also apply to Japanese troops in the event they are defeated. The Secretary General replies that this is a question which would have to be settled by the various foreign military Commanders who are not responsible not to the Council but to their respective Governments.

The Chairman then reads a letter which he proposes to forward to the Senior Consul protesting against aeroplanes flying over the Settlement and against their being attacked whilst over the Settlement. This is approved but in accordance with the customary procedure will not be published until the consent of the Consular Body has been obtained.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At the Special meeting of Council held on Sunday, February 7, 1932, at 4.30 p.m., there are:-

Present:

Brig.-Gen. W. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Heu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 The Commandant S.V.C.,
 The Commissioner of Police,
 The Commissioner of Public Health,
 The Secretary General, and
 The Secretary.

Absent:

Messrs. O. Okamoto
 Yu Ya Ching.

Local Situation. - The Commandant reports that since yesterday there has been little development in the military situation. Some 300 civilian refugees were permitted to enter the Settlement via the Thibet Road Bridge after being searched. He has been informed that a half of the line held by the Volunteers will be taken over by regular forces in about two days' time.

The Commandant withdraws.

The Commissioner of Police reads a report giving details concerning the taking over of 117 prisoners who had been arrested by the Japanese Authorities on the charge of being suspected snipers etc.

The Secretary states that Mr. Aall one of the members of the International Committee appointed to investigate these cases conferred with him and the Commissioner of Police this morning. An office in the Administration Building has been placed at the disposal of the Committee and a member of the Secretariat has been appointed Secretary. A meeting of the Committee will be held at 10 a.m. tomorrow when arrangements will be made to start an immediate investigation.

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Mr. Aall enquired of Mr. Murai today whether the Japanese Authorities intended to prefer any charges against these prisoners - Mr. Murai replied that if any charges were advanced such action would be taken tomorrow. Mr. Grant-Jones has not yet consented to serve on this Committee and if he is not prepared to, Mr. Aall will co-opt other members to the Committee. Superintendent Conduit of the Police Department has already been co-opted to the Committee.

In connection with the desire expressed by Mr. Grant-Jones that definite terms of reference to this Committee be furnished it is considered that as the Committee was appointed by the Consular Body, its terms of reference should be framed by that body.

The Chairman refers to the number of Japanese Police - presumably civilians - who continue to function in the Hongkew area. These are identified by a brassard and are armed with truncheons. He considers that a reduction in the number of this civilian force is highly desirable. Mr. Fukushima states that these men are reservists acting as messengers and not as police but undertakes to ascertain whether any are functioning as police or patrols.

The Secretary General states that he has been informed by Mr. Murai that included with the Japanese troops who are arriving in Shanghai will be a considerable number of gendarmes.

The Commissioner of Police withdraws.

The Commissioner of Public Health reports that Dr. F. C. Yen who is in charge of the medical section of the Chinese Citizens Emergency Relief Committee called on him today and stated that a building was urgently required to accommodate a number of measles cases which have occurred amongst the refugees. He has already been afforded facilities for accommodating cases of the major communicable diseases. He suggested to Dr. Yen that it might be possible to secure the use of the Shanghai Labourers Hospital in Ferry Road which is not at present functioning. This hospital has accommodation for 70 patients.

Mr. Lieu states that he is a member of this Emergency Relief Committee and he does not consider it will approach the Council for financial assistance until its own funds are exhausted. He also anticipates that the Committee will be able to obtain a building for the accommodation of cases of measles. He will however ascertain and report to the Council as to its success or otherwise in this respect.

The Commissioner of Public Health withdraws.

The Chairman states that Mr. Fitch of the Y.M.C.A. has suggested to him that an Enquiry Bureau be established to assist refugees from the evacuated areas to obtain news of their relatives and friends.

and friends.

In concurring with the Secretary General ^{that} and adoption of this proposal would duplicate the work of the Police members are not prepared to support same. It is however decided that as much publicity as possible be given to the activities of the Committee of Inquiry as also to the names of the prisoners now in the hands of the Police. It is also decided to issue a notice advising any nationals desiring news of missing friends and relatives to communicate with the Commissioner of Police.

The meeting terminates at 5.10 p.m.


Chairman.


Secretary.

At an informal meeting of the Council held on Monday, February 8, 1932,
at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 The Commandant S.V.C.,
 The Commissioner of Police
 The Secretary General, and
 The Secretary.

Absent:

Mr. Yu Ya Ching.

Local Situation. - The Commandant states that there is little to report concerning the military situation. A number of shells from Chinese guns have fallen in the Settlement in the area between the Hongkew Market and the Hongkew Wharf. Upon Mr. Yuan observing that it has not yet been possible for the Rice Merchants to obtain passage to Chapel for the transport of the rice stocks therefrom the Commandant undertakes to arrange for the opening of the Gate near the Thibet Road Bridge.

The Commandant withdraws.

The Commissioner of Police reports that Municipal Police squads continue to function in a portion of the Hongkew area. In his opinion conditions are not yet suitable for police to patrol individually on beats. Upon Mr. Yuan stating that the Chinese Chamber of Commerce has advised all shops to re-open tomorrow and his requesting that the Police Department will afford all possible protection for such shops in the Hongkew area the Commissioner of Police undertakes to arrange for this to be given so far as existing circumstances permit.

The Commissioner of Police withdraws.

The Secretary reads a further letter from the Mayor of Greater Shanghai again protesting that the Settlement is being permitted to be used as a base for military activities against Chinese troops. The Chairman states that a reply to this letter will be drafted and submitted to members prior to despatch.

Replying to the Chairman the Secretary states that it has not yet been possible to publish, as decided at yesterday's meeting, a notice advising the public to apply to the Police Department for news of missing friends and relatives. Of the number of suspected persons handed over by the Japanese Authorities for investigation by the International Committee, some are merely refugees who were detained in the interests of their own safety - and who will be released immediately, some will be charged by the Japanese Authorities with various offences. A preliminary sorting out of these persons will be necessary prior to the Committee commencing its proposed investigation tomorrow. It is hoped however that it will be possible to issue the proposed notice this evening. In the meantime the Commissioner of Police has arranged for the opening of a Bureau to which persons desiring news of missing friends and relatives can apply. To meet the requirements of the law the Committee has decided formally to apply to the Special District Court for a brief remand of those cases against which the Japanese Authorities will prefer charges in order that it may have an opportunity of conducting its investigation.

Replying to the Chairman Mr. Lieu states that the Emergency Refugees Relief Committee has arranged to take over the Shanghai Labourers Hospital for the accommodation of cases of measles and that this will be under the supervision of Dr. Yen.

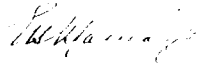
Mr. Carney reports that he and Mr. Raven today visited certain camps and centres which have been set up for the accommodation of refugees. In his opinion one of the most serious problems which has to be faced is that of the very large number of workers who have lost their employment as a result of the closure of the mills. Replying to the Chairman Mr. Fukushima states that in his opinion there is little probability of the Japanese Mills re-opening until conditions in the areas in which they are situated improve. The Japanese Authorities are doing their utmost to effect this. He realizes the importance to the civilian community of the re-opening of these mills and he will convey to the appropriate parties the Council's earnest desire that in the interests of the welfare of Mill workers all possible steps be taken to effect the re-opening of the mills. He undertakes to ascertain the position in this matter and to furnish further information thereon at tomorrow's meeting.

Mr. Hughes reads a letter he has received from the Conductor of the Municipal Orchestra in which he suggests that to alleviate to some extent the strain under which the community is suffering free Concerts of popular music be provided on Sunday mornings at the Carlton Theatre from 10.45 a.m. to 12.30 p.m. The management of the Carlton Theatre is prepared to place the Theatre at the Council's disposal upon payment of a nominal sum of \$200 to cover overhead charges and to the provision by the Council of two municipal policemen and two other Municipal employees to regulate the admission of the public.

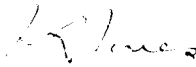
Whilst favouring this proposal members concur with the Chairman that as hitherto the Council has refrained from providing this form of entertainment during the ordinary hours of Church services, it should first be ascertained whether the clergy of the various churches are likely to raise any objection.

The Chairman undertakes to ascertain as to this and to report at tomorrow's meeting.

The meeting terminates at 5.05 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Tuesday, February 9, 1932,

at 5.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carncy

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Commandant S. V. C.,

The Commissioner of Police,

The Secretary General, and

The Secretary.

Local Situation: - The Commandant reports that so far his information goes the military situation remains unchanged. With regard to the wiring of the Soochow Creek he states that this interferes with the business of a number of Flour Mills situated in the Sector held by the American Forces. Whilst he is prepared to recommend that openings be made at certain points and guards placed on these gaps he would welcome any expression of view by the Council before he takes up this question with the Defence Committee tomorrow.

As the Council's primary consideration is the adequate defence of the Settlement, yet at the same time its policy is to interfere as little as possible with local business interests, more particularly those concerned with vital commodities, the views obtained that provided these two considerations are borne in mind decision in the matter of opening up these wire barricades should rest with the Defence Committee and not the Council.

The Commandant withdraws.

The Commissioner of Police reports that owing to the number of shells which fell yesterday in close proximity to the Dixwell Road Police Station, the personnel have been transferred therefrom to the Hongkew Police Station and that Police patrols in the Dixwell Road area are now operating from the Hongkew Police Station.

169 applications have been received today for information of missing friends and relatives and enquiries are now being instituted by the Department. The number of suspected prisoners handed over by the Japanese Authorities have been released as the Japanese Consul General notified the Secretary that he did not intend to prefer charges against any of these suspected persons.

Mr. Raven refers to the 150,000 unemployed workers and suggests that if they remain unemployed for a prolonged period, communist agitators may take advantage of the situation to foment troubles and further general disturbances. The Commissioner states that the Police Department is always alert as to the possibility of disturbances engineered by the Communist element and that since the present situation has arisen its vigilance in this respect has been increased. He adds that a number of these unemployed workers are leaving Shanghai and that of those remaining some have sufficient funds to carry on with for a limited period.

The Vice-Chairman refers to the large number of prisoners confined in the Ward Road Gaol and suggests that in the event of the bombardment of the Gaol or in the case of an outbreak of fire a very serious situation would arise. In order to avoid the release of a large criminal element into the Settlement he considers it might be advisable in anticipation of such occurrences to arrange with the Chinese Authorities for their transfer to some city such as Hangchow or Soochow.

The Chairman observes that up to the present no shells have fallen in the vicinity of the Gaol and that as the major portion of the building is of fire proof construction the possibility of its destruction by fire is remote.

The Secretary General states that the President of the Special District Court has called on him twice to discuss this subject and informed him that in the event of an invasion of the Settlement these prisoners would under Chinese law be released. Arrangements would be made for 23 of these prisoners who are imprisoned on very serious charges to be transferred to the French Concession Gaol but he is not aware that such an arrangement has actually been made. He is not in favour of a letter being sent officially to the Mayor of Greater Shanghai on this subject since in his opinion a charge would be levelled against the Council by the Chinese Authorities that it was unable to maintain the defence of the Settlement. He therefore proposes, and members concur, that the appropriate Municipal officials might in the course of their conversations with the Mayor put forward informal representations on this subject. Mr. Bell's suggestion is also endorsed that on this occasion the Mayor should be requested to use his influence to prevent a direct bombardment of the gaol premises.

The Commissioner of Police withdraws.

Mr. Carney states that although the foreign-style native Banks have resumed business today the smaller ones have not done so and that certain of these are refusing to cash ~~foreign~~ bank drafts, which refusal is causing serious inconvenience to the business community. Mr. Hsu states that he has no information as to this but that he will investigate this situation and report to the Council tomorrow.

With regard to the proposal put forward at yesterday's meeting that Orchestral concerts should be held on Sunday mornings the Chairman states that he has consulted Dean Trivett who strongly objects to this proposal. He therefore proposes that this suggestion be dropped.

Mr. Hughes strongly deprecates abandonment of this proposal solely on the grounds that the clerical section of the Community is opposed thereto. This suggestion was put forward in the interests of the Community as a whole and in his opinion the holding of these concerts would have a negligible effect on the attendances at Church services.

With regard to the Chairman's observation that the Council hitherto has refrained from providing this type of entertainment during the hours of Church services the Secretary General submits that if such a distinction has been made - although he is not aware that this is the case - the Council might reasonably be charged with instituting class legislation. The Council as representative of a vast number of ratepayers should not in his opinion allow religious considerations to be taken into account, particularly if, as ~~he~~ has been represented, a considerable number of civilians and troops not on duty desire to avail themselves of this facility.

Mr. Bell is doubtful whether the Council's action in providing a form of entertainment on a Sunday morning would meet with the approbation of a large number of Ratepayers since he is not aware that such facilities are provided during that time by any western municipalities.

The Chairman states that his understanding of the decision reached at yesterday's meeting is that if opposition was raised by the local clergy to this proposal it would be abandoned. Having informed the Dean to this effect he would be placed in a somewhat awkward position if he had now to inform him that it is proposed to hold these concerts despite his opposition. He will however do this if members or a majority thereof so desire.

Certain members prefer not to vote on this question and with the exception of Mr. Hughes other members record their objection to proceeding with this proposal. It is accordingly decided that the holding of these concerts on Sunday mornings be disapproved.

With regard to the institution of the International Committee to investigate the cases of suspected prisoners the Secretary states that as these have now been disposed of it is not clear as to whether the Committee can now be dissolved or whether it or another body should remain in being to undertake investigation into the cases of persons missing prior to February 3. He gathered from the Council's discussion on the proposal to institute this Committee that it was desired that it would deal with such cases although he has gained the impression from Mr. Aall that the Consular Body when appointing the Council limited its functions to the cases of those persons then actually held by the Japanese Authorities. Meanwhile the Police Department is actively engaged in instituting enquiries into the whereabouts of persons who have been missing since before February 3.

The Secretary General states that the impression gained by him during the discussions of the Consular Body is that that Body was not prepared to go further than to appoint a Committee to investigate the cases of suspects then actually detained. In his opinion it would be most difficult for such a Committee to investigate cases of which it had no knowledge; the Police Department being better equipped to do this.

Members concur in the opinion of the Vice-Chairman that this Committee or a similar body should remain in existence in order that it may be available if required to take immediate action in the event of other persons being arrested on suspicion.

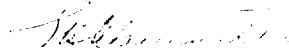
It is accordingly decided to transmit this view to the Consular Body and to elicit its good offices for the retention of the existing Committee or for the appointment of a similar Body. The Secretary undertakes to ascertain whether the Committee regards itself as still existing, if this is not the case then he will endeavour to secure the consent of its members to function in a similar capacity should a future need arise.

With regard to the desired reopening of the Japanese mills Mr. Fukushima states that he has discussed this with certain of the mill owners and that whilst they appreciate the desirability of re-opening at the earliest possible moment they feel that the existing situation precludes them from intimating when it will be possible to effect this.

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The Chairman reads replies he has received from the Consular Body to his letter protesting against the interference by the Japanese Authorities with the Council's normal functions as also a reply to his letter protesting against the flight of aeroplanes over the Settlement and the firing at these aeroplanes whilst over the Settlement.

The meeting terminates at 6.30 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Wednesday, February 10, 1932, at 4.30 p.m., there are:-

Present:

Brig.-Gen. B. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Commandant S.V.C.,

The Commissioner of Police,

The Secretary General, and

The Secretary.

Local Situation. - The Commandant reports that the line held by the S. V. C. is being reduced by approximately one half; accordingly from tomorrow there will only be about 200 Volunteers on duty in the perimeter.

He adds that openings in the wire barricade alongside the Creek are being made whenever practicable to allow free passage of goods. The Secretary states that an announcement is being sent to the Press tonight asking merchants who require openings in the wire on the South Bank of the Creek to apply to the Economic Committee which will endeavour to meet their requirements whenever this is possible consistent with the safety of the Settlement.

The Commandant withdraws.

Mr. Bell states that he has been approached by a Chinese shopkeeper in Broadway whom he has known for many years who informed him that he and his colleagues in this District are anxious to reopen their shops. They request however (I) that the Council will publicly announce that protection will be afforded (II) that some assurance be given by the Commissioner of Police that law and order will be maintained in this vicinity and

(III) that for the first few days after these shops are reopened a few volunteers be stationed in the section between the Hongkew Bridge and the Astor House.

Mr. Yuan states that the Chinese Chamber of Commerce has already asked shopkeepers to reopen but at a further meeting held this afternoon it transpired that certain obstacles exist. The shopkeepers in the Hongkew District have been informed that this area will be patrolled by the Municipal Police but until it is solely under Municipal police control they are reluctant to resume business.

Mr. Fukushima states that a number of residents are returning to the Hongkew area and are being encouraged to do so by the Japanese Authorities. Existing conditions in this area are still far from normal which necessitates the search of returning residents although not to so great an extent as formerly. The Japanese Commander has assumed responsibility for maintaining law and order in this District and he is in close touch with Mr. Tajima, Assistant Commissioner of Police, with a view to reducing the number of Japanese pickets as soon as possible.

The Commissioner of Police reads two reports of today's date instancing cases where the Municipal Police have been interfered with by the Japanese Marines in the execution of their normal functions. Moreover the windows of six shops in Broadway were broken by the Japanese Marines yesterday.

Members concur with the Chairman that incidents such as those referred to by the Commissioner are most disappointing in view of the assurance given by the Japanese Authorities that they would assist in restoring the Municipal police control of this area.

Mr. Fukushima's request is approved that he be furnished with copies of the reports read by the Commissioner of Police in order that he may bring these cases to the notice of the Japanese Authorities.

The Vice-Chairman is of the view and members concur that whilst the Council is not inappreciative of the efforts of the Japanese members to bring these irregularities to the notice of the Japanese Authorities more formal methods should be adopted to bring these to their notice. The Secretary states that the usual diplomatic method would be a formal protest forwarded through the Senior Consul.

Mr. Fukushima states that he sees no objection to adoption of this method although it may take longer to secure the desired co-operation than by personal representations put forward by the Japanese members.

It is decided to lodge a formal protest with the Japanese Authorities in respect of the action taken by the Japanese Authorities

as outlined in the report signed by Captain Kennedy and read by the Commissioner of Police at this meeting.

The Chairman refers to press reports of today relative to the arrival of a number of Japanese Gendarmerie. The Commissioner of Police states that he understands that they will function as military police for their own defence force. He will however report further as to this later.

With regard to the re-opening of shops in the Broadway district the Commissioner states that it would be impossible to furnish numerous police guards for duty at individual shops and small blocks of premises. Police wireless vans are available at the various police stations and he suggests that the shop keepers be notified that if any trouble occurs upon re-opening they should telephone to the nearest Police Station or to Police Headquarters when one of these vans should be despatched to their assistance immediately.

It is decided that a notice in the above sense be published immediately notifying the telephone number to which calls should be put through.

The Commissioner of Police withdraws.

The Chairman reads a letter he has received from the Japanese Consul General protesting against the shelling of Hongkew by the Chinese forces thereby causing casualties amongst the Japanese residents.

^{Members} In ~~concurring~~ with the Secretary General that owing to the disposition in certain quarters to saddle the Council with the responsibility for not preventing certain actions taken by the opposing forces which ^{it is} ~~they~~ maintain^{ed} are necessary in the defence of the Settlement, it is highly important that the Council's position in this respect be clearly defined by replying to such protests for purposes of record; the draft reply read by the Chairman is approved for despatch.

Mr. Carney refers to the continued flying of Japanese aeroplanes over the Settlement despite the assurance of the Japanese Authorities that this would cease. Mr. Ukushima replies that the Japanese Authorities are doing their utmost to reduce this to a minimum but that on some occasions this, for tactical reasons, is impossible to avoid. He will however continue his representations to the Japanese Authorities on this subject.

The Chairman reads, and members approve, a letter which he proposes to address to the Senior Consul protesting against the damage to life and property which has occurred in the Settlement presumably

from the firing of Chinese guns into the Settlement.

Members concur with the Secretary General that it is of the utmost importance that the Council should not be manoeuvred into a position in which it would be faced with liability for damage to life and property as a result of hostilities between two national armed forces. He adds that he is preparing a comprehensive memorandum on the general question of the neutrality of the Settlement and cognate subjects during times of crisis. He hopes to be in a position to submit this to members within the course of the next few days.

With regard to the native Banking situation and with reference to the point raised by Mr. Carney at yesterday's meeting, Mr. Hsu states that he has investigated and has ascertained that there are two types of native banking order issued, one bearing a chop "interclearing" which indicates that these can only be cleared amongst the banks themselves - the other type does not bear this chop. This latter type of native order the Native Banks are continuing to cash. He is informed that the stoppage of payment of the former type of Native Order is only a temporary measure and that foreign firms holding these have been advised to request the drawer of these Orders to go to the Native Banks and ascertain whether orders not bearing this chop can be substituted.

Upon Mr. Hsu stating that this chop is placed on the native Orders by the Banks themselves Mr. Leslie observes that it is solely due to this that they are not negotiable. It would thus appear that discrimination is being made against the foreign banks.

Mr. Yuan suggests that the explanation may be that whereas in normal times the Native banks allow overdrafts to their clients they are not in a position to do so at the present time, accordingly to prevent funds being transferred from the native to foreign banks they are suspending payment on any orders which ~~do not~~ bear the chop mentioned by Mr. Hsu.

With regard to the problem of unemployment referred to at yesterday's meeting the Chairman states that Mr. J. K. Choy called on him today and suggested that a Committee consisting of himself (Mr. Choy) Mr. Ma of the Bureau of the Social Affairs, and a representative of the Council and of the French Administration should be instituted to consider and submit recommendations to the Council. If this proposal is approved the Chairman suggests that the Commissioner of Public Works be nominated as the Council's representative.

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The Vice-Chairman is of the opinion that the unemployment problem is largely aggravated by the action of certain of the native banks in refusing to honour native bank Orders. A large number of unemployed workers are prepared to resume duty but this is not possible until employers receive an assurance that the enormous quantities of stocks which are being held up can be released and payment obtained therefor. As the Council is not in a position to maintain large numbers of unemployed and as any Committee if instituted would undoubtedly recommend financial assistance by the Council he is of opinion that the Council should direct its efforts to inducing certain of the native banks to resume business on normal lines.

The Secretary states that he informed Mr. Choy that the Council felt that if this were done it would go a long way to solving the unemployment problem.

Mr. Hieu states that in the case of his own factories it has been decided, in order to ameliorate the lot of the workers, to make a grant of \$6.50 per month to each employee on the regular pay list. He agrees that financial aid by the Council is not feasible since not only would this attract many more unemployed to the Settlement but it would also result in grants being given to the loafer class as well as to legitimate workers. He suggests that if the Japanese mill owners would agree to follow the system adopted by his factories it might be possible also to induce Chinese Millowners and other large employers of Chinese labour to do likewise.

Mr. Fukushima undertakes to transmit this suggestion to the Japanese Mill Owners Association. He states that the Japanese owners are anxious to secure coolie labour at their coal wharves and have guaranteed the necessary protection; the workers however will not resume duty.

As apart from the situation of the mills the Vice-Chairman refers to other equally important industries which are suffering severely from a shortage of labour. Various wharves are loaded with cotton and other material which could be absorbed by the ^{numerous} ~~various~~ mills and factories. Stocks are now being diverted to other Ports solely on account of the owners' uncertainty as to whether these cargoes can be released owing to the attitude taken up by certain of the native banks.

Members concur that this attitude has severed the financial nerve of the Port with the result that its trade has become almost completely paralysed. The Chinese members are therefore urged to do their utmost to induce the Native Banks concerned to revert to normal conditions in order to permit factories, mills and shops to reopen.

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With regard to wharfage accommodation the Vice-Chairman states that there is still accommodation for the storage of vital commodities such as rice etc.

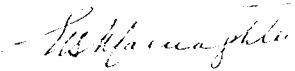
Mr. Carney suggests that if the arrival of wheat and flour which is being sent here from America for flood relief purposes could be discontinued this would afford a measure of relief. The question of wharfage accommodation is at present under consideration by his Committee.

With regard to the institution of the curfew regulation the Secretary states that the licences held by certain places of public entertainment in normal times permit them to remain open until 4 a.m. on Sundays. Since the introduction of the curfew hour regulation other establishments which previously did not hold the necessary licence are now applying for permission to remain open during the curfew period from Saturday evenings to Sunday mornings. As this may be against the spirit of the Curfew hour regulation he enquires whether the Council is prepared to permit establishments previously licensed, to remain open during the hours and also whether new licences permitting this should be issued in respect of other places of public entertainment.

After brief discussion and in expressing the view that the institution of a curfew was designed to keep people off the streets during the prescribed hours members authorize the issue of licences permitting places of public entertainment to remain open between the hours of 10 p.m. on Saturday to 4 a.m. on Sunday.

With reference to the discussion at yesterday's meeting Mr. Hughes states that the Carlton Theatre has now agreed to place the Theatre at the Council's disposal from 5.15 p.m. to 7 p.m. on Sundays for the purpose of holding Orchestral Concerts, at the formerly agreed rental of \$1000 per performance. Subject to the usual admission fees being charged the holding of Orchestral Concerts is authorized.

The meeting terminates at 8.50 p.m.



Chairman.


Secretary.

At an informal meeting of the Council held on Thursday, February 11, 1932,
at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

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 Commandant S.V.C.

The Commissioner of Police,

The Secretary General, and

The Secretary.

Absent:

Mr. F. J. Raven.

Local Situation. - Replying to the Chairman relative to conditions in the Hongkew area the Commissioner of Police states that although a few residents are re-entering this area, most of them are returning only to collect their belongings. Sniping activities in this district continue and plain clothes Japanese combatants still cause inconvenience and embarrassment to the Municipal Police. Captain Kennedy has been informed by the Japanese Naval Commander that the Japanese Authorities themselves find difficulty in controlling the activities of this irregular force. Some of these civilians have taken upon themselves the duty of searching residents and carry arms despite the assurance given by the Japanese Authorities that they would not be permitted to do so.

In respect of the Chairman's observation that such activities on the part of the Japanese civilian population renders it practically impossible for the Council to restore public confidence in the administration of this area Mr. Fukushima states that the Japanese Authorities are exerting themselves to the utmost to assist the Council to this end. Plain clothes Chinese snipers however continue to be active in this

area consequently the Japanese civilians adopt counter-measures. With regard to the report signed by Captain Kennedy referred to at yesterday's meeting, he states that he has investigated this incident. The Japanese Authorities claim that Captain Kennedy was exceeding his normal functions in demanding the release of two persons who had been arrested by the Japanese Marines on the suspicion of being snipers. Although these persons were subsequently released, Captain Kennedy at the time he encountered the Japanese Marines, had no knowledge of the circumstances in which they were arrested. Mr. Fukushima submits that action such as that taken by Captain Kennedy may lead to friction and place both the Council and the Japanese Defence Force in an embarrassing position. The arrest and examination of suspected snipers is regarded by the Japanese Naval Authorities as an essential part of their duties and it will be most difficult to convince them that the Municipal Police have any right to interfere with their activities in this respect. Although he realizes that the Japanese Authorities have agreed to hand over to the Council any persons who are arrested on the suspicion of being snipers it is, in his opinion, quite impossible for these to be handed over individually by the Japanese Marines immediately upon arrest and prior to their being taken to the Japanese Headquarters for examination. Every effort is being made by the Japanese Authorities to assist the Council in restoring the Hongkew area to normal and in particular to suppressing the activities of Japanese plain clothes men. He therefore requests that the Council will in its review of the existing abnormal situation give due consideration to the very material difficulties with which the Japanese Defence Force is confronted.

The Secretary General points out that the Japanese Marines have taken upon themselves duties which have been assumed by no other section of the national Defence Forces. In his opinion the Municipal Police are quite as competent to deal with Chinese snipers as are the Japanese Marines. He concurs with the Commissioner of Police that in effect the Japanese naval force has usurped the functions of the Municipal Police. As however the undertaking given by the Japanese Consul-General to the Consular Body was to the effect that no persons arrested on suspicion would be executed and that those not released would be handed over to the Council for their cases to be investigated he agrees that the Japanese Authorities cannot in this respect be accused of a breach of faith.

Mr. Bell submits that the presence of Japanese Marines in certain districts which have no great military value may attract snipers. He therefore suggests that their removal from all but vital points may have the effect of decreasing snipers' activities and thus assist in restoring such areas to normal conditions.

Members are of opinion that in order that the existing position may be clarified that the Council should press for a definite time limit being set for the handing over of arrested persons.

Mr. Fukushima states that provided this time limit is sufficient to enable the evidence of the marine effecting the arrest to be taken for transmission to the Investigation Committee he sees no objection to this proposal and he undertakes to endeavour to secure the acquiescence of the Japanese Authorities thereto. He will also transmit to them the view expressed by Mr. Bell as above stated.

With regard to the recently instituted International Committee the Secretary states that its functions are being retarded owing to the fact that it received no definite terms of reference from the Consular Body.

The Secretary General undertakes to suggest to the Senior Consul that in agreement with the Japanese Consul General terms of reference to this Committee be definitely laid down in order that it may be in a position to function immediately in respect of any arrested persons handed over to the Council by the Japanese Authorities.

Mr. Hsu states that the Chinese members are repeatedly being pressed to obtain information of Chinese civilians who have been missing since before February 3. He therefore suggests that the Council should officially address the Japanese Consul-General requesting information as to their whereabouts.

The Secretary General states that the Japanese Consul General gave an assurance to the Consular Body that all prisoners in their custody were handed over to the Municipal Police. The Japanese Authorities had no record of persons arrested prior to February 3. In his opinion and having regard to the fact that a number of these missing persons were not residents of the Settlement any request for such information should be put forward to the Japanese Authorities by the Chinese Authorities and not by the Council, since this question is essentially one between the two Governments.

Members generally concur in this view, accordingly no official representation on this subject will be put forward by the Council. Meanwhile it is noted that the Police Department is continuing to do all in its power to secure information of all missing persons reported to the Department.

The Commissioner of Police withdraws.

With regard to the enquiry raised by Mr. Bell yesterday the Commandant states that in his opinion the patrolling of Broadway by members of the S.V.C. even if agreed to by the Japanese Authorities

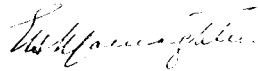
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might result in friction between the volunteers and the Japanese armed forces. Accordingly he is unable to recommend that the request of the Chinese shop-keepers be complied with.

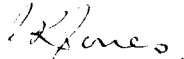
Replying to the Chairman Mr. Fukushima states that he has enquired from Mr. Funatsu whether the Japanese Mill owners would be prepared to pay a proportionate monthly sum to their unemployed workers as is being done by the factories owned by Mr. Lieu. Mr. Funatsu informed him that he was not in favour of this proposal owing to the anti-Japanese boycott.

In respect of the unemployment situation generally, the Chairman states that he has ascertained that the number of refugees is not increasing to any great extent presumably owing to the fact that a considerable number thereof are leaving the Settlement.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Friday, February 12, 1932, at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Commandant S.V.C.

The Commissioner of Police,

The Commissioner of Public Health,

The Secretary General, and

The Secretary.

Local Situation. - For members' information the Commandant details the circumstances in which Major Hayley Bell, a member of the S.V.C. and Father Jacquinet on their own initiative yesterday arranged with the Japanese and Chinese Authorities for a truce for four hours today in order to permit them to penetrate into Chapei to effect the rescue of a number of civilians from the war zone. He states that these arrangements were initiated without his knowledge and that it was only by accident that he fortunately was able to prevent a number of ^{members of the} Volunteer Corps, who had been ordered by Major Hayley Bell to accompany him on this mission, from proceeding to Chapei.

In concurring with the Chairman that Major Hayley Bell was actuated by the highest motives in arranging this errand of mercy they agree that his action in giving orders to members of the S.V.C. without first consulting and obtaining permission from the Commandant might have had disastrous consequences, particularly so as it has since transpired that many of the Chinese troops occupying Chapei were not aware that a temporary truce had been arranged. In the circumstances and in full realization of the

value of Major Hayley Bell's services during the present crisis they consider that it is both in his own and in the interests of the S.V.C. that he should sever his connection with the Corps.

The Commandant undertakes to arrange for Major Hayley Bell's resignation from the Corps.

The Commandant reports that in the interests of employers he has been able temporarily to release the majority of the S.V.C. and that at the moment there are approximately only 700 members on active duty.

The Commandant withdraws.

The Commissioner of Police confirms the statement of the Commandant as to the confusion which existed in the Hongkew Area this morning owing to numerous refugees taking advantage of the temporary truce to return to Chapei in order to collect their personal belongings. He adds that he is in agreement with the Commanders of the various national defence forces that in the interests of merchants the wire barricade be removed from the North bank of the Soochow Creek and this work will be proceeded with immediately.

The Commissioner of Police withdraws.

The Commissioner of Public Health strongly recommends that some semi-compulsory measures be adopted requiring the vaccination against small pox of all refugees within the Settlement. He has discussed this question with the medical section of the Chinese Refugees Emergency Relief Committee and has received from them an assurance of co-operation. He suggests that if the vaccination squads which visit the numerous Refugee Camps could be accompanied by a member of the Municipal Police this would exercise a moral effect on any of the refugees who objected to being vaccinated.

In the interests of the health of the community generally members unanimously agree as to the vital importance of ensuring that all refugees should be vaccinated. The proposal put forward by Dr. Jordan is accordingly approved.

The Commissioner of Public Health withdraws.

The Secretary General refers to the open letter addressed to him by Mr. L. T. Chen which has been published in the Press dealing generally with the violation of the neutrality of the Settlement by the Japanese Defence Force. In his opinion and in view of the confusion in the minds of the public generally it is of the utmost importance that the Council's position in this respect should be made clear. Apart from this particular letter Chinese organizations are indulging in anti-Council propaganda advocating the non-payment of Municipal rates on the ground that the Council

has failed to afford protection to Settlement residents and has not prevented the Japanese forces from violating the Settlement's neutrality.

He has therefore drafted a reply to Mr. Chen in which he has endeavoured to set out comprehensively and in plain terms the Council's position in this respect. He recommends that this letter if approved and which may be regarded as an analysis of the position of the Settlement's neutrality be published in the press in order to remove the misapprehension now existing in the minds both of the foreign and the Chinese Community. The draft reply is then read to members.

In agreeing that this draft is an admirable exposition of the position of the Settlement's neutrality Mr. Leslic expresses doubt as to the wisdom of it being published. In his opinion it is not incumbent on the Council to reply to open letters published in the Press nor to the numerous communications which have been received contending that the Council is responsible for the existing situation. Publication of this letter will he suggests merely encourage further propagandist letters and articles ^{and} involve the Council in endless controversy. In any case he suggests that before this letter is despatched members should be given an opportunity of perusing it at leisure.

In supporting this view the Vice-Chairman is of the opinion that this letter should be kept on record in order that it may be available when ultimately an International Commission is formed to investigate generally the existing situation.

Mr. Raven favours the proposal to publish this letter on the ground that numerous residents - both foreign and Chinese - are under a total misapprehension as to the Council's position in the matter of the maintenance of the neutrality of the Settlement. He therefore considers it to be to the Council's interest ^{that} ~~and~~ a general statement of its position should be published in the sense of the draft prepared by the Secretary General, rather than that it should be published in the form of a reply to the letter received from Mr. Chen.

The Secretary General states that it is not his intention to reply to any further letters received or articles published on the question of the Settlement's neutrality since in his opinion publication of the letter now submitted will finally remove the misapprehension now existing.

After considerable discussion the majority of members favour the publication of a general statement in the sense of the draft prepared by the Secretary General. He is accordingly requested to effect the necessary minor amendments in order that this can be published as a general statement and to supply each member with a copy prior to tomorrow's meeting.

The Secretary refers to the report drawn up by the local Committee appointed by the League of Nations to enquire into the local situation which has been transmitted to Geneva. In his opinion the phraseology of one paragraph of this report is calculated to convey the impression that the Council having declared a State of Emergency was solely responsible for giving effect to the defence measures agreed between the various national Commanders without reference to or the acquiescence or intervention of the Consular Body. As members are aware, a State of Emergency was declared on the advice of the Defence Committee and prior to the agreed defence scheme being put into operation the Consular Body was advised and presumably the individual Consuls concerned authorized their respective national Commanders to proceed with such defensive measures as they might choose to take. As this account is calculated to mislead the public, and has in fact caused letters to be written to the Council on the subject he suggests that the attention of the local Committee be drawn to the matter or that the facts be made a matter of record.

The Secretary General is of the opinion that the omission in this report referred to may be due to a lack of knowledge on the part of the local Committee. He accordingly sees no objection to its attention being drawn thereto.

Mr. Bell suggests that the members of the Consular Body who signed this report may resent this matter being taken up by the Council officially with the possible result that the Council may become embroiled in a controversy. He therefore favours a memorandum being prepared clarifying the Council's position for purposes of record. In his opinion its position in this respect is so obvious that representation for an amplification of this section of the report are necessary.

In concurring in this view ~~that~~ the Vice-Chairman states that as the Council has only seen a copy of the report as published in the Press it is not impossible that this does not conform strictly with the text of the official report. He therefore suggests that the Council should apply for an official copy of the report.

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The Secretary states that in conjunction with the Commandant and the Treasurer he has given consideration to the ration allowance for members of the S.V.C. In normal times an allowance of \$4 per day per man has been paid to the Contractor but this arrangement did not contemplate catering for the very large number of members now being provided for. Various Unit representatives have now proposed that in respect of troops quartered on the South side of the Sookow Creek this allowance be reduced to \$3 per day.

Members favour this proposal and the Secretary is requested to circulate same for their formal approval.

The meeting terminates at 6.10 p.m.

W. H. ...
Chairman.

J. ...
Secretary.

At an informal meeting of the Council held on Saturday, February 13, 1932, at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
Messrs. G. W. Sheppard (Vice-Chairman)
A. D. Bell
J. W. Carney
K. Fukushima
A. J. Hughes
N. Leslie
O. S. Iieu
O. Okamoto
F. J. Raven
T. D. Woo
L. T. Yuan
The Commandant S.V.C.
The Commissioner of Police
The Secretary General, and
The Secretary.

Absent:

Messrs. S. I. Hsu
Yu Ya Ching.

Local Situation. - The Commandant reports that he is proceeding with the arrangement whereunder with the consent of the Defence Committee the majority of the Volunteers will be released from active duty in order so far as possible to comply with the requirements of employers. He will also request that the entire Corps be released from the command of the British Commander in order that he himself will be enabled to allot the duties of the various Units.

Mr. Carney refers to a letter which has been received from Mr. Burkill regarding the possibility of keeping the Soochow Creek open and referring to the large number of empty boats which cause considerable congestion. As the policing of the Creek is undertaken by the River Police under the Custom Authorities Mr. Carney undertakes on Monday to put forward representation on this matter to the appropriate Authorities.

The Commandant states that he has received a complaint that Japanese roughs are intimidating the labourers employed at the China Merchants Central Wharf and a request has been made that guards be provided for their protection.

Mr. Fukushima states that the Japanese Authorities are

prepared to provide the necessary protection and he will take up this matter with them forthwith.

The Commandant withdraws.

To illustrate the difficulties with which the Police Department is confronted in resuming control of the Japanese sector the Commissioner of Police states that while the Japanese forces are not actually protecting the Yangtzepoo district which is a long distance from the centre of the disturbances they have sentries on the streets with fixed bayonets and that today they attempted to obstruct two foreign police-officers. He considers that the presence of these armed sentries will attract snipers to a district which so far has been practically free from their activities. Another case has occurred in which a foreign police officer was obstructed and abused by Japanese civilian guards at the corner of North Szechuen and Range Roads; Japanese Marines who witnessed this incident made no attempt to assist the foreign Police Officers. He cannot but feel that a continuation of such incidents will have serious results.

Mr. Fukushima undertakes to call the attention of the Japanese Authorities to these two incidents with a view to all possible action being taken to prevent their recurrence.

The Commissioner of Police withdraws.

The Chairman states that he was informed today by the Japanese Consul Mr. Iguchi that a number of Japanese troops would arrive and would land in the Settlement tomorrow. He was informed that this was necessary as no billets were available outside the Settlement. The Chairman expressed the personal opinion that it was undesirable that these troops should land in the Settlement and he asked Mr. Iguchi to convey this opinion to Mr. Murai; he also requested that Mr. Murai would notify the American and British Consuls-General of the imminent arrival of these troops. Mr. Iguchi stated that the Japanese Authorities were notifying Brigadier Fleming as to this.

The Secretary General states that in accordance with the decision taken at yesterday's meeting he has re-drafted the reply to the letter received from Mr. Chen in the form of a general statement for publication. This morning he received a protest signed by eighty representative Chinese organizations urging that the Council should repress Japanese Military activities in the Settlement and should not shirk its responsibility for maintaining the integrity of the Settlement. It is obvious that the impression in the minds of responsible sections of both the foreign and the Chinese community is gaining ground that the onus is on the Council to eject the Japanese Forces from the Settlement. He is therefore more than ever convinced as to the necessity of publishing and placing on

record for future reference a statement outlining the Council's position in this respect clearly indicating the impossibility of its complying with the demand put forward from various quarters that it should adopt forcible measures. If members decide that it is inadvisable to publish this statement then he desires his view recorded as to the advisability of it being placed on record for reference by the International Commission which ultimately will be charged with investigating the present situation. He has only been able to supply individual members with copies of this statement just prior to the meeting and in order to enable them to study this at their leisure he suggests that its publication is not of immediate urgency but he urges that it be published within the next few days.

In reiterating his view that it is inadvisable to publish this statement Mr. Leslie submits that its good effect will be confined to that section of the public which approaches the question with good will. Other sections which are possessed ^{with} ill-will will merely take advantage of this published statement further to assail and embarrass the Council. He is not impressed by the contention that unless this statement is published the Council's position will be prejudiced. In his opinion the Council's case being sound no urgency exists for publication of this statement and he cannot avoid the feeling that if published at this time it will serve merely as a further target for criticising the Council's position by that section of the public which is inimical to the welfare of the Settlement.

The Secretary General contends that the Ratepayers are entitled to be placed in possession of the facts as to the Council's position since such a very large number of them are in complete ignorance as to this. Mr. Raven strongly supports this view.

The Chairman observes that with the exception of Messrs. Sheppard and Leslie members agreed at yesterday's meeting to publish this statement.

The Vice-Chairman points out that it is obvious that long before the existing crisis became acute certain illegal acts were committed in the Settlement such as the anti-Japanese boycott and the arrest and detention of persons in the Temple of Heaven. Publication of this statement may therefore raise the question as to why it should not have dealt such illegal acts.

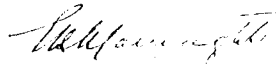
The Secretary General observes that until publication of the reply sent to the Mayor of Greater Shanghai even some of the members of the Consular Body were under the impression that the

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Council was in a position to prevent the entry of Japanese armed forces into the Settlement. In order therefore to remove this erroneous impression from the minds of responsible members of the Community he therefore again urges publication of this statement.

After further general discussion the Chairman's suggestion is adopted that members be given until tomorrow's meeting for perusal of this statement when the Council's decision to publish it be affirmed.

The meeting terminates at 5.20 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Sunday, February 14, 1932, at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
Messrs. G. W. Sheppard (Vice-Chairman)
A. D. Bell
J. W. Carney
K. Fukushima
A. J. Hughes
N. Leslie
O. S. Lieu
O. Okamoto
F. J. Raven
L. T. Yuan
The Commandant S.V.C.
The Commissioner of Police,
The Secretary General, and
The Secretary.

Absent:

Messrs. S. L. Hsu
T. D. Woo
Yu Ya Ching.

Local Situation. - The Commandant refers to an unfortunate incident which occurred this morning when a civilian lorry engaged in evacuation work escorted by two S.V.C. guards came into collision at the intersection of North Szechuen and Dixwell Roads with a truck carrying a number of Japanese Marines. The latter overturned and some of its occupants were seriously injured. A number of Japanese civilian guards who witnessed this accident abused the occupants of the lorry and took away two of them, one an elderly Chinese lady, who is a British subject and another Chinese passenger. The intervention of a foreign municipal police sergeant was disregarded. The Secretary states that the escort of these vehicles which are engaged solely in evacuation work carry forms stamped by the Japanese Consulate General but subsequent to this accident he has been informed by one of the escorts concerned that the Japanese naval force also require them to carry a Japanese naval pass. The Commandant adds that efforts are being made to effect the release of the two persons taken off by the Japanese force.

In concurring that a continuation of such incidents will undoubtedly lead to most serious results Mr. Fukushima undertakes to investigate the circumstances of this particular incident and

again to urge upon the Japanese Authorities the desirability of taking all possible measures to prevent such occurrences. Replying to members he states that these plain clothes men are operating with the Japanese marines and that the corner at which this accident occurred is one of the chief operations and has on occasion been the scene of intensive sniping activities. centres of military/ . Accordingly the Japanese are taking the strictest possible precautions at this point to maintain law and order.

The Commissioner of Police submits that the continuance of this plain clothes force for the maintenance of law and order is unnecessary in this area since it has been almost completely evacuated, the only occupants at present being the Japanese marines, the plain clothes force and a few municipal police.

The Commandant is requested to notify the British Consul-General immediately as to the arrest and detention of the British subject concerned whereafter an official protest will be forwarded by the Council.

The Commandant withdraws.

The Chairman again refers to the embarrassment caused to the Council by the unfortunate incidents which continue to occur mainly through the activities of the plain clothes Japanese force despite the assurances given by the Japanese Authorities that their activities would be curtailed.

In this connection Mr. Bell states that since the withdrawal of the Japanese marines and plain clothes men from the Gordon Road area conditions have noticeably improved. He accordingly suggests that the situation might be eased if an order was issued by the Japanese Authorities that uniformed members of the Municipal Police and of the Volunteer Corps and persons accompanying them should not be molested or obstructed by the Japanese regular and plain clothes force.

In expressing his willingness to transmit this suggestion to the appropriate Authorities Mr. Fukushima states that conditions in the Gordon Road district and the Hongkew area are not comparable - in the latter district a state of war virtually exists and the Japanese forces have to deal with the situation on this basis.

Mr. Bell reiterates his view that the withdrawal of the Japanese armed forces from points where their presence is not absolutely vital. - such as Broadway and the section of North Soochow Road between the Astor House and the Post Office - would do much to restore public confidence.

The Commissioner of Police refers to a notice published in yesterday's "Shanghai Evening Post" that Keshing Road Police Station had been evacuated and that West Hongkew Station remain unoccupied. These statements are incorrect and he has informed the Editor that such inaccurate statements serve to handicap the Police Department in its efforts to restore public confidence.

The Secretary General states that he has on several occasions drawn this Editor's attention to the danger of publishing articles which tend to arouse public feeling. As however no state of war has actually been declared he knows of no action that legally can be taken to prevent the appearance of such articles.

With regard to the issue of curfew passes the Chairman suggests that certain of these are being utilized for purposes other than for which they were intended. The Commissioner of Police states that up to date less than 4500 have been issued and that steps are being taken to withdraw any which it is found are not being used for legitimate purposes. The Secretary states that a notice is being forwarded to the Press tonight warning the public that such action will be taken.

The Commissioner of Police withdraws.

Relative to the congestion of the Sooknow Creek referred to at yesterday's meeting Mr. Carney states that he has arranged for Mr. Kerrigan, Assistant Commissioner of Police to investigate this and to report. He has gathered the impression that the actual conditions are not so serious as might appear from the letter received from Mr. Burkill.

With regard to the memorandum prepared by the Secretary General and submitted at yesterday's meeting the Vice-Chairman in adhering to his opinion as to the inadvisability of publishing this statement suggests that as its publication has been decided upon by a majority of members that it should take the form of an expression of opinion by the Secretary General. In his view the Council as a body is not competent to give an opinion on the very intricate and complicated subjects dealt with in this memorandum. He therefore proposes that this memorandum be prefaced by a brief statement to the effect that the Council hopes that the following opinion given to the Council by the Secretary General may result in clarifying the situation.

The Secretary General states that he has no objection to his memorandum appearing in the form suggested, his main object in preparing it being to remove the existing misapprehension in the minds of the public and to safeguard the Council's interests when ultimately an International Commission will investigate the local situation.

After general discussion the proposal put forward by the Vice-Chairman is endorsed and subject to a few minor amendments the

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memorandum is authorized for transmission to the Press forthwith.
The meeting terminates at 5.45 p.m.

W. H. ...

Chairman.

W. H. ...

Secretary.

At an informal meeting of the Council held on Monday, February 16, 1932,
at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. A. D. Fell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commandant S.V.C.
 The Commissioner of Police,
 The Secretary General, and
 The Secretary.

Absent:

Mr. G. W. Sheppard.

Local Situation. - With reference to the decision reached at the meeting last Saturday that application should be made to Brigadier Fleming that the Volunteer Corps should be taken out of the perimeter and that the whole Corps be placed under the independent command of the Commandant, the Chairman states that these questions have been taken up with the Commander of the Defence Force. Brigadier Fleming stated that he was prepared to take all the volunteers out of the Line but that he must retain the following Units under his command the Light Force, the American Troop, the Armoured Car Section and the two batteries of Artillery; as they form part of the General Reserve and he has practically no similar regular Units at his disposal. He undertook however that they would not be sent into the perimeter unless an attack was made thereon. In view of this the Commandant has suggested that he should remain under Brigadier Fleming's command, as otherwise the Corps would be under divided control. At present rather more than 50% of the Corps are being granted leave to permit them to resume their civilian occupations.

~~employment requirements.~~

After discussion it is decided to adopt the proposal put forward by Brigadier Fleming and the Chairman undertakes to request him to arrange if possible for a larger proportion of members of the Corps to be released in order that they may return to their civilian occupations.

The Commissioner of Police reports that lorries conveying Japanese Marines armed with mauser pistols have within the past few days traversed Bubbling Well and Nanking Roads which has caused consternation on the part of the Chinese civilian population.

The view obtains that such demonstrations are not only unnecessary but appear to be irregular having regard to the fact that the defence of this sector is not in the hands of the Japanese Forces. Mr. Fukushima undertakes to investigate the reason for the presence of the Japanese Forces in these roads and to express to the Japanese Authorities the above view.

The Commissioner of Police reports that the Chinese lay - a British subject - referred to at yesterday's meeting has been released by the Japanese Authorities.

Mr. Fukushima states that he has investigated the circumstances of this accident and he has been informed that owing to the serious injuries sustained by the marines travelling in the lorry which overturned, the plain clothes men not only arrested the Chauffeur of the other truck, - which he submits was in order - but also the woman passenger. This may be accounted for by the fact that a certain number of women snipers have been apprehended, consequently this passenger was arrested for search and examination.

The Commandant withdraws.

The Commissioner of Police reports that this morning some thirty Chinese civilians were prevented by the Japanese pickets from re-entering the Hongkew area. Captain Kennedy is endeavouring to secure passes from the Japanese Consul-General enabling residents to return to the Hongkew District beyond Range Road but the general impression exists in the minds of the Chinese public that passes are required for them to enter any part of Hongkew. This impression will undoubtedly be strengthened by the action taken today by the Japanese pickets.

Mr. Fukushima states that the Japanese Authorities desire to encourage residents to return to the quieter sections of Hongkew; they also desire that the Municipal Police should resume their functions in these districts as soon as possible. The obstruction referred to by the Commissioner of Police may be due to the fact that the pickets concerned have not received the necessary instructions.

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Members concur with the Chairman that the existing position in this respect which renders impossible a resumption of Municipal Police control is highly unsatisfactory and Mr. Fukushima is again requested to urge the Japanese Authorities to take action, particularly in the matter of issuing the necessary orders to their armed forces, in order that their expressed desire to restore this district to a condition approaching normal may be given effect.

Mr. Fukushima states that he has already suggested to the Japanese Authorities that the Japanese patrols be withdrawn from the streets in certain of these districts and stationed only at the more important points and he has reason to hope that this suggestion will receive their approval.

Replying to the Chairman, the Commissioner of Police states that a police report dealing with the alleged detention by the Japanese Authorities of about 80 civilian prisoners was transmitted to the Senior Consul this afternoon. The Senior Consul immediately forwarded this report to the recently instituted International Committee and these cases will be investigated forthwith by this Committee.

In respect of Mr. Hsu's suggestion that the building next to the Japanese Club should be visited by the Commissioner of Police to re-assure the Chinese community that no civilian prisoners are held in this building Mr. Fukushima states that this inspection could be arranged direct by Major Gerrard without difficulty.

The Secretary reports that this morning a deputation from the Mayor of Greater Shanghai called on him and discussed the problem of the unemployed within the Settlement, the French Concession and in adjoining Chinese territory. These representatives stated that the majority of the female workers - mainly mill operatives - had left Shanghai and that the number of male mill workers still in Shanghai was estimated at 50/60,000. In addition there are unemployed workers of other occupations. They suggested that possibly there were three means by which this problem could be dealt with (I) by inducing employers to subsidize the unemployed workers in the same way as has been done by Mr. C. S. Lieu (II) the re-opening of the mills as soon as possible and (III) that the Council should assist the various Relief Organizations to repatriate these unemployed workers to their native homes. To give effect to this latter proposal they suggested that a Committee be ^{constituted} ~~investigated~~ consisting of representatives of the Council, the French Administration and the Bureau of Social Affairs and if the Council were prepared to adopt this proposal they particularly requested that Messrs. Yu Ya Ching and S. L. Hsu be nominated as its representatives. This Committee would investigate and advise the Council on these problems. In the meantime it would be

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necessary to provide food for the refugees remaining in the mills until such time as they could be repatriated.

Replying to the Chairman Mr. Fukushima states that a day or two ago he was informed by Mr. Funatzu that as the workers at the Japanese mills had been paid quite recently he considered they should be in a position to maintain themselves for a brief period.

Mr. Lieu submits that if the Council decides to take any action on the unemployed problem it should give it the most careful consideration from every aspect.

Mr. Bell observes that the unemployed in the mill district near to which he resides appear to be well nourished and that there are no signs of immediate distress. He therefore considers that action by the Council as proposed is not called for at the present time.

Upon Mr. Hughes stating that he favours the institution of a Committee in order that the Council may be kept in touch with the developments in this situation, Mr. Carney observes that the Council's association with such a Committee will undoubtedly give the impression that the Council will render financial assistance.

In concurring in this view the Chairman proposes that no action be taken by the Council for the time being and that this question be left to the various Relief Organizations to deal with. In any case he is opposed to members of Council serving on the proposed Committee.

Mr. Hou agrees with Mr. Hughes as to the desirability of a Committee being appointed since it is possible that this situation may become acute and the Council placed at a disadvantage.

In this respect the Chairman points out that the unemployment situation is being carefully watched, and reported on by the Police Department. Mr. Lieu states that some of his employees who have made a special study of this situation are in possession of information and statistics which might assist the Police Department in its investigations and he undertakes to arrange for one of them to furnish such information to the Commissioner of Police.

After general discussion it is decided that further consideration of this question remain in abeyance for the time being.

The meeting terminates at 5.30 p.m.

E. W. H. ...

Chairman.

L. J. ...
Secretary.

At an informal meeting of the Council held on Tuesday, February 16, 1932.

at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

The Commandant S.V.C.

The Commissioner of Police,

The Secretary General, and

The Secretary.

Absent:

Mr. Yu Ya Ching.

Local Situation. - The Commandant reports that leave to the Volunteer Corps is being granted on a liberal scale and that yesterday arrangements were made to release a greater number of men than heretofore.

The Chairman observes that the arrangement with Brigadier Fleming was that all Volunteers should be withdrawn from the perimeter. At his suggestion the Commandant undertakes tomorrow to emphasize to Brigadier Fleming the Council's desire that this arrangement should be given effect.

The Commandant withdraws.

Mr. Yuan states that Merchants having rice stocks at the China Merchants' Central and Lower Wharves, the latter of which is located near the Wayside Wharf, desire protection for their workers engaged in removing these stocks.

The Commissioner of Police states that if the merchants concerned will approach Mr. Baker, Officer-in-charge of the Wayside Division, the necessary police protection will be forthcoming. Mr. Carney undertakes to assist in arranging for the desired facilities.

Mr. Fukushima states that he understands that as a result of a conference between Captain Kennedy, Mr. Tajima and the Japanese

Authorities a tentative agreement has been reached regarding the policing of certain areas in the Hongkew district. The Japanese Authorities are doing their utmost to ameliorate conditions in these areas but they do not consider the time is yet ripe to remove the pickets from all entrances to these areas. The general principle which has been accepted is that all foreign citizens will be permitted to move freely as also Chinese accompanied by foreigners. Chinese unaccompanied by foreigners will however be required to submit to a search at the entrance to these areas. He expresses the hope that after a few more days it will be possible to relax these arrangements and thus permit the Municipal Police to function to a greater extent than at present. Replying to the Chairman he states that all the pickets in Hongkew are composed of marines but that in some of the roads beyond Settlement limits a number of plain clothes men are utilized for this purpose.

The Commissioner of Police states that as he is still awaiting the report dealing with this tentative arrangement, he is not in a position to express his views thereon. He expects however that this will be furnished by Captain Kennedy today or tomorrow.

In connection with the discussion at yesterday's meeting on the unemployment problem the Chairman refers to a disturbance created yesterday in Szechuen Road by unemployed workers which necessitated police interference to disperse the crowd. Having regard to the probability of a recurrence of such incidents on an extended scale he considers that too long a period should not elapse before the Council gives its most careful consideration to the best means of dealing with the unemployment question.

The Commissioner of Police reports that Captain Kennedy and Mr. O'Toole today visited the Temple next to the Japanese Club and satisfied themselves that no prisoners are held therein.

In this connection the Secretary states that he continues to receive numerous allegations that Chinese citizens are being tortured by the Japanese Forces in this building. Similar charges are made in respect of other buildings some of which the Police Department finds it impossible to locate. He therefore suggests the advisability of notifying the Chinese Ratepayers' Association as to the facts in such cases.

The Commissioner of Police states that he was informed today that the Japanese Authorities were prepared to hand over any prisoners as soon as the International Committee is in a position to function. The Secretary states that there would appear to be a hiatus in the arrangements between the Japanese Authorities and this Committee. The latter is still in being and is prepared to deal with any cases that may be handed

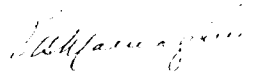
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over. The previous prisoners were handed over by the Japanese Authorities to the Municipal Police at the request of the Committee. He understands that Mr. Aall, the Chairman of the Committee, has requested Mr. Murai to enquire each day from the Japanese Authorities whether there are any prisoners to be handed over.

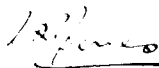
The Commissioner of Police withdraws.

The Chairman informs members that the Commissioner of Public Works proposes to urge contractors for municipal buildings to proceed with these works and that if they do not do so he will warn them that the penalty provided for under these contracts will be imposed. Mr. Bell states that he understands that in many cases the Contractors are willing to proceed but cannot do so for the reason that they are unable to obtain the necessary material and supplies.

The meeting terminates at 5 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Wednesday February 17, 1938, at 5.00 p.m., there are:-

Present:-

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 K. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commandant S.V.C.
 The Commissioner of Police,
 The Secretary General, and
 The Secretary.

Local Situation. - The Vice-Chairman suggests that the time has arrived when the Council should take some action to support the interests of this community by directly approaching the League of Nations. He refers to the decision transmitted by Reuter this afternoon of the Council of the League of Nations to address an appeal to the Japanese Government which, inter-alia, under Article X of the Covenants will state that no territorial changes based on force will be recognized by the League Council. He recalls that prior to the outbreak of the present hostilities there were considerable attempts to encroach upon the Council's rights and on this account he considers the present time is opportune, by means of a cable, forcibly to bring to the attention of the League of Nations the Council's view that when the destiny of Shanghai is ultimately under consideration the Council should be entitled to a voice in these deliberations. He accordingly reads a draft telegram he has prepared as also an alternative draft framed by the Secretary General. If his proposal is accepted in principle he does not anticipate there will be difficulty in drafting a satisfactory message. It has been

suggested to him that the officials at Geneva will not understand the intention of a cable being forwarded by the Council at this stage; if this is the case then he considers that a request by him for further information will afford the Council an opportunity of amplifying its views on the many intricate problems which must of necessity be taken into consideration at the time the status of Shanghai is under review. In his opinion the draft cable prepared by Mr. Fessenden at short notice localizes the question of the status of Shanghai to that obtaining during the present hostilities, whereas he considers that any cable forwarded to the League should stress the vital importance of ensuring that the undermining of, and encroachment on, the Settlement's rights by any Power should be rendered impossible. Persistent efforts have been made by the Chinese Government for years past to abolish the Settlement and in his opinion it is subversive of the interests of the entire community that it should revert entirely to Chinese control. Its present prosperity and security is due solely to the fact that so far foreign nations have had certain rights therein.

Mr. Hsu is of opinion that the despatch of a cable such as is proposed by the Vice-Chairman is unnecessary since to his knowledge no question has arisen as to territorial changes in respect of the Settlement. Moreover in his opinion the possibility of the Chinese Government demanding the rendition of the Settlement in the near future is remote.

The Secretary General submits that the wording of any cable which may be despatched will require the most careful wording since the League is at the moment primarily concerned with the immediate crisis.

Mr. Hsu reiterates his view that as the Footman report has not yet been considered officially by the Council the despatch of a cable to Geneva having for its object a prolongation of the present regime of government of the Settlement is not timely nor is the present time opportune to bring to the attention of the League the encroachments on the Settlement by the Chinese Authorities.

The Vice-Chairman states that whilst appreciating Mr. Hsu's point of view he feels that at the moment the attention of the world and of Geneva particularly is focussed on Shanghai the opportunity should not be missed to endeavour to secure for Shanghai a future status which will enable all residents, irrespective of nationality, to carry on their business in peace and security. He submits that the Chinese community itself must realize the vital necessity of some guarantee being obtained which will remove in perpetuity the risks with which it has been faced during the past few years. In his opinion it is not

impossible that the Powers concerned, when ultimately the status of Shanghai comes up for settlement may, in their endeavour to secure diplomatic victories, be prepared to sacrifice the interests of the business community.

Mr. Hsu adheres to his view that the League recognizes the status of Shanghai and that an attempt at this stage to secure its perpetual status in any form is premature, particularly so as it is impossible to forecast the developments of the existing crisis.

After discussion the foreign members unanimously agreed as to the desirability of a cable being despatched to the League with the object stated by the Vice-Chairman. They concur however that its phraseology will require the most careful consideration. The Chinese members desire further time to consider this proposal.

The Secretary General is accordingly requested in conjunction with the Secretary to draft a telegram and if possible to supply members with copies thereof prior to tomorrow's Council meeting when this proposal will receive further consideration.

Mr. Bell requests an expression of view as to whether certain of the Municipal Schools - foreign and Chinese - located in the Central and Western Districts which have been closed since the present crisis should be reopened. It has been found that the attendance at the Public School for Girls has diminished since the outbreak of hostilities.

Upon the Chairman suggesting that the re-opening of some of these Schools would be a step towards the restoration of normal conditions Mr. Bell expresses the view that a continuation of the school holiday might be regarded more as a sign of normality than the re-opening of these schools for a very small number of pupils.

Whilst members generally do not favour the re-opening of these schools under existing conditions prior to reaching a definite decision on this question Mr. Bell undertakes to consult with members of the Education Board thereon.

The Commissioner of Police reports that the Japanese Authorities in conjunction with Municipal Police officials have drawn up a set of regulations for the entrance and exit of civilians in that section of Hongkew north of Range Road. As the aim of the Police Department is to resume full control of this District, he is unable to endorse these regulations in their entirety; they are however more satisfactory than the restrictions hitherto imposed by the Japanese forces.

In concurring that whilst searches of civilians are continued it will be impossible to restore public confidence in the administration

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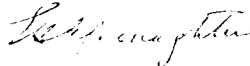
of this area Mr. Fukushima states that he has expressed the Council's view as to this to the Japanese Authorities but that they feel this precaution to be necessary so long as sniping activities continue.

Upon a member suggesting that the hours during which civilians will be permitted to enter and leave the prescribed area should co-incide with the hours during which the curfew is not applicable Mr. Fukushima undertakes to transmit this suggestion to the Japanese Authorities for their approval. He will also bring to the notice of the Authorities the objectionable methods employed for the searching of Chinese - particularly female - civilians.

The Commissioner of Police withdraws.

The Commandant reports that arrangements have been made for all volunteers to be withdrawn from the line by 4 p.m. on Friday next.

The meeting terminates at 6 p.m.



Chairman.


Secretary.

At an informal meeting of the Council held on Thursday, February 18, 1932,

at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairmen)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hau

A. J. Hughes

N. Leslie

C. S. Licu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Commandant S.V.C.

The Commissioner of Police,

The Secretary General, and

The Secretary.

Local Situation. - The Commandant reports that with the withdrawal from the perimeter of the Volunteers tomorrow the whole of the Corps will be put upon a precautionary basis which means that an average of 10% will be retained. The Russian Company is being amalgamated with the Russian Detachment and will continue on an ordinary basis to provide the required personnel for guard duties.

The Commandant desires it should be understood that the release of the Volunteers has been effected because employers are entitled to their services. It is not impossible that within a few weeks it may be necessary to again to mobilize the Corps. An impression prevails amongst the Volunteers that the Council feels that they should not face danger by being placed in the perimeter and this is having a bad effect on the Corps. He considers its morale will suffer if the impression gains ground that it should not bear its fair share in the defence of the Settlement. He recalls that recently a decision was reached by the Council without his being consulted that the Battery should not proceed to Hongkong and he requests that if any decision is reached regarding the functions of the Corps in the scheme for the general defence of the Settlement he be given an opportunity of expressing his views.

With regard to the recent decision not to send the Battery to Hongkong the Chairman states that this was taken because the Council was aware of the approach of the present crisis. He agrees however that the Commandant should have been notified in advance of the reason actuating the Council's decision. Regarding the withdrawal of the Volunteers from the perimeter he is at a loss to understand the Commandant's remarks since this question was repeatedly discussed between the Council and the Commandant. The Council has always maintained and continues to adhere to the policy that the Volunteers should be sent to the line only in cases of emergency and that when sufficient regular troops are available they should be withdrawn.

The Commandant recalls that he himself first put forward the proposal for the withdrawal of the Corps from the perimeter; unfortunately however a feeling is abroad amongst the Volunteers that they have been withdrawn because the Council does not desire to run the risk of their being killed or wounded and possibly render the Council liable for payment of compensation.

Mr. Leslie is unable to agree that this feeling is prevalent amongst the more serious sections of the Volunteer Corps or the public. Apparently the Commandant feels that their withdrawal from the perimeter will result in a loss of enthusiasm; in his (Mr. Leslie's) view the majority will welcome release from their military duties in order to permit them to resume their civilian occupations.

The Commandant states that he has only mentioned this matter as in the interests of the efficiency of the Corps he considers it of the utmost importance that any impression amongst the volunteers that the reason for their withdrawal from the line has been actuated by other motives should be dispelled.

The Commandant withdraws.

Relative to the foregoing discussion the Commissioner of Police states that members of the Special Police are still mobilized. Whilst the availability of regular troops permits the demobilization of the majority of the Volunteer Corps this factor does not directly relieve the Police Force of its normal and emergency functions. The Special Police numbering about 350 are performing excellent service and he desires to retain them as long as possible. He is furnishing a letter to the A.C.P. (Specials) expressing appreciation of the very valuable services rendered by the Special Police during the present crisis and copies of this letter will be forwarded to employers.

Members concur that the Special Police fall into a different category from the Volunteer Corps and that their services should be retained as long as employers' requirements will permit.

The Secretary reports that up to last evening the names of 448 missing persons alleged to be detained by the Japanese Authorities have been received. 24 of these persons have been traced. Mr. Aall has approached Mr. Murai who stated that 126 captives are being held but that only one of them was arrested within the Settlement. The fate of the other 125 would apparently appear to rest on the terms of reference from the Consular Body to the International Committee.

The Secretary General states that he recently took up this question with Mr. Cunningham who informed him that the Committee considered it had completed its labours when it had dealt with the group of 117 prisoners handed over by the Japanese Authorities. The Committee has however agreed to continue to function indefinitely if its services are required. Mr. Cunningham asked him in his personal capacity whether he would furnish suggestions for terms of reference which could be transmitted to the Japanese Consul-General for his approval. Mr. Murai was unwilling to accept these in their entirety and he has now submitted a modified version of the Terms of Reference which he is prepared to agree to. His (the Secretary General's) suggested terms of reference provided for all persons arrested in the Settlement or subsequently brought into the Settlement to be handed over to the Municipal Police within 24 hours. This however Mr. Murai would not agree to. He then reads the terms of reference which have been approved by Mr. Murai and which provide for the handing over only of those prisoners arrested within the Settlement.

The Commissioner of Police states that his Department obtains evidence every day of persons being arrested on extra-Settlement roads and in contiguous areas; it is therefore difficult to understand why the Japanese Authorities are confining this arrangement to the limits of the Settlement.

The Secretary General emphasizes that the Consular Body has pressed for this arrangement to include all persons arrested by the Japanese but that Mr. Murai is adamant in his refusal.

Members regard this arrangement as most unsatisfactory since in their view it should apply to all districts in which the Municipal Police normally function.

At the Chairman's suggestion Mr. Fukushima undertakes to transmit this view to the Japanese Authorities and to endeavour to obtain their approval to this arrangement being extended to all roads and areas under the jurisdiction of the Municipal Police.

Mr. Fukushima refers to the bomb which exploded at the entrance to his office this morning. As this building is located in the heart of the business district which is under the protection of the S.V.C. this

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incident has created consternation in the minds of other Japanese business men and bankers in this locality. He therefore requests that the Council will give its most serious consideration to this incident and take all possible steps to prevent a recurrence. He is inclined to the view that this outrage was planned in order to undermine the confidence of and to break the morale of the Japanese community. Such tactics are entirely opposed to a sense of justice and humanity and to the ethics of warfare. Furthermore anti-Japanese articles are constantly appearing in the Chinese Press and in certain of the foreign journals which are designed to incite public feeling. He therefore requests that an endeavour should be made by the Council to suppress such articles. As a result of the bomb outrage referred to he has been requested by the Japanese Bankers in Kiukiang Road to apply for special protection for their premises.

The Commissioner of Police states that special protection has been afforded to the building in which this bomb exploded between the hours of 8 a.m. and 8 p.m. This was considered necessary on account of the fact that Russian labour was recruited and paid in this building. As members are aware this incident occurred before 8 a.m. today and up to the present the Police have been unable to secure evidence as to the perpetrators of this outrage or to ascertain precisely the type of bomb employed. In his opinion there is little likelihood of a recurrence of such an incident at any of the Japanese banks since the Police Department takes the view that the building occupied by Mr. Fukushima is regarded as a special target for anti-Japanese activities. He will however afford to this and other Japanese-occupied buildings the fullest possible protection.

In respect of this incident members concur with the Vice-Chairman that one of the major reasons for the withdrawal of the Volunteers from the perimeter was in order to permit them to assist the Police in maintaining law and order within the Settlement and thus enable the Council to afford additional protection to all residents.

The Commissioner of Police withdraws.

The Chairman reads a letter which has been received from a resident stating that an unoccupied house owned by him in Avenue Foch is being used to accommodate (rent-free) employes and friends who have had to vacate their homes in Chapei and Hongkew. He therefore requests that he be exempted from payment of G.M.R. during the time these premises are used for this purpose.

In comment on this application the Treasurer & Controller states that it has been confirmed that refugees, apparently of the well-to-do class, are occupying these premises. He suggests however that approval of such individual requests will lead to abuse. He therefore recommends

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that premises used for the accommodation of refugees be exempted from payment of G.M.R. only if they are taken over by recognized charitable organizations dealing with refugee relief.

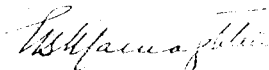
After brief discussion this proposal is adopted and the application now submitted is disapproved.

The Chairman reads an application he has received from the Japanese Authorities for the use of the former Victoria Nursing Home, which is now unoccupied, for the accommodation of Japanese sick and wounded.

The Secretary states that the Japanese Authorities are prepared to enter into a lease of the building on a rental basis and to vacate it when required by the Council. He is informed by the Commissioner of Public Health that the Mental Ward block will be sealed and that equipment and stores which were left behind when the main building was evacuated will be removed. An inventory of the remaining furniture and fittings will be taken.

After brief discussion members approve the leasing of this building to the Japanese Authorities for the purpose stated.

The meeting terminates at 5.35 p.m.



Chairman.


Secretary.

At an informal meeting of the Council held on Friday, February 19, 1932

at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 T. D. Woo
 L. T. Yuan
 T. D. Woo
 Yu Ya Ching
 The Commandant S.V.C.
 The Commissioner of Police
 The Secretary General, and
 The Secretary.

Local Situation. - In connection with the ultimatum delivered by the Japanese Forces to the Chinese Forces the Commandant reports that at a meeting of Staff Officers of the National Forces this afternoon they were informed by General Uyeda that in the event of a renewal of hostilities instructions had been issued to the Japanese Forces to take all possible precautions to avoid inflicting damage to Settlement property.

He adds that the Volunteers were withdrawn from the perimeter at 2.30 p.m. today.

The Commandant withdraws.

Mr. Fukushima informs members that as a result of representations made by him to the Japanese Authorities Captain Beppu has been placed in charge of the internal security of the Hongkew area. Captain Beppu will readily co-operate with the Municipal police and is prepared to receive any suggestions for the purpose of securing more normal conditions in this area. With regard to the Chinese prisoners held by the Japanese Authorities which are in the charge of the Japanese Gendarmerie he has made, and will continue his, representations for those arrested on extra-Settlement Roads to be handed over to the Municipal Police. He has been assured by the Japanese Chief of Staff that none of the prisoners now in custody will be summarily executed.

A record of all prisoners now in custody and of any who may be arrested in future will be kept and no objection will be made to members of the Municipal Police and of the Consular Body visiting the camp where they are detained. The Camp is visited daily by a Japanese officer who is experienced in Court matters and he suggests that the Commissioner of Police should arrange for a municipal police officer to accompany him on some of these visits. The Japanese Authorities have arranged for the holding of a daily conference at which a representative of the Municipal Police, the Volunteer Corps, the Japanese Consular Police and the A.C.P. (Japanese) will attend for the purpose of putting forward and considering suggestions for the satisfactory control of this area and cognate matters.

In the interests of persons who are seeking information regarding missing relatives and friends members concur with Mr. Bell as to the desirability of a list of names of the prisoners held by the Japanese Authorities being published. The Commissioner of Police will endeavour to arrange for this to be done.

The Commissioner of Police withdraws.

Relative to the decision reached at Wednesday's meeting to despatch a cable to the League of Nations the Chairman states that yesterday he was informed by the British Consul General that the British Minister regarded such action on the part of the Council as unwise. He is at a loss to understand by what means the British Consul General became apprised of the Council's decision so quickly after the meeting and can only conclude that an indiscretion has been committed by a member in divulging this information. He desires to impress on members and officials attending meetings the necessity of regarding the deliberations at Council meetings as strictly confidential. He is also informed by the Chinese members that they are strongly opposed to the despatch of this cable. Mr. Brennan has informed him that in ^{his} view of the British Minister and himself a cable if despatched would merely be ignored or would be referred back to the British Minister.

The Secretary General states that he requested an expression of view from Mr. Cunningham as to the effect of the despatch of the proposed cable. He replied that such a course was quite opposed to diplomatic procedure and that if the League paid any attention to it they would of necessity have to refer it back to the various Ministers or to the Consular Body. For this reason he did not consider any good purpose would be served by despatching this cable. Mr. Cunningham added that if the Council decided to send this cable he considered that with an impending renewal of hostilities the present time was inopportune since in his view the League might gain the impression that the Council was attempting to take advantage of the present critical situation.

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In view of the above observations and as the Council is not unanimous in its decision to despatch this cable the Chairman favours abandonment of this proposal.

Mr. Bell points out that in a manifesto issued today by the Central Committee of the Kuomintang it announces that its ultimate goal is the rendition of the Settlement. In view of this he favours the despatch of a cable in the sense proposed.

The Vice-Chairman states that it is obvious that the aim of the Chinese is to secure rendition of the Settlement irrespective of the outcome of the existing conflict. His proposal to despatch this cable was agreed to at Wednesday's meeting subject to its phraseology being agreed. He was very surprised yesterday, at being informed from an outside source that his action in proposing the despatch of this cable was improper. He maintains that a majority decision reached in a Council meeting should not be divulged outside the Council Chamber and that the Council is perfectly free to act on such a majority vote, no matter what outside influences may be brought to bear on members to rescind such decision. In view of the statement referred to by Mr. Bell he considers despatch of this cable more than ever desirable.

Replying to the Chairman, Mr. Fukushima states that the Japanese members on re-consideration have no objection to this cable not being sent but not for the reason that the Chinese members are opposed thereto. The Japanese members are of the opinion that any proposal dealing with the status of the Settlement should provide for its extension and not be confined to its existing limits nor deal with a curtailment of its existing rights. Accordingly any cable despatched which has for its object merely the continuation of the existing status of the Settlement is not satisfactory. In his view it is quite impossible for the Settlement to continue without extension of its existing powers.

Upon the Chairman re-iterating his view as to the inadvisability of transmitting this cable unless unanimously decided upon by the Council, a majority of members decide that no further action be taken in this matter.

The Chairman refers to a letter which has been received from the Chinese Ratepayers Association that a meeting of Foreign and Chinese Ratepayers be convened to consider remedial measures to deal with the existing crisis.

Members unanimously concur that under present conditions adoption of such a proposal is impracticable. It is accordingly decided to notify the Association to this effect at the same time suggesting to it that any influence it can exercise with the object of securing a

resumption of business would go far to restoring normal economic conditions and would be highly appreciated by the Council. The Secretary General's proposal is adopted that the Association be invited to send representatives either to the Secretary or himself in order that they may amplify the Council's views on this question.

With regard to the refugee and unemployment problems the Chairman states that while he adheres to his view that their maintenance by the Council is out of the question he considers it would be advisable prior to this problem becoming more acute for the Council to devise means - possibly by the chartering of a ship - to remove these refugees and unemployed from Shanghai.

Mr. Yuan states that the various charitable organizations have already shipped some 150,000 of these people from Shanghai and that they prefer to continue with this course rather than to run the risk of having to feed them for an indefinite period.

Mr. Lieu states that broadly speaking the refugees and unemployed may be divided into two classes (I) those who are willing to leave Shanghai if means and transport are provided and (II) those whose homes have been destroyed and thus have no place to return to - in the latter category are many refugees from the flooded areas.

The Vice-Chairman does not favour the proposal that a ship should be chartered by the Council for this proposal. The homes of these refugees are scattered far and wide and accommodation on River steamers is available at a very low fare.

With regard to the unemployment question Mr. Carney states that he was approached by an Architect today who requested that the Chinese members would do their best to secure a resumption of building work. This would absorb a considerable number of unemployed workers.

In this connection the Secretary states that the Commissioner of Public Works has ascertained that contractors are handicapped in their efforts to resume building operations by the fact that a number of skilled workers have left Shanghai.

Mr. Leslie observes that as apart from this factor there would appear to be an embargo on the building trade presumably engineered by Labour Unions or communist organizations. He considers it would be of the greatest assistance to the Council if the Chinese members could ascertain precisely from what source these subversive activities were directed.

The Vice-Chairman adheres to his opinion that the root of this trouble lies in the action of certain of the native banks in not permitting the free circulation of native bank orders. Certain of the mills owned by his firm could resume business immediately but for this obstacle.

Moreover the intimidation of employees against handling cargo - although not of Japanese origin - is rampant, with the result that the business of the Port is paralysed.

Mr. Lieu suggests that Mr. Kow Kee who is fully conversant with all phases of the building trades should be interviewed by a Council official in order possibly to assist in restoring this particular trade to normal.

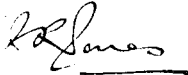
Mr. Yuan is of the opinion that if a number of the volunteers could be detailed to afford protection to such workers as are afraid to resume duty on account of intimidation an improvement might result.

Members concur as to the vital necessity of the native banks resuming their normal functions and the Chinese Councillors are urged to do their utmost to effect this.

The meeting terminates at 5.30 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Saturday, February 20, 1932, at 4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 C. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 The Commandant S.V.C.
 The Commissioner of Police
 The Secretary General, and
 The Secretary.

Absent:

Mr. Yu Ya Ching.

Local Situation. - The Commissioner of Police states that he has nothing to report other than that since the resumption of hostilities today a number of shells has fallen in the western District; as far as can be ascertained these have caused no casualties amongst the foreign community.

Replying to Mr. Bell Mr. Fukushima states that the building next to the Blue Bird Cafe and other buildings in which Chinese prisoners are detained can be inspected by Municipal Police officials provided such inspections are arranged through the office of the Japanese Consul General.

The Commissioner of Police withdraws.

The Commandant states that today a shell fell in Cunningham Road within 20 yards of an American Marine Post and killed two Chinese civilians.

He reported² the advance of the Japanese to the railway line and the capture of Kiangwan Race Course.

As he anticipated that the renewal of hostilities today might result in a large number of refugees attempting to enter the Settlement he ordered "A" Company, the Light Horse, the Shanghai

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Scottish and the American Company to stand by. ^{Last evening} They will report ^{again} at 5 p.m. today and he proposes to retain them during tomorrow.

The Commandant withdraws.

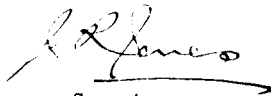
The Secretary reads a letter from the Senior Consul covering replies he has received from the Japanese Consul General and the Mayor of Greater Shanghai relative to the protest lodged by the Council against the flight of aeroplanes over the Settlement and the firing at aeroplanes whilst over the Settlement.

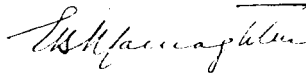
A letter from the Chinese Councillors is read embodying a letter from a Mr. Veng Lei-ting to the Chinese Chamber of Commerce alleging that the Japanese Forces are killing and torturing Chinese civilians in large numbers and requesting that preventive steps be taken by the Council.

As these allegations are supported by no evidence and in view of the steps already taken by the Council in the matter of civilian prisoners arrested by the Japanese Forces members concur with the Chairman that no action on this letter is called for.

Upon the Chairman stating that a number of mills re-opened yesterday Mr. Carney states that he has been informed by Mr. Calder-Marshall that in normal times about 58,000 workers are employed in Japanese mills and some 60,000 in the Chinese Mills. A small proportion of the latter are still employed on a part time basis. Of the balance the majority have already left the Settlement. Arrangements have been made to transport about 4000 from the Settlement daily. In his opinion whilst the unemployment situation is serious it is not yet dangerous although agitators are taking advantage of it to create further disturbances.

The meeting terminates at 4.55 p.m.


Secretary.


Chairman.

At an informal meeting of the Council held on Sunday, February 21, 1932, at 3.30 p.m., there are:-

Present:-

Brig.-Gen. E. B. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman) A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, N. Leslie, O. S. Lieu, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, the Commandant S.V.C., the Commissioner of Police, the Secretary General, and the Secretary.

Absent:-

Mr. Yu Ya Ching.

Local Situation. - The Commandant details the developments in the military situation. In view of the direction of the advance of the Japanese Forces and the possibility of further shells being fired into Chapei the Chairman requests Mr. Fukushima to urge the Japanese Authorities to take all possible steps to prevent shells from falling within the Settlement.

The Chairman recalls that the Defence Committee has decided that in the event of a number of Chinese armed forces requiring to seek refuge in the Settlement as a result of their line of retreat being cut off by the advancing Japanese Force they shall be permitted to do so provided they abandon or surrender their arms. A cage has been erected for the confinement of such soldiers but so far no shelters have been provided. He is of the opinion that as the Settlement is a neutral area and as a state of de facto war exists these soldiers under the ethics of warfare should be interned.

Replying to the Chairman the Commissioner of Police states that his department is only responsible for the custody or removal of such prisoners after they are confined in the cage.

The Vice-Chairman alludes to a notice which appeared in today's press to the effect that the Chinese Authorities for military reasons had closed certain sections of the frontier leading from the Settlement. If this report is authentic and refugees and soldiers are permitted to enter the Settlement the Council may be saddled with responsibility for their maintenance with no prospect of being able to eject them. He therefore suggests that enquiries be made as to the intentions of the Chinese Authorities.

The Chairman states that he adheres to his view that disarmed soldiers should be interned rather than ejected across the borders of the Settlement. He will however ascertain

tomorrow the views of Brigadier Fleming on this point.

The Commandant withdraws.

The Commissioner of Police reads a report submitted by Captain Kennedy relative to the arrest and ill-treatment yesterday of a Chinese civilian which he witnessed and of his own subsequent rough treatment at the hands of the Japanese pickets when he attempted to intervene. Arising out of this incident his own chauffeur was later intimidated by Japanese marines whilst waiting for him in the compound of the Japanese Military Headquarters.

Replying to the Chairman Mr. Fukushima states that he has received from Japanese sources an account of this incident which does not in all respects coincide with the statements made in the reports furnished by Captain Kennedy. He urges that the Council will take a sympathetic view of the difficulties which continue to confront the Japanese Naval Forces in maintaining order in the Hongkew area.

The Chairman states that he regards an assault by Japanese marines on a Municipal Police Officer as of the utmost seriousness.

In connection with Municipal Police functions, the Commissioner of Police refers to a statement prepared by the Japanese Authorities which has been re-issued and transmitted to Geneva to the effect that the Japanese Forces had been obliged to take over control of the Hongkew area because the Municipal Chinese Police deserted their posts.

Mr. Fukushima replies that this statement referred to the Chinese Police in the Jukong Road Police section. He is not aware that the term "Municipal Police" was used in this despatch.

Members agree that officials at Geneva with no local knowledge of Shanghai will naturally conclude that this statement refers to the Municipal Police.

Mr. Fukushima undertakes to investigate as to this.

In view of the frequency of incidents such as that referred to by the Commissioner of Police which renders resumption of control by the Municipal Police quite impossible the Secretary General is of the opinion that the Council should call upon the Foreign Powers to place neutral troops in Hongkew. There is no doubt that Chinese civilians are being consistently ill-treated and under existing conditions the Municipal police are powerless to prevent the unnecessary brutality and abuse indulged in by the Japanese Forces. Moreover in his opinion if the Council permits usurpation indefinitely of its civil functions it may find it to be impossible to regain its jurisdiction of the Hongkew area.

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The Vice-Chairman states that he does not favour the proposal that neutral troops should be brought into this area since if this were done a clash between such troops and the Japanese Forces is inevitable. As the Volunteers have now been withdrawn from the perimeter he suggests that the existing situation might be eased by posting a number of them for duty to supplement the municipal police in this area. In his opinion it is vital that the forces at the Council's disposal for maintaining law and order in this area should be adequate, otherwise the Japanese Forces could reasonably maintain that they had no alternative but to discharge municipal police functions.

Mr. Fukushima states that he has already expressed the opinion to the Japanese Authorities that existing conditions would be ameliorated if the Japanese pickets were withdrawn from patrol duties and placed only at designated points. Unfortunately on the ground that sniping activities are still prevalent the Japanese Authorities were unable to see their way to adopt this proposal.

The Secretary General observes that Hongkew is as much a part of the Settlement as any of the districts under the protection of other national defence forces. Whilst the Japanese Forces are entitled to protect their nationals they have no right to arrogate to themselves the Council's civil functions. The Council, through the good offices of its Japanese members, has made repeated efforts during the past three weeks to restore municipal police control in this area. The explanations put forward as to why this has not been possible are far from satisfactory. In his opinion the Municipal Police could discharge these functions far more satisfactorily than the Japanese naval force; in fact he submits that the presence of these pickets is in itself a definite handicap to the restoration of normal conditions.

The Chairman is of the view and members concur that prior to any such step being taken as is proposed by the Secretary General the Japanese Consul-General should be notified of the Council's intention.

Mr. Fukushima urges that the Council will not embark on this course until he has had a further opportunity of transmitting to the Japanese Authorities the very serious view taken by the Council of the situation in Hongkew. He still hopes to be able to induce the Japanese Authorities to afford such co-operation as is necessary to remedy these unsatisfactory conditions. With all deference to the views expressed by the Secretary General he submits that the Japanese Forces are taking a part in the defence

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of the Settlement and although certain of their actions may reasonably invite criticism he assures members that the Japanese Authorities are sincere in their desire to co-operate with the Municipal police.

Mr. Leslie states that the Council has exercised the greatest patience in this matter and while he fully appreciates the efforts made by the Japanese members to assist the Council it is obvious that existing conditions are unsatisfactory from every point of view. Whilst he is unable at this stage to support the proposal of the Secretary General that the Foreign Powers should be requested to place neutral troops in this area he favours a strong protest being lodged with the Consular Body against the difficulties with which the Municipal Police continued to be confronted in its efforts to resume its civil functions. The Consular Body could then decide as to an appropriate course of action.

Upon the Chairman suggesting that he should in the first instance advise the Japanese Consul General of the Council's views on this question, Mr. Leslie states that he would support this proposal if he thought it would produce satisfactory results. He realizes however the difficulties which confront civilian authorities in matters which involve naval and military authorities.

The Secretary General states that if his proposal that application be made to place neutral troops in this area was approved such application would ~~neutrally~~ ^{rationally} be submitted through the usual diplomatic channels. He adheres to his opinion that the Council should make every effort to resume police control over the section of Hongkew located within the Settlement and to secure the removal of the Japanese marine pickets which he regards as an incentive to disturbance.

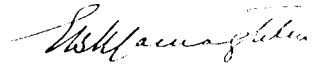
Mr. Fukushima states that the Japanese Naval Authorities as a whole favour the withdrawal of the Marine patrols as they can usefully be employed on other duties. They have however refrained from withdrawing them as Japanese civilians are apprehensive for their safety if this were done. If the Council could give an assurance that the Municipal Police are in a position to maintain law and order in this area he considers the objection of the Japanese Naval Authorities will be overcome. Replying to the Chairman Mr. Fukushima states that his representations hitherto have been made to the Japanese Minister and the Japanese Consul-General and also to the Japanese Chief of Staff. He has not approached Admiral Nomura direct since he is fully occupied with

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other important matters. He and Mr. Okamoto are calling on the Japanese Minister and Japanese Consul-General immediately after this meeting and he will if possible endeavour to arrange for these officials to accompany him on a visit to Admiral Nomura, ⁱⁿ ~~an~~ order that he may be apprised of the Council's views on this question.

The Commissioner of Police reports that Captain Kennedy requested a list of the names of Chinese civilians held by the Japanese Authorities. He was informed that owing to the alternative Chinese names possessed by some of these prisoners the compilation of a list was difficult. Subsequently a Japanese Police Sergeant went along and he has returned with a list of names of five persons whom the Japanese Authorities state were the only ones arrested within the Settlement.

The meeting terminates at 5.30 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Monday, February 22, 1932, at 4.30 p.m., there are:-

Present: - Brig.-Gen. E. R. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman), A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, N. Leslie, C. S. Iieu, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C., the Commissioner of Police, the Secretary General, and The Secretary.

Local Situation. - In connection with the restoration of Municipal Police control in the Hongkew area, the Commissioner of Police reports that this morning he attended a conference at which were present Rear-Admiral Uyematsu, representatives of the Japanese Naval Forces, the Japanese Gendarmerie, the Japanese Consular Police, Mr. Kurai, Captain Kennedy, Mr. Tajima and the Major of the Japanese Company S.V.C. The Japanese Authorities reached the decision that as snipers and spies are still active, as also persons who enter this area to set fire to buildings for the purpose of directing Chinese gun fire it is not possible to withdraw their naval pickets immediately. They considered that the Municipal Police should resume control of this area section by section to enable them thoroughly to familiarize themselves with existing conditions. The Japanese Authorities are prepared to agree to the Municipal Police accompanying the naval pickets and to undertake the searching of suspected persons and any persons arrested by these pickets will be sent to Hongkew Police Station for examination. A Municipal Japanese police Superintendent will secure the names of all civilian prisoners now being detained by the Japanese Authorities and he hopes that Captain Kennedy will be able to inspect them tomorrow. 32 prisoners have already been handed over to Hongkew Station. He regards the result of this meeting as satisfactory and considers that progress can be made in resuming the civil police control of this area.

He adds that as the result of receipt of an anonymous communication that prisoners were being held and ill-treated in the Temple next to the Japanese Club he and Captain Kennedy today visited this building and found that it was empty and that there was no trace of any prisoners having been recently accommodated there.

Mr. Fukushima states that immediately after yesterday's meeting he and Mr. Okamoto called on the Japanese Minister and the Japanese Consul-General and fully explained to them the Council's views on the activities of the Marine pickets in the Hongkew area. Both

these officials agreed as to the desirability of the Municipal police being given all possible assistance to resume control of this area and of its being restored to their jurisdiction as early as possible. At the Minister's request the Japanese members accompanied by the Japanese Consul General then called on Vice-Admiral Nomura and his Chief of Staff and convinced them of the desirability of restoring Municipal Police control of this area. Captain Peppu who was present at this conference stated that it was the policy of the Naval Authorities to effect this as speedily as possible. There were however certain practical difficulties but he was prepared to overlook certain inconveniences in order to establish a better understanding with the Council. Accordingly he agreed in conjunction with Mr. Tajima to formulate proposals which he hoped would be acceptable to the Council. These proposals which have now been framed whilst not providing for the immediate withdrawal of the Naval pickets provide that searching of suspected persons will whenever possible be undertaken by the Municipal Police. This modification and the other arrangements agreed to at today's conference will, he trusts, serve to assure the Council that the Japanese Authorities are sincere in their expressed desire to co-operate with the Council.

The Chairman refers to a letter which has been received from the American Consul General alleging interference by the Japanese Forces with American Nationals in the Yangtze-poo district. It is decided to hand this report to the Commissioner of Police for investigation.

With regard to the discussion at yesterday's meeting on the question of the admission or otherwise to the Settlement of disarmed Chinese soldiers the Chairman states that Brigadier Fleming agrees that any soldiers admitted should be interned. In this connection the Commissioner of Police states that arrangements have been made to take over, if necessary, the Stadium for their accommodation.

Owing to the large number of refugees already in the Settlement and the difficulties of providing for, and of repatriating them, the Vice-Chairman considers that the influx of large numbers of disarmed soldiers will serve to aggravate this problem. He therefore favours their admittance to the Settlement being refused.

The Chairman is of the view, and the Commissioner of Police concurs, that it is unlikely that any large number of these soldiers will desire to enter the Settlement, since it may be assumed that if they withdraw from Chapei they will fall back on their reserve lines. Members generally agree that from a humanitarian stand-point the Council would not be justified in refusing the admission of disarmed Chinese troops.

The Commissioner of Police withdraws.

The Commandant outlines the developments in the military situation as observed by him during a visit to the Kiangwan area this afternoon.

The Commandant withdraws.

With regard to the suggestion put forward at a recent meeting that communist and labour organizations may to some extent be responsible for the cessation in building trade activities, Mr. Raven states that he was informed today by the Manager of a well known Chinese building and contracting Company that so far as he is aware there is no cause for apprehension in this respect. He stated that some 50% of the more skilled workers reside in Pootung and that they will not cross over to the Settlement on account of the present situation. With a view to resuming work a conference of Contractors' representatives, the Labour Unions and others will be held on Wednesday and he hopes on the following day to be in a position to inform the Council of the results of this conference.

In accordance with the Council's decision at a recent meeting Mr. Bell states that he has consulted with members of the Education Board as to the possibility of re-opening certain of the Municipal Chinese Schools which are situated South of the Soochow Creek. Such members of the Board as are available favour this proposal. Arrangements have been made for pupils at the Public and Thomas Hanbury School for Boys to attend the Junior Boys School during the afternoon and a similar arrangement will be made for pupils of certain of the Chinese Public and District Primary Schools to receive tuition at the Central and Western District Schools which it is proposed to re-open in accordance with the terms of the Municipal notification, copies of which have been placed before members. It is not intended to enrol any new pupils for the forthcoming school term since their enrollment might defer the admittance of former pupils who subsequently may desire to return to the Schools.

Upon the Chinese members stating that they favour the re-opening of these Schools it is decided that this proposal be given effect as from February 29.

Upon the Chairman enquiring whether any action can be taken to suppress certain of the local "mosquito" papers which publish inaccurate reports and articles which tend to incite public feeling the Secretary General states there may be difficulty in

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effecting their suppression. He will however confer with the Police Department with a view to ascertaining the possibility of taking any effective action.

The meeting terminates at 5.05 p.m.

W. J. ...

Chairman.

R. J. ...

Secretary.

At an informal meeting of the Council held on Tuesday, February 23, 1932,

at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. B. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman), A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, O. S. Lieu, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C., the Commissioner of Police, the Secretary General, and the Secretary.

Absent: - Mr. N. Leslie.

Local Situation. - The Commandant states that other than that there has been little military activity today by the opposing forces he has nothing of interest to report.

The Commandant withdraws.

The Commissioner of Police states that Mr. Aiers today visited the Blue Bird Cafe in North Szechuen Road and inspected there 38 civilian prisoners who are being detained by the Japanese Authorities whom he was informed were arrested in Chang, five alleged plain clothes soldiers, and five others who were arrested in the Settlement. The latter five will after examination be handed over to the Municipal Police.

Replying to the Chairman the Commissioner states that so far as the Police Department is concerned conditions in the Hongkew area are improving. So far as he is aware only one person has been arrested today for being in possession of anti-Japanese pamphlets.

With regard to the discussion at yesterday's meeting on the subject of the possible suppression of "mosquito" newspapers the Secretary General states that the fact that the Council has declared a State of Emergency does not give it power to take such action. In the case of foreign papers proceedings would have to be instituted in the national Court of the proprietor of the paper and this could only be done if seditious matter had been published or libel indulged in. Such a course might render the Council liable to an action for damages. The publication of erroneous statements and unreliable reports are not offences, accordingly no legal measure can be adopted by the Council to prevent their appearance in the Press.

The Commissioner of Police reports that a number of armed robbers are entering the Yangtsepoo and Wayside districts from territory formerly under the control of the Chinese police. Municipal Police Detectives are somewhat handicapped in their efforts to deal with these criminals by reason of the fact that as the Japanese forces have charge of this area the detectives have to wear uniform instead

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of plain clothes as hitherto. In some cases the Municipal police have had occasion to cross into Chinese territory, a necessary measure while no Chinese police function in areas contiguous to the Settlement.

Replying to the Chairman the Commissioner of Police states that the increase in the number of refugees in the Settlement since yesterday is estimated at 2000.

The Commissioner of Police withdraws.

The Chairman informs members that Mr. Calder-Marshall is striving to secure the re-opening of shops within the Settlement and that he is interviewing the Mayor on this question this afternoon whereafter he will report as to the success or otherwise of his efforts.

The meeting terminates at 4.55 p.m.

W. Calder-Marshall

Chairman.

W. Calder-Marshall

Secretary.

At an informal meeting of the Council held on Wednesday, February 24, 1932, at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. B. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman), A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, O. S. Lieu, O. Okamoto, F. J. Raven, T. D. Woo L. T. Yuan, the Commandant S.V.C., the Commissioner of Police, the Secretary General, and the Secretary.

Absent:- Messrs. N. Leslie and Yu Ya Ching.

Local Situation. - Mr. Carney states that he has been informed that the Soochow Creek has been blocked at several points by the Chinese forces presumably to prevent any attempt by the Japanese forces to launch a flank attack from the Creek. It is not therefore possible to proceed with the transport of rice and wheat supplies. The Commandant states that he has ascertained by telephone that a rope has been tied across the Creek at the block-house near the Thibet Road Bridge and he gathers that ^{the} Chinese forces desire to stop Creek traffic for some three days.

The Secretary General states that the impression is prevalent in responsible Chinese circles that the Japanese may attempt to launch a flank attack from the Creek.

Upon Mr. Lieu stating that he has been given to understand that the Rice Guilds have arranged with the 19th Route Army officials for facilities to be provided for the transport of rice on the Creek and upon Mr. Yuan suggesting that the developments in this situation be observed for a few days before action is taken, it is decided to defer action until further information is secured by the Commandant.

The Commandant withdraws.

The Commissioner of Police reports that the agreement reached with the Japanese Authorities relative to the gradual resumption of municipal police control of the Hongkew area including the searching by them of civilian suspected persons will come into effect at noon tomorrow. In view of the large number of naval pickets operating in this area it is not possible to provide police officers to accompany all of them. He states that some of the 48 prisoners referred to at yesterday's meeting were apparently arrested at the time they returned to Hongkew to collect their belongings. The Japanese Authorities have agreed to furnish him with a list of the names of the prisoners detained in the Blue Bird Cafe.

The Vice-Chairman re-iterates his opinion that all these prisoners should be handed over to the Municipal Police in order that their cases may be investigated by the International Committee; under the present arrangement there is nothing to prevent the Japanese Authorities stating that certain prisoners were arrested beyond Settlement limits if for any reason they do not desire to hand them over to the Municipal police.

The Secretary General points out that despite the influence of the full Consular Body being brought to bear on the Japanese Authorities they have flatly refused to hand over to the Municipal Police prisoners who are not arrested within the Settlement.

Upon the Chairman suggesting that the Blue Bird Cafe is unsuitable for the housing of these prisoners for the reason that it may again be hit by shells Mr. Fukushima undertakes to suggest to the Japanese Authorities the desirability of safer premises being used for this purpose.

The Commissioner of Police withdraws.

In connection with the reference at yesterday's meeting to "mosquito" newspapers the Chairman reads a memorandum which has been furnished by the Press Information Officer stating that he has interviewed the Editors of foreign and the more reputable Chinese Journals and drawn their attention to the Council's views on the publication of erroneous reports and of articles which tend to incite public feeling.

The Press Information Officer states that since writing this report he has been informed by the news editor of the Sin Wan Pao that from tomorrow the three leading Chinese newspapers propose to issue evening editions at the same price as the numerous "mosquito" papers. In their opinion adoption of this course will automatically result in the cessation of many of the numerous "mosquito" papers and news sheets.

Replying to Mr. Hsu he states that since the State of Emergency was declared it has been difficult to maintain contact with the Editors of the Japanese newspapers. The Japanese Press Officer is however in daily touch with them and they have shown a willingness to co-operate when suggestions have been put forward for corrections etc. He will do his best to ensure that these journals are apprised of the Council's views in the matter of publication of erroneous reports and objectionable matter.

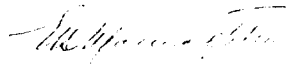
The request put forward through Mr. Okamoto by representatives of the Osaka Mainichi for permission to take a "moving" film

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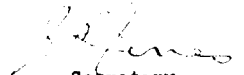
of the Council is approved.

The Chairman informs members that the Mayor was sympathetic to the representations put forward to him by Mr. Calder-Marshall for securing the re-opening of shops within the Settlement and that he will furnish his views on this question within the next few days.

The meeting terminates at 5.15 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Thursday, February 25, 1932,
at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. B. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman), A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, O. S. Lieu, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, the Commandant, S.V.C., the Commissioner of Police, the Secretary General, and the Secretary.

Absent:- Messrs. N. Leslie and Yu Ya Ching.

Local Situation. - With reference to the discussion at yesterday's meeting the Commandant reports that he understands arrangements have been made to ensure the unrestricted transport of Rice boats on the Soochow Creek. He will suggest to the American Commanding Officer of the sector in which the obstacles were placed the desirability of preventing such obstructions being placed across the Creek in future.

The Commandant withdraws.

The Chairman refers to a reference in the Police Daily report to the effect that butchers proceeding to the Municipal Slaughter house on Fearon Road yesterday were interfered with by Japanese Forces with the result that the work at the Slaughterhouse was interrupted. At his request Mr. Fukushima undertakes to investigate the circumstances of this incident.

The Chairman alludes to a report furnished by C.D.I. Robertson on the subject of the agitation by certain organizations for the non-payment of municipal rates. This report concludes with an expression of opinion that owing to the counter action taken by the Chinese Ratepayers' Association it is anticipated that this agitation will subside.

Replying to Mr. Bell as to whether any records are kept of hospitals within the Settlement for the accommodation of wounded Chinese soldiers, of the numbers admitted thereto and of their disposition when discharged from such hospitals, the Commissioner of Police states that he has already issued the necessary instructions as to this. All Chinese soldiers are disarmed before being admitted to the Settlement and he has been informed by a representative of the Chinese Red Cross that upon recovery these soldiers if they so desire are repatriated. He has informed the various hospitals that they should in all cases notify the Police Department of the disposal of all Chinese soldiers discharged from such hospitals. In this connection the Secretary states that the Commissioner of Public Health is in close touch, through his inspectorial staff, with all buildings within the Settlement which are utilized as hospitals or refugee centres.

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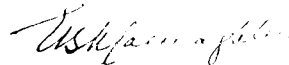
The Chairman enquires whether any police action can be taken to reduce the number of street markets which have come into being during the present crisis. The Commissioner of Police considers it may be difficult to take effective action at this time but he will give this matter his attention.

Mr. Raven enquires whether action can be taken by the Council to rid the streets of the numerous beggars particularly those whose appearance has been familiar over a long period of years. The Commissioner of Police replies that in the absence of a beggar home and of legislation enabling the Council to deport these beggars little can be done. If arrested and taken before the Court as has been done in the past they are imprisoned for two or three days and then return to the streets. Under present conditions it is not possible to collect them and transfer them across the Settlement boundary.

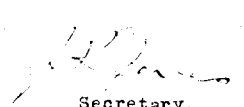
The Secretary General states that this question has engaged the Council's attention over a long period of years and he concurs that in the absence of the necessary legislation it has no legal means of permanently ridding the Settlement of these beggars.

The Chairman states that today he visited the Ward Road Gaol and that conditions there are entirely satisfactory. No shells have fallen within its vicinity. In order to conserve supplies the number of meals served to the convicts has been reduced from three to two daily; no signs of dissatisfaction with this reduction are apparent.

The meeting terminates at 4.55 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Friday, February 26, 1932,
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, A. J. Hughes, O. S. Lieu, O. Okamoto, F. J. Raven T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C. the Commissioner of Police, the Secretary General, and the Secretary.

Absent: - Messrs. N. Leslie & G. W. Sheppard.

Local Situation. - The Commandant having stated that he has nothing of interest to report, withdraws.

The Commissioner of Police reports that the situation in the Hongkew area is improving, the municipal police undertaking the work of searching civilian Chinese when necessary. A list has been furnished of the names of civilian prisoners held by the Japanese Authorities and this will be checked with the list of missing persons in the possession of the Police Department.

Replying to the Chairman Mr. Okamoto states that he has not yet had an opportunity to enquire into the incident referred to at yesterday's meeting involving the interference by Japanese Marines with workmen proceeding to the municipal slaughterhouse. He hopes to be in a position to make these enquiries prior to tomorrow's meeting.

The Commissioner of Police withdraws.

The Chairman informs members that having been advised by Dr. O'Hara that a number of bullets have penetrated the windows of the General Hospital he requested the Commissioner of Public Works to interview Dr. Bennett with a view possibly to placing sandbags in front of the more exposed windows.

Mr. Lieu states that from the beginning of next month the Pootung Guild will arrange to ship rice to Shanghai for the relief of the unemployed and that the Guild will apply to the Police Department for information as to the number of unemployed including their dependants. It is proposed that the rice tickets to be issued for obtaining free rice should be distributed by the Police.

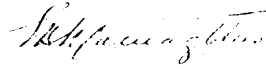
Mr. Carney states that he has been informed that the Flood Relief Commission has cabled for authority to utilize its resources for the benefit of the refugees in Shanghai. This information has not however been confirmed.

In connection with the maintenance of refugees the Chairman re-iterates his opinion that the granting of relief in Shanghai by

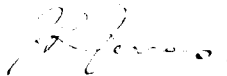
the provision of food will tend to attract a still greater number to the Settlement. He is strongly of the view that any scheme for the feeding of refugees on a large scale should only be undertaken if these refugees are concentrated at a considerable distance from the Settlement and he considers that a camp for this purpose could be instituted at Minghong or in some other place to which refugees could be easily transferred.

Members generally concur as to the inadvisability of countenancing any measures which will tend to increase the existing large number of refugees already in the Settlement and Mr. Carney undertakes to transmit this view to the Committee concerned and to ascertain whether any action has been taken, or is contemplated, by the Flood Relief Commission.

The meeting terminates at 4.45 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Saturday, February 27, 1932, 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, A. J. Hughes, O. S. Lieu, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C. the Commissioner of Police, the Secretary General, and the Secretary.

Absent:- Messrs. N. Leslie & G. W. Sheppard.

Local Situation. - For members' information the Commandant details the numbers of Volunteers of each Unit actually on duty. With regard to the Chinese Company he states that the majority of its members numbering 150 are still on duty with the various national defence forces in the capacity of interpreters. In view of the daily cost to the Council of rationing the Volunteers he has arranged with Brigadier Fleming to reduce this number and he hopes that it may be possible to reduce it to 50.

Whilst agreeing that this charge should rightly be borne by the Council and that no differentiation can be made in the ration allowance issued to the various national Companies of the Volunteer Corps members concur with the Commandant as to the desirability of reducing the number of the Chinese Company engaged as interpreters.

Mr. Bell states that he has observed that at the corner of Markham Road the American Marine guard, through a Chinese interpreter, questions Chinese civilians desiring to pass at this point whereas passengers in trams are permitted to pass without interrogation. It would thus appear that in some cases the services of interpreters are being used unnecessarily.

The Commandant undertakes to take up this question with Colonel Hooker.

The Commandant withdraws.

The Chairman reads a report which has been furnished by the Commissioner of Public Health relative to the obstruction caused by Japanese marines to the transfer to the Municipal slaughterhouse of a number of cattle which had arrived from Nanking and to the removal from the Slaughterhouse of carcasses. As a result of this action the dealers have removed most of their stocks to the French Concession. In his opinion such action will inevitably lead to a shortage of meat in the Settlement.

Mr. Fukushima points out that this incident occurred prior to the arrangement between the Municipal Police and the Japanese Authorities coming into effect. He suggests that the Municipal Police

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are now in a position to prevent such occurrences. His request is approved that he be furnished with a copy of this report for transmission to the Japanese Authorities.

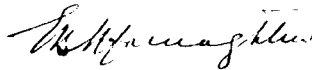
The Commissioner of Police states that from a police point of view conditions in the Hongkew area are gradually improving and that the searching of Chinese civilians is being undertaken to a greater extent by municipal police officers.

The Commissioner of Police withdraws.

The Chairman reads a letter he has received from Mr. Raven relative to the efforts which are being made to resume building operations. Mr. Raven states that he has received an assurance from building contractors that they have no reason to believe that the cessation of this work is in any way due to the activities of communist and other subversive organizations. The main reasons for suspension are that a number of skilled workmen have left Shanghai, others live in Pootung and are not keen on crossing over to the Settlement during the present disturbances, a number still consider they are entitled to the former China New Year holiday of two weeks, whilst others have accumulated sufficient reserves to enable them to live without working for that period. Moreover the inability of the Contractors to obtain delivery of materials and supplies is a further handicap to resumption of business. The various Contractors and guilds are convening a meeting forthwith to devise means by which business can be resumed.

The Chairman reads a report furnished by the Commissioner of Public Health outlining partially the number of hospitals in the Settlement which are accommodating wounded Chinese soldiers, with the number of beds available and the actual number of wounded being accommodated.

The meeting adjourns at 4.55 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Sunday, February 28th 1932,
at 3.30 p.m., there are:-

Present: - Brig.-Gen. E. B. Macnaghten (Chairman) Messrs. A. D. Bell, J. W. Carney, S. L. Hau, A. J. Hughes, O. S. Lieu, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C., the Commissioner of Police, the Secretary General, and The Secretary.

Absent:- Messrs. N. Leslie & G. W. Sheppard.

Local Situation. - Replying to the Chairman the Commandant states that in the event of it becoming necessary to intern Chinese soldiers admitted to the Settlement in any numbers arrangements will be made to erect matcheds in the grounds of the stadium from which all buildings have been removed.

With regard to the discharge of wounded Chinese soldiers from hospitals within the Settlement the Commissioner of Police states that he has been informed by the Red Cross Authorities that they have no intention of releasing them within the Settlement and that they will be sent to Minghong.

The Commandant withdraws.

Replying to the Chairman the Commissioner of Police states that although rumour is current that Chinese labourers are being impressed by the Japanese Forces the Police Department has no evidence of this. He suggests that this rumour may have arisen by reason of the fact that Chinese labourers are being hired by the Japanese forces and that they are escorted by Japanese guards when proceeding to and from work and that guards are in attendance whilst these labourers are working.

Mr. Fukushima states that as he has not yet received a copy of the report relative to the interference by Japanese guards with butchers and dealers whilst proceeding to the Municipal Slaughterhouse he has not been able to investigate this incident. As however this incident occurred some days prior to the working arrangement between the Japanese Authorities and the Municipal Police coming into effect he suggests that a recurrence thereof is unlikely.

The Secretary undertakes to ascertain from the Commissioner of Public Health whether the situation in this respect has improved.

The Commissioner of Police withdraws.

The Chairman reads a letter which has been addressed to Mr. Carney by the Citizens Emergency Committee requesting the Council's co-operation in approaching Sir John Hope-Simpson with a view to

obtaining a contribution of wheat or flour from the Flood Relief Commission for the benefit of local refugees.

In view of the Council's policy not to provide food for refugees inside the Settlement on the ground that such provision would undoubtedly attract still further refugees the Chairman doubts the advisability of complying with this request.

Mr. Carney states that he understands that Sir John Hope-Simpson has cabled the American Government for permission to devote a portion of his supplies to refugees in Shanghai and he suggests that no action be taken by the Council until a reply to this cable has been received.

Mr. Lieu states that the Emergency relief Committee has already approached Sir John Hope-Simpson in this matter and that every possible effort is being made by the Committee to transfer these refugees from Shanghai.

Whilst agreeing as to the desirability of repatriating as many as possible of these refugees Mr. Hsu observes that a large number of them are refugees from the Hongkew area of the Settlement and as ratepayers fall within a different category from refugees from other areas. He understands that efforts are being made by the Emergency Relief Committee and other philanthropic organizations to establish a camp at Minghong for the accommodation of these refugees and as the means at their disposal are limited he suggests it would be in order for the Council to assist them in the provision of this camp.

Members unanimously concur that it is to the advantage of the Settlement to establish a camp within easy distance for the accommodation of these refugees and that any application for the Council's assistance in providing such a camp should be sympathetically considered.

Meanwhile the Chairman's proposal is adopted that if a cable is received from the American Government authorizing a portion of the supplies held by the Flood Relief Commission being applied for the benefit of local refugees he and Mr. Carney should interview Sir John Hope-Simpson and transmit to him the Council's views on the inadvisability of undertaking on a widespread scale the feeding of refugees within the Settlement and of its willingness to co-operate in the matter of the provision of a camp outside the Settlement for their accommodation.

The meeting terminates at 4.05 p.m.


Secretary.


Chairman.

At an informal meeting of the Council held on Monday, February 29, 1932,

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, A. J. Hughes, N. Leslie, O. S. Lieu, O. Okamoto, T. D. Woo, F. J. Raven, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C., the Commissioner of Police, the Secretary General, and the Secretary.

Absent:- Mr. G. W. Sheppard.

Local Situation. - The Commandant having stated that he has nothing of interest to report, withdraws.

The Commissioner of Police reads reports dealing with the circumstances in which a Chinese Brigadier General was arrested on Saturday by Japanese marines in, or within the vicinity of, the Astor House Hotel. He states that the Police enquiry into this incident is not yet completed.

The Secretary General states that he has seen a report of a conversation between the Manager of this Hotel and the American Consul General to the effect that this Chinese was chased into the Hotel by a Japanese Consular policeman and two Japanese marines and thereafter forcibly removed by them from the hotel. As no state of war exists the arrest of a Chinese officer in civilian clothes is in his opinion quite illegal.

Upon Mr. Bell observing that if as is alleged this Chinese General acted suspiciously it is natural for the Japanese marines to halt him and investigate, Mr. Carney states that he is unable to support this view since obviously this man could not be suspected of spying, sniping or incendiary activities. He maintains that any reputable citizen should be permitted to walk in any part of Hongkew without the fear of molestation.

In concurring in the view the Secretary General points out that under the Defence Scheme all national troops have undertaken to afford protection to all persons within their respective sectors.

Mr. Fukushima submits that this Chinese may have loitered, although not with malicious intent, but that when questioned by a municipal Japanese Police Constable he refused to answer and attempted to run away. In the circumstances it was only natural for this Police Officer to chase him. Ultimately he was handed over by one of the Staff of the Hotel to this Municipal police officer who was accompanied by a member of the Japanese Consular Police Force and Japanese Marines. He is now being held in custody by the Japanese

Authorities and treated with every consideration. Hence there is no question as to his personal safety. He is however unable to say when this man will be released or whether he will be handed back to the municipal police. With regard to the point made by the Secretary General that the Japanese Force has assumed responsibility for the protection of everyone within its sector he submits that in the interests of the community as a whole precautions with a view to the checking of subversive activities must continue to be taken.

Mr. Okamoto states that arrests of suspects have been carried out for sometime under an arrangement which has been made between the Japanese Authorities and the Municipal Police. It would therefore appear that the question of the legality of such action is questioned in this instance solely on account of the high military rank held by this Chinese.

Mr. Leslie is unable to subscribe to this view. The Council has never formally sanctioned this arrangement and has merely *faute de mieux* attempted to evolve some system which although far from satisfactory would effect an improvement in the conditions hitherto existing. Moreover the Council has never approved nor regarded as legal the arrests of Chinese residents by the Japanese forces.

In connection with the incident Mr. Hsu states that the Chinese Chamber of Commerce today decided to advise all shops to re-open immediately and it hoped that those in the Hongkew area would follow suit within the next few days. He therefore regards it as vital that this incident should be satisfactorily disposed of in order that the anxiety of shopkeepers in this district should not be further accentuated.

Members generally concur that until civil jurisdiction is re-established in Hongkew it is quite impossible to allay the uneasiness on the part of the civilian population and to restore that confidence which is vital to a resumption of normal conditions. The Japanese members are accordingly urged to emphasize this view in the appropriate quarters and to press for the early release of the Chinese military officer concerned.

With regard to the working arrangement reached between the Japanese Authorities and the Municipal Police the Chairman emphasizes that until the Police assume full control over the Hongkew area it will be impossible to restore the confidence of its former residents. The action taken by the Municipal Japanese police officer in connection with the arrest of this Chinese military Officer was in his opinion quite out of order and subject to the results of the investigation now being undertaken by the Police Department he favours severe disciplinary action being taken.

The Commissioner of Police reads three recent reports dealing with other instances in which uniformed municipal police officers in the execution of their duty have been obstructed and assaulted by Japanese

armed forces.

In respect of these incidents members concur with Mr. Leslie that the Municipal Police have on such occasions exercised most admirable forbearance and restraint and that had they drawn their pistols no blame could have been equitably attached to them and that with a continuation of such incidents a clash between the two forces involving the use of arms is to be regarded as inevitable.

In concurring in this view Mr. Fukushima submits that such incidents may to some extent be due to linguistic disability on both sides.

As in members' view these incidents are as equally serious as that involving the arrest of the Chinese military officer the Chairman suggests that a further strong protest be lodged with the Consular Body against the activities of these rickets and advocating in the strongest possible terms that the jurisdiction of the Hongkew area be restored to the Municipal Police.

The Secretary General states that the Consular Body is fully aware of the situation existing in Hongkew and is as concerned as the Council over this unsatisfactory state of affairs. He therefore does not consider a further protest at this time to be necessary.

Mr. Bell states that he realizes that any suspects arrested by the Municipal police and taken to the District Court are likely to be acquitted and he appreciates that on this ground the Japanese authorities are reluctant to withdraw their patrols. In view however of the extreme importance of restoring confidence in this area he suggests that a willingness on the part of the Japanese to do this would be regarded as a most generous gesture.

The Commissioner of Police states that the Japanese Authorities have no objection to details of the working arrangement entered into being published. He himself has no objection to publication provided the Council's reasons for accepting this are clearly stated.

The Secretary General recommends that a general statement be issued clearly setting out the Council's position without publishing the actual detailed arrangement entered into. The criticism which has been directed against the Council is largely due to a lack of knowledge of its exact position and in his opinion it is important in the interests of the Council that the public should know that whilst its efforts to regain police control of Hongkew have not been successful, it has done its utmost in co-operation with the Japanese Authorities to secure a measure of control.

Members agree as to the desirability of a statement being published in the sense recommended by the Secretary General. He is

accordingly requested in conjunction with the Press Information Officer to prepare a draft for submission at tomorrow's Council meeting.

Decision in the matter of lodging a further protest with the Consular Body on the conditions in Hongkew is deferred until the next meeting.

The Commissioner of Police withdraws.

Election of Council. - With regard to the forthcoming annual election of Councillors the Chairman states that under existing conditions he is opposed to an election for the time being and from conversations he has had with prominent members of the British Community he has gathered that they, too, regard the present time as inopportune for an election. Until it is possible more clearly to visualize developments in the local situation he regards continuity of service as highly desirable and on this ground he is prepared to be re-nominated on the distinct understanding that when the existing situation has eased he will tender his resignation from the Council. He has been informed by Mr. Burkill that it is unlikely that British residents will offer themselves for election if the existing members seek re-nomination and a statement as to their intention is issued by the Council. He informed Mr. Burkill that the Secretary General did not consider it would be appropriate for the Council to take the initiative in this matter and it is possible that the Council will be approached from outside sources and requested to remain in office. He adds that under the Land Regulations if more than three members resign an election becomes necessary and this course could be adopted when conditions become more settled.

The Chairman states that at the next regular meeting of Council he proposes to recommend that a sum of \$50,000 be contributed by the Council for the purpose of establishing a camp beyond Settlement limits for the accommodation of refugees and unemployed, notably for those from the evacuated Settlement area.

He requests members to give this proposal their consideration prior to the regular meeting to be held on Wednesday next.

The meeting terminates at 5.50 p.m.

W. H. ...
Chairman.

W. H. ...
Secretary.

At an informal meeting of the Council held on Tuesday, March 1, 1932,
at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. R. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman), A.D.Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, N. Leslie, O. S. Lieu, O. Okamoto, F. J. Raven, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C., the Commissioner of Police, the Commissioner of Public Health, the Secretary General, and the Secretary.

Absent: Mr. T. D. Woo.

Local Situation. - The Commandant having outlined reported developments in the military situation, withdraws.

Mr. Fukushima states that the Chinese General who was arrested in or near to the Astor House Hotel has been released by the Japanese Authorities, an action on their part which he submits demonstrates their desire to maintain amicable relations with the Council and the community generally.

The Chairman states that he has received a visit from Mr. Feng Ping Nan who evinced anxiety that convalescent wounded Chinese soldiers on being discharged from hospitals in the Settlement might get out of hand and attempt to create disturbances. He suggested that unarmed officers of the 19th Route Army might be admitted into the International Settlement to look after them - a suggestion that he (the Chairman) cannot possibly agree with.

The Commissioner of Police states that the Police Department is in close touch with the hospitals accommodating wounded Chinese troops. The Hospital Authorities realize the potential danger that may result if a number of disarmed soldiers were released into the Settlement and they have given an undertaking that before these patients have completely recovered they will be transferred to Minghong. He has issued instructions to the police to ascertain where all wounded soldiers are accommodated and to ensure that they are not released within the Settlement.

In view of this members agree that no further action by the Council is called for at the present time.

The Commissioner of Police withdraws.

The Chairman reads a letter which has been received from the Chinese Red Cross Society intimating that a Committee has been established for the purpose of inspecting hospitals accommodating wounded Chinese soldiers and requesting that the Commissioner of Public Health will accept membership on this Committee.

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Replying to the Chairman, Dr. Jordan states that the inspection of these hospitals is being undertaken by his Department and whilst he is willing to co-operate with this Society, the inspection of hospitals within the Settlement is a normal function of the Department and one which cannot be arrogated by private organizations.

Mr. Yuan states that the object of this letter is in order to secure the advice and assistance of the Commissioner of Public Health in drawing up regulations for the running of these hospitals and that there is no intention on the part of the society to attempt to encroach on the functions of the Public Health Department.

After brief discussion members agree that there is no necessity for the Commissioner of Public Health to accept membership on this Committee and that whilst they ~~have no objection to~~ ^{have} his co-operating with the Society, the inspection of these hospitals will continue to be undertaken by the Health Department as a matter of ordinary routine.

The Commissioner of Public Health withdraws.

The Secretary reports that in order to prevent possible disturbances the Commissioner of Public Health has requested the Commissioner of Police to afford police protection to Hongkew Market from 6 a.m. daily instead of 7 a.m. as hitherto.

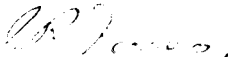
Mr. Carney states that he has been requested by persons interested in cinema theatres to ascertain whether it is possible to reduce the curfew hour period. As the curfew hour regulation inflicts a definite financial hardship on such people he suggests that their request should be seriously considered.

The Chairman states that personally he is of opinion that the present time is not opportune to vary the existing regulation. He will however ascertain the views of the Commissioner of Police as to this.

The meeting terminates at 4.55 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Wednesday, March 2, 1932,
at 4.45 p.m., there are:-

Present:- Brig.-Gen. E. E. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman) A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, M. Leslie, O. S. Lieu, O. Okamoto, F. J. Raven T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C., the Commissioner of Police, the Secretary General, and the Secretary.

Local Situation. - The Commandant reports that a certain amount of trouble has occurred in connection with the evacuation of persons from the danger zones. The Evacuation Committee under an arrangement reached with the Japanese Authorities issued passes but the Japanese sentries on occasion turned people back and in some cases ill-treated them. In company with the Japanese Assistant Secretary he called today on Commander More with a view to getting this matter adjusted; as a result of his representations he does not anticipate further difficulties.

The Commandant withdraws.

Mr. Raven reports that as a result of the efforts of building contractors to resume business between 35% and 40% of their workmen have now returned to duty.

Upon the Commissioner of Police stating that all Chinese military forces and the gendarmerie have been withdrawn from Kantaow and that the safety of this area is now entrusted to the Bureau of Public Safety the Secretary, in this connection, states that a Chinese official called on him this afternoon. This official informed him that conditions in Kantaow are now quiet and that the Bureau of Public Safety has a force of 2000 police and 600 volunteers which he ~~ix~~ considers sufficient, to maintain law and order in this district.

Replying to the Chairman the Commissioner of Police states that he will obtain the views of the French Municipal Authorities as to the feasibility of reducing the curfew hours and will report further as to this at tomorrow's meeting.

In concurring with Mr. Raven that the public safety should be the paramount consideration in connection with the continuance or otherwise of the existing curfew regulation the Secretary General points out the Council's expressed powers under a State of Emergency are not upon a strong basis; accordingly it should ensure that this is not prolonged beyond the period that its existence is absolutely necessary.

The Chairman reads a report furnished by the Chief Officer of the Fire Brigade relative to the arrest and detention by the Japanese Force of a municipal Chinese fireman whilst on a lorry on his way to the Brigade workshops.

In view of the latest developments in the military situation the Vice-Chairman urges that more drastic steps be now taken to resume the full police control of Hongkew. He states that his Company's mills at Yangtsepoo would re-open immediately if their employees were assured of freedom from interference by the Japanese forces. In his opinion the Japanese patrols should be withdrawn immediately and complete Municipal police jurisdiction restored in Hongkew and the Extra-Settlement roads in that area.

Mr. Fukushima states that in his opinion, owing to the change in the military situation the Japanese Authorities will be prepared to withdraw their patrols as soon as the Municipal Police are ready to resume control. During the next few days however owing to the number of vacant houses in Hongkew looting may occur on a large scale and it would be unfortunate if any incidents occurred during the transition period.

Mr. Bell suggests and members concur that the volunteers who are available could be usefully employed in relieving the police in other districts in order that for the time being a larger number of the police could be utilized for functioning in Hongkew and the contiguous extra-Settlement Roads.

Mr. Fukushima undertakes to transmit to the Japanese Authorities the Council's desire that the Municipal Police control of the Hongkew area be resumed forthwith.

Mr. Fukushima suggests that the question of maintaining law and order in the Chapei area which has been evacuated by the Chinese military and police should engage the Council's serious consideration and he will welcome any suggestions on this subject for transmission to the Japanese Authorities.

The Vice-Chairman states that he would support any scheme entailing support either financial or the provision of manpower to form a body of international police which in co-operation with the Mayor would ensure the maintenance of law and order on the outskirts of the Settlement.

Mr. Hsu expresses doubt as to whether it is within the competence of the Council to initiate action for the policing of Chapei and suggests that such a step would invite criticism and ultimately lead to political controversy. In his opinion this is a matter which should be dealt with by the Consular Body in conjunction with the Mayor.

In this connection and without prejudice to any political and administrative rights the Secretary states that he has been advised that the disposal of corpses and sanitation measures in the evacuated areas are questions of the utmost urgency if the health of the Settlement is not to be jeopardized.

The Vice-Chairman is of the opinion that the most useful assistance which could be rendered by the Council would be by assisting refugees to return to their homes in Chapei by assuring them that some force will be available for their protection and safeguarding their health interests there until a competent authority is in a position to take charge.

As present conditions in Chapei are such that they brook no delay Mr. Leslie suggests on humanitarian grounds that the Council should make it known that if its assistance is required to remedy these conditions it will be freely given.

The Vice-Chairman submits that the maintenance of law and order and the prevention of epidemics are questions of such vital interest to the Settlement that the Council should take the lead in this matter by the reformation of a volunteer police and sanitation force to work in co-operation with the Mayor.

In this connection the Commissioner of Police states that as the Police of the Bureau of Public Safety are continuing to function in Chapei the nucleus of a force exists which could be utilized in the present emergency.

After further discussion the Secretary General is requested to take up this question with the Consular Body as early as possible tomorrow and intimate the Council's willingness to afford all possible assistance. Mr. Fukushima will also convey the Council's views on this question to the Japanese Authorities.

In view of the change in the military situation it is decided that publication of the statement submitted at yesterday's meeting on the police control of the Wonskew area is not necessary. Mr. Bell states that had it been decided to publish this he would have suggested certain alterations in phraseology. He therefore desires that this statement in its present form be not put on record as one which the Council would have published but for the developments in the military situation.

The Commissioner of Police withdraws.

The Secretary states that he has ascertained that during the last few days a considerable number of mills in the Western

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District have re-opened and that the workers are returning in fairly good numbers. Chinese mills in this district are recruiting workers formerly employed in Japanese owned mills. A number of unemployed are living in tenements near to the mills and although within a few days their position may become more precarious it is hoped that they will be absorbed as more mills re-open.

The meeting terminates at 5.35 p.m.

W. H. ...
Chairman.
A. J. ...
Secretary.

At an informal meeting of the Council held on Thursday, March 3, 1932,

at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. B. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman) A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, H. Leslie, C. S. Licu, O. Okamoto, T. D. Joo, L. T. Kuan, Yu Ya Ching, the Commandant G.V.C., the Commissioner of Police, the Secretary General, and the Secretary.

Absent: Mr. F. J. Raven.

Local Situation. - The Commandant reports that he understands that a meeting of the Defence Committee will be held tomorrow morning to consider the removal of certain of the barricades between the Settlement and Chapai. He is informed that the Japanese Forces do not want civilians to return to Chapai for some three days in order to enable them to remove the shells, bombs etc., which have been left behind by the Chinese Forces. At the Chairman's request he will report tomorrow as to the intentions of the Defence Committee in regard to the removal of barricades and the opening of gates.

The Commandant withdraws.

The Commissioner of Police reads a memorandum to the effect that the Japanese Naval Authorities propose as a first measure to re-establish normal conditions in the Dixwell Road area commencing with an area bounded by North Szechuen and Dixwell Roads. The Police will re-occupy Dixwell Road Station today in order that civil control of the area may be resumed.

Publication of the section of the memorandum dealing with the system under which passes will be issued to Chinese civilians for entry to this area is authorized. As soon as this area is re-occupied satisfactorily, consideration will be given to the opening of further areas in consultation with the Police.

The Commissioner adds that Captain Kennedy is in touch with the Japanese Authorities with a view to their naval pickets being withdrawn from Hongkew, naval patrols only to function for the protection of Japanese residents.

In this connection the Secretary states that the Evacuation Committee as such ceased to function today and that the Police Department has taken over the issue of the necessary passes.

With regard to the curfew regulation the Commissioner states that in the opinion of the French and the Municipal Police no change should be made for a few days having regard to the number of refugees and unemployed still in the Settlement.

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At the Chairman's suggestion he will continue to give this question his consideration and will report when in his opinion, the existing curfew hours can safely be reduced.

As in the opinion of the Commissioner of Police and of the Japanese members the re-opening of the Nien Chih Kwei, the Eastern District Primary, the Public Schools for Girls at Boone and Yulin Roads and the Thomas Hanbury Girls School can safely be re-opened, authority is given for these schools to re-open on Monday next.

The Commissioner of Police withdraws.

With regard to the discussion at yesterday's meeting the Secretary General states that he has discussed with the Senior Consul the question as to what measures might be taken for the policing and sanitation of Chapei. Mr. Cunningham stated that whilst he could only express his personal view he was prepared if desired to convene a meeting of the Consular Body to consider this question at which a representative of the Council would be invited to attend.

He considers that in the first place the Council should resume full administrative control of the Hongkew and Yangtszepoo areas; in his opinion before doing that it is not desirable to take any action in regard to Chapei unless an extreme situation regarding sanitation arose. Moreover he considered that whilst the Council could proceed in any necessary measures in the areas bounded by the extra-Settlement Roads it should not take action in respect of purely Chinese areas unless first requested to do so by the Chinese Authorities.

Mr. Bell states that he is somewhat surprised at the view put forward by the Senior Consul. It is doubtful whether there is at present a single Chinese police officer in Greater Shanghai in the area east of the Railway line and it appears to be somewhat absurd for the Council to have to await a request for co-operation in the policing of the area contiguous to North Szechuen Road Extension.

The Secretary General re-iterates that the Senior Consul personally is of the view that the Council should not undertake the policing of purely Chinese territory unless requested to do so by an appropriate Chinese Authority. He understands that some 2000 Chinese police are available and that whilst they are not at present functioning in the area referred to by Mr. Bell it may be possible to transfer them there when the situation is calmer.

The Vice-Chairman states that when this question was discussed yesterday it was appreciated that any scheme for the temporary policing by a neutral body would have to be drawn up in co-operation with the

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Mayor, the Japanese Authorities and the International Forces. In his opinion if the sole control of this area is taken over by the Chinese it is not unlikely that further hostilities will result.

The Secretary General adds that last evening the Mayor accompanied by some of the Chinese Councillors called on him to see whether any assistance could be rendered by the Municipal Fire Brigade in suppressing the fires then raging in Chapei. The Chief Officer after two personal investigations reported that owing to the distance of these fires from the nearest water supply, the difficulty of getting his machines through the barricades etc., it was impossible to render any assistance. He took advantage of this opportunity to inform the Mayor that solely from a humanitarian point of view the Council would be prepared to assist in the policing and sanitation of Chapei if requested to do so.

The Chairman's proposal is adopted that until a request for assistance is received from the Mayor no action in this matter be taken. Meanwhile Mr. Hsu undertakes to convey to the Mayor the Council's views on this question.

Mr. Bell submits that it is not unlikely that the first places the Chinese Authorities may attempt to police will be the extra-Settlement Roads instead of concentrating on the reclamation of the danger areas. He considers that any arrangement that may be come to with the Chinese Authorities should contain a safeguard against such a position arising.

Replying to the Chairman Mr. Fukushima states that the Chinese have not yet undertaken to cease hostilities, in his opinion until they do this the Japanese Authorities would be unwilling to negotiate with them for police and other necessary measures in Chapei. The Japanese Authorities desire to enter into negotiations on broad lines and if the Chinese Authorities are unwilling to do this he considers that little purpose would be served in reaching an agreement on this particular question unless the sanitary conditions in Chapei became so acute as to imperil the health of the Settlement.

Members concur with the Secretary General that any arrangement which is ultimately agreed to would of necessity have to be acquiesced in by the Japanese Authorities and that any International Force organized for this purpose would have to be recognized by all parties.

The Secretary reports that the Chinese version of volumes II and III of the Feetnam Report is now ready. The printing of 8000 copies of the Chinese edition of volume I cost approximately \$22,000 and 100 of these were given to the Chinese Ratepayers Association. As there is no immediate prospect of disposing of the remaining 7900 copies he requests instructions as to the number to be printed of the two latter volumes.


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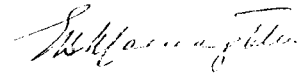
Mr. Hsu states that he will consult the Chinese members as to this and report later to the Council.

Upon Mr. Okamoto enquiring when it is likely that the Public Utility Services in the Northern District will be restored the Secretary states that the Manager of the Tramways Company has prepared a map showing work which it requires to undertake immediately and he has been given facilities for a survey of the affected area to be made. In respect of the restoration of the gas, light and water services the Council is in ~~close~~ touch with the Japanese Authorities with a view to the necessary work being effected as rapidly as possible. In the Western District a number of telephones have been installed to meet the exigencies of the military situation; protests against these installations have been put forward by the Greater Shanghai Municipality. As the temporary agreement expires on June 30 next he does not consider it necessary to enter into a new one for this comparatively short period.

The Secretary General assures Mr. Okamoto that the Public Utilities Companies are anxious to restore these facilities as rapidly as conditions permit.

The meeting terminates at 5.20 p.m.


Secretary.


Chairman.

At an informal meeting of the Council held on Friday, March 4, 1932,
at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. B. Macnaghten (Chairman) Messrs.
 G. W. Sheppard (Vice-Chairman), A. D. Bell,
 J. W. Carney, K. Fukushima, S. I. Hsu, A. J.
 Hughes, N. Leslie, O. S. Lieu, O. Okamoto,
 F. J. Raven, T. D. Woo, L. T. Yuan, the
 Commandant S.V.C., the Commissioner of Police,
 The Secretary General, and the Secretary.

Absent: Mr. Yu Ya Ching.

Local Situation. - The Commandant reports that at a meeting of the
 Defence Committee held this morning to consider the removal of
 barricades Captain Baron Samejima stated that the Japanese Forces
 were unable to permit the entrance of civilians to Chapeli
 immediately as they desired to have an opportunity of removing
 mines, dud shells etc.

The Commissioner of Police states that subsequent to
 this meeting he was advised by Major Penney that the Japanese
 Authorities were prepared to allow bona fide residents to return
 to Chapeli almost immediately.

The Commandant adds that all inner defences in Sector
 B (Hongkew) are being removed; the wiring on the perimeter is
 being retained for the time being. At the meeting of the Defence
 Committee this morning he stressed the fact that foreign firms are
 incurring financial loss by not being able to obtain access to
 godowns owing to the existence of the barricades.

Members adopt the Chairman's proposal that the Command-
 ant be not required to attend the daily informal meetings unless
 important matters arise which in his opinion render his attendance
 necessary. Meantime he will report anything of interest daily
 to the Secretary.

The Commandant withdraws.

The Commissioner of Police reports that a considerable
 number of Chinese residents are applying for passes to return to
 Hongkew. At 2 p.m. today instructions were issued to the Police
 Department requiring that applicants for passes ~~be required to~~
 produce evidence that they were bona fide residents as otherwise
 it was considered that bad characters might secure passes to
 enable them to indulge in looting etc.

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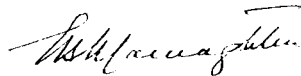
Replying to Mr. Bell, the Commissioner states that prior to the outbreak of hostilities the Chinese Authorities were responsible for the patrolling and sanitation of the lanes and alleyways in the area east of North Szechuen Road Extension. It is to be assumed that the Japanese Authorities will assume the police control of these areas if the Municipal Police have not sufficient forces to discharge this function.

The Commissioner of Police withdraws.

Election of Council. - From conversations he has had with certain members, the Chairman states he gathers that the general feeling is that the forthcoming election should be proceeded with if the number of nominations received necessitates this course. He understood that the Council might be approached from outside sources to remain in office until the existing situation becomes clearer whereafter it should resign and thus cause an election. In view however of the feeling of members his proposal is adopted that the election of the incoming Council should proceed in the normal way.

The Chairman suggests the desirability of restoring the Bund to its normal appearance by removal of the coal dumps therefrom. In reply Mr. Lieu states that these could be removed as soon as the wire barricades along the Soochow Creek between Markham and Gordon Roads are taken down.

The meeting terminates at 4.45 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Saturday, March 5, 1932,
at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. B. Macnaghten (Chairman) Messrs.
 G. W. Sheppard (Vice-Chairman) A. D. Bell,
 J. W. Carney, K. Fukushima, S. L. Hsu, N. Leslie,
 O. S. Lieu, O. Okamoto, F. J. Raven, L. T. Yuan
 Yu Ya Ching, the Commandant S.V.C., the
 Commissioner of Police, the Secretary General,
 and the Secretary.

Absent:- Messrs. A. J. Hughes and T. D. Woo.

Local Situation. - In respect of the demonstrations which occurred last evening the Commissioner of Police reports that the Police have been unable to secure any evidence that these disturbances were organized, although a number of pamphlets were distributed giving erroneous reports which were calculated to incite the Chinese community.

With regard to the policing of the area between North Szechuen and Dixwell Roads he states that the police are handicapped as there are no lights in this area. He understands the Power Company is prepared to instal a temporary lighting system if the Council approves and will pay for it. Lighting facilities were formerly provided by the Chapei Light and Water Company and whilst it is not possible to utilize the existing mains the light standards can be made use of.

Mr. Yuan states that the Chapei Company is anxious to restore light and water facilities in this area but as many of the mains have been destroyed or damaged considerable expenditure will be required to restore these facilities.

Mr. Leslie is of the opinion that the Power Company might be willing temporarily to instal the necessary equipment and arrange with the Chapei Company for a refund of the expenditure incurred, in which case the Council's liability might be limited to the cost of the current consumed.

The Secretary states that during the past two weeks he has been in close touch with the Managers of the various public utility Companies. The interests of certain of these companies and of the Chapei Company are so inter-related that they would welcome a round table conference in order to arrive at an arrangement satisfactory to all parties for the restoration of these facilities. The Secretary General states that he has been advised by a representative of the Power Company that very considerable capital expenditure will be required to restore lighting facilities and it is not willing to incur this if later on political grounds the equipment installed was

taken over by the Chapei Company, without payment therefor.

After further discussion the Secretary is requested to endeavour to arrange for a conference of representatives of all the Utility Companies, including the Chapei Light and Water Company.

Reverting to the disturbances which occurred last evening and which to some extent may have been caused by the publication of inaccurate and misleading information in the "mosquito" papers the Chairman suggests that action be taken by the Council to suppress such papers.

The Secretary General states that he has discussed this question with the Commissioner of Police who is of the opinion that statements published in these papers are no worse than those which appear in the more reputable Chinese journals. The "mosquito" papers are not published or printed in regular newspaper offices and if any offices from which they emanate were closed they would merely transfer to other premises. If such action was taken by the Council it would be necessary to extend it to papers other than of the "mosquito" type. He does not consider that a Court action against these papers would serve any good purpose since from a legal point of view it is most difficult to prove that articles to which exception may be taken are calculated to disturb the peace. It might be possible for the police to seize these papers on the streets and destroy them and leave it to the proprietors to take proceedings against the Council. In his opinion the matter published in the China Times is of a far more dangerous nature than that appearing in the "mosquito" papers and he has been considering the advisability of taking action against this paper as a test case.

On the ground that the Chinese public expects news of a reassuring nature and as the matter at present being published is no worse than that which appeared in foreign journals during the Great War, Mr. Hsu is not in favour of action being taken by the Council.

Replying to the Chairman, the Press Information Officer states that the editors of foreign and Chinese newspapers are experiencing an unusually difficult period. Additional reporters have been engaged temporarily and whilst the more reputable papers endeavour to confirm the reports made by these less experienced employees, the "mosquito" papers make a feature of any report having a sensational value regardless of truth and solely with a view to obtaining increased receipts.

The Secretary General recalls that some years ago the Council submitted a resolution to the Ratepayers which would have empowered it to control the press by means of the registration of all newspapers. This resolution was however turned down by the Ratepayers. In his opinion the "mosquito" press may be regarded as affording a safety valve for a certain

section of the Chinese community and any attempt by the Council at this stage to suppress it might do more harm than good.

Members generally concurring in this view it is decided to take no action in this matter; as however certain of the more reputable Chinese journals are afforded special police protection, consideration may later be given to the withdrawal of this if persuasive methods fail for the discontinuance of publication of objectionable matter.

Mr. Fukushima states that he favours a renewed effort being made by the Council to secure the registration of newspapers, and that action by the Council to this end would he considers be supported by the Japanese Ratepayers. He would therefore welcome an expression of members' views on this question.

The Secretary General urges that caution should be exercised in this matter. It is not possible for the Council to enforce legislation which is opposed to the laws of the countries of the various nationals composing the foreign community. In his opinion it would be most unfortunate to introduce such legislation if its powers in that respect were challenged and not upheld by any particular national Court. Before a further attempt is made to introduce such legislation it would be most advisable for the Council to ascertain the views of those members of the Consular Body whose co-operation would be imperative to give such legislation effect.

Mr. Leslie proposes and members concur that the Secretary General should consider the preparation of a formula likely to be acceptable to all parties and thereafter to approach members of the Consular Body for their views.

The Commissioner of Police states that the Japanese Authorities have suggested that with a view to preventing looting no more Chinese be permitted to evacuate undamaged premises. In his opinion the restoration to normal conditions of the Hongkew and contiguous areas is quite impossible whilst the pass system is in force. A large number of Chinese apply for these passes merely to proceed to Hongkew to collect their belongings and then return to other parts of the Settlement. Moreover the Police Department finds it well nigh impossible to cope with the number of applicants for passes. Replying to Mr. Fukushima as to what other measures might be adopted to restore confidence amongst the Chinese community he suggests that respectable citizens should be permitted to pass the barriers without being in possession of passes, such a course would in his opinion result in a gradual but steady return of residents to this area.

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Mr. Fukushima states that Mr. Hyashi has expressed his willingness to arrange for the supervision of unoccupied undamaged vacant Chinese premises for a small pecuniary consideration and he has been advised to get into touch with the various Chinese Relief Organizations on this subject.

Members generally concur that a relaxation of the existing regulations is imperative if confidence in this area is to be restored and the Commissioner of Police will arrange for Captain Kennedy to take up with the Japanese Authorities the question of the abolition of the existing pass system.

Mr. Bell refers to a number of armed Chinese police who were permitted to cross the perimeter to proceed for duty at Fahwah village. In his opinion armed Chinese police should not be permitted to cross the perimeter without the consent of the Council first being obtained.

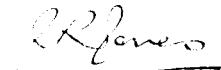
The Commissioner of Police replies that the Chinese police referred to, 50 in number, proceeded to Fahwah village to relieve 100 policemen who were leaving that area. By a misunderstanding the relief party were permitted to bring their arms. He undertakes however to advise the Council of any application being made for the crossing of the perimeter by armed Chinese police before approving same.

The Chairman's proposal is adopted that until further notice the informal meetings of the Council be held on Mondays, Wednesdays and Fridays at 4.30 p.m.

The meeting terminates at 5.40 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Monday, March 7, 1932,

at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. D. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman) A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, N. Leslie, C. S. Lieu, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commandant S.V.C., the Commissioner of Police, the Commissioner of Public Health, the Secretary General, and the Secretary.

Absent:- Mr. A. J. Hughes.

Local Situation. - The Commandant reports that this afternoon a party of armed Japanese soldiers and civilians attempted to raid a house in Mohawk Road. The Commissioner of Police states that this party were arrested by the British Military Authorities and that in conjunction with them the Police Department will conduct an investigation into this incident with a view to representations being made to the Japanese Authorities. He will be in a position to report further as to this incident at the next meeting.

The Commandant withdraws.

The Commissioner of Police reports that most of the Japanese pickets have been withdrawn from the area South of Range Road and that only a few patrols operate at night.

The Chairman reads two reports which have been submitted by the Commissioner of Police relative to the circumstances in which on March 5 foreign and Chinese Municipal police officers were obstructed in their duties and assaulted by Japanese forces and plain clothes Japanese civilians. These incidents have been brought to the notice of the Japanese Naval Commander in order that disciplinary action may be taken against the uniformed men and he desires that the Japanese Consular Authorities be notified thereof with a view to the activities of these plain clothes men being suppressed; in his opinion if they are permitted to resume their activities clashes between them and the municipal police are inevitable.

It is decided to address the Japanese Consul-General officially on this subject.

The Commissioner of Police withdraws.

In amplification of a report he has submitted on the insanitary condition of the Chapei area and the potential danger caused thereby to the health of the Settlement the Commissioner of Public Health states that it is obvious that if a large area is left without

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conservancy and sanitation measures a most dangerous situation may arise. Whilst the removal of corpses from this area is being undertaken there remain numerous sanitation measures which can only be undertaken by an organized body. He therefore suggests that representations be made for some organization to take over these functions. He adds that his department will willingly co-operate with any organization which may be formed for this purpose.

Although the Council recently decided that no representations should be made on this subject until a request for assistance had been received from the Mayor, members generally are of the opinion that in the interests of the health of the Settlement immediate action is called for.

Mr. Hsu recalls that the Council's former decision was influenced primarily by the views expressed by the American Consul General and by Mr. Fukushima's opinion that the Japanese Authorities might not be willing to enter into negotiations with the Mayor for the cleansing and policing of Chapei.

Replying to the Chairman Mr. Fukushima states that the Japanese Authorities are fully alive to the dangers which may threaten the health of the Settlement by reason of this large area being left in its present insanitary condition and in his opinion they would welcome any suggestions for remedial measures.

The Commissioner of Public Health states that in the first instance it is essential that a survey of the affected areas be made in order to ascertain their exact condition and determine what measures are necessary. He adds that with this object his Japanese inspectorial staff are at present surveying the extensive area between North Szechuen and Dixwell Roads. The districts with which he is primarily concerned are those thickly populated areas which are immediately contiguous to the Settlement.

Mr. Fukushima suggests that progress in this matter might be made if the Commissioner of Public Health got into touch with the Japanese Consul General who he considers would be prepared to accompany him on a visit to the Japanese Military Authorities for the purpose of presenting the Council's views on this vital question.

The Vice-Chairman is of the opinion that the restoration of sanitary conditions in Chapei which could only be effected under police protection is of vital and immediate importance to the health of the Settlement. Prolonged discussion and consultations with outside parties merely result in no action being taken. In view of the grave danger to which the Settlement may become exposed by a continuation of the existing unsatisfactory state of affairs he proposes that the Council should take the initiative and proceed in this matter.

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Upon Mr. Bell stating that the restoration of public utilities in the Chapei area is closely related to this question the Secretary reports that Mr. Taylor has informed him that the Power Company, in conjunction with the Chapei Company, could rapidly arrange for the restoration of lighting facilities required by the Municipal Police in the area between North Szechuen and Dixwell Roads. He suggested to Mr. Taylor that he should endeavour to arrange for the restoration of lighting facilities in this area during the period that the regular Chinese police are not functioning. Mr. Taylor was doubtful as to the ability of the Chapei Company to pay for any service supplied by his Company and he enquired whether, if this proved to be the case, the Council would agree to bear this expense. The Secretary requested Mr. Taylor to furnish an estimate of this cost forthwith. He has also written to the Gas Company regarding the restoration of lighting facilities in the small area near Dixwell Road formerly lit by the Company. He is informed by Mr. Porter that his Company is endeavouring to arrange with the Chapei Authorities to instal telephones in premises in which the Company has already installed such equipment. Mr. Walter is unable immediately to furnish him with any information as to the restoration of water supply in the affected areas but will advise him as to this within the next few days.

The Secretary General adds that he has been advised by Mr. Burgess that the Tramway Company has effected considerable repairs to its line in Hongkew and that it is prepared to resume the Thibet Road service as soon as two openings are made in the barricades along this route. He has consulted Brigadier Fleming as to this but no reply has yet been received.

Reverting to the question of the insanitary condition of Chapei members generally agree that whilst the co-operation of the Chinese Authorities will be welcomed, the Council in the interests of the health of the Settlement has no alternative but to take immediate action.

The Commissioner of Public Health is accordingly authorized to get into touch with the Japanese Authorities in order to make an immediate survey of the affected areas. Meanwhile the Mayor will be addressed expressing the Council's view that his sanitary squads should return to Chapei and intimating its intention to proceed with any necessary sanitation measures in this area.

With regard to the account which appeared in the Chinese press the morning following the Council's recent discussion on this subject the Chairman again urges that the discussions of Council meetings should be regarded as confidential. In this connection the Press Information Officer states that he frequently receives telephone calls from Chinese newspaper representatives late in the evening of the days on which Council

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meetings are held and leading questions are put to him on subjects which have been discussed at such meetings.

The Commissioner of Public Health withdraws.

The Secretary reads a report which has been furnished by the Commissioner of Public Health to the effect that numerous hospitals accommodating Chinese wounded soldiers have been removed from Nantao into the Settlement. Replying to the Chairman Mr. Lieu states that this was done on account of a rumour which gained currency that Nantao would be attacked by the Japanese Forces. This rumour has now died down.

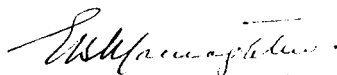
The Chairman states that as it has been ascertained that the Luna Park case will not be heard until the Autumn Mr. Martin has applied for his long leave as from March 18 next. This application is approved.

The Chairman refers to the increased expenditure which has to be incurred by Colonel Thoms by returning hospitality to the various foreign naval and military ^{officers} ~~authorities~~. As the Commandant's salary is not excessive he considers it would be equitable for a portion of this abnormal expenditure to be borne by the Council. He has discussed this question with the Treasurer & Controller who has suggested that during the State of Emergency the cost of entertainment of Foreign Commanders or other official guests incurred by the Commandant be defrayed out of public funds and arranged for between the Commandant and himself and that during normal periods reasonable out-of-pocket expenses as may be incurred for this purpose be defrayed by the Council up to a sum not exceeding Tls.100 in any one month by arrangement with the Treasurer.

The above proposals are unanimously endorsed.

At the Chairman's request Mr. Bell undertakes to take up with Mr. Purkill and others the question of the removal to Kiangwan of the ponies now housed on Bubbling Well Road and which cause inconvenience to pedestrians. Mr. Bell states that their return is largely contingent upon the restoration of electric lighting facilities to the Kiangwan Race Club premises.

The meeting terminates at 5.15 p.m.



Chairman.



Secretary.

At an informal meeting of the Council held on Wednesday, March 9, 1932

at 4.30 p.m., there are:-

Present:- Brig.-Gen. E. B. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman) A.D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, N. Leslie, O. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commissioner of Police, the Commissioner of Public Health, the Secretary General, and the Secretary.

Absent: Mr. O. S. Lieu.

Local Situation. - With reference to the information given at the last meeting the Commissioner of Police states he has ascertained that there was no attempt on the part of the Japanese armed forces to raid a house in Mohawk Road. This party was encountered by a number of British troops and owing to linguistic difficulties were unable to explain that their object in stopping near Mohawk Road was for the purchase of some radio equipment. The party was accordingly escorted back to the Hongkew boundary. Meanwhile the Japanese Authorities have posted two pickets on the Garden and Szechuen Road Bridges to ^{prevent any of the Japanese naval or} ~~caution Japanese nationals of the~~ ^{military forces} ~~inadvisability of~~ crossing the Creek.

Mr. Bell states that he has mentioned to the Race Club Stewards the inconvenience to traffic caused by ponies temporarily housed at the buildings opposite the Club. The Stewards take the view that they should not be required to close their gates during rush hours and that any remedial measures necessary in the interests of traffic should be undertaken by the Police. The Commissioner of Police states that this inconvenience has somewhat abated and that he will endeavour to arrange for the movement of these ponies during rush hours to be reduced to a minimum.

With regard to the reduction of the Curfew hours the Secretary General states that this afternoon he received a deputation from cinema theatre proprietors who emphasized the loss they were sustaining by continuation of this restriction. As, from a military point of view, the crisis has passed they urged strongly that the commencement of the Curfew hours be extended to 11 p.m. As the Council's aim is to interfere as little as possible with the business interests of the Settlement he supports this application and is of the opinion that the French Municipal Authorities would raise no objection to this proposal.

After brief discussion and subject to the Commissioner of Police ascertaining the views of the French Concession Authorities a reduction of the Curfew hours is unanimously approved.

The Commissioner of Police withdraws.

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In amplification of a comprehensive report which he has submitted on the sanitation conditions obtaining in Chapei and other Chinese areas adjoining the Settlement the Commissioner of Public Health states that investigation has revealed that the following two areas are in a most insanitary condition (I) that to the North of Chaoufoong and Kungping Roads, bounded to the South by the Settlement borders, to the West by the Sawgin Creek and the East and North by new roads and (II) that north of Sawgin Creek and West of Dixwell Road. The condition of the other three areas surveyed including a portion of the Chapei area were not so bad as might have been anticipated. With regard to the two areas above referred to it is essential that the ordure and house refuse be removed and that certain of the small creeks blocked with faeces be attended to. In his opinion immediate sanitary measures are necessary in order to prevent the spreading of disease, more especially as the warm weather is now approaching.

The Secretary reads the letter on this subject which has been addressed to the Mayor and he refers to the announced intention of the Mayor to resume the sanitary and police control of these areas.

Replying to the Chairman Mr. Fukushima states that the question of the sanitation and policing of these areas is engaging the attention of the Japanese Authorities although he is not able to say what measures they contemplate.

The Secretary General states that he was informed by the Senior Consul yesterday that the Consular Body was concerned by a rumour that the Council contemplated taking action regarding the sanitation of Chapei. He assured the Senior Consul that the Council had no political motives in proposing such action but that as no organization exists for the cleansing and policing of Chapei the Council considered that in the interests of the health of the Settlement certain measures were imperative. The Senior Consul urged that before the Council took any action he would be given an opportunity to convene a meeting of the Consular Body at which a representative of the Council could attend and explain the Council's position.

Mr. Bell is of the opinion that in this connection time is a most important factor. If in the opinion of the Commissioner of Public Health the various sanitation measures should be undertaken immediately he does not favour any delay; on the other hand if they can be left in abeyance for say one week then there would appear to be no objection to postponement.

The Commissioner of Public Health states that it is most difficult for him to predict whether a delay of one week would result in an acute risk of the health of the Settlement. As before stated two of these areas are in an extremely bad condition and it is possible that a more extensive survey will reveal that drains and surface channels are blocked to a

greater extent than has so far been ascertained. From his conversation with the Japanese Authorities he gathered that they were prepared to receive representations from the Council on this question.

Mr. Raven then suggests and members concur that the Secretary General should keep in close touch with the Consular Body and with the Japanese Authorities in order that a decision may be reached by the Council at its next meeting. The Secretary General is of the opinion that if the Council's motive for desiring to effect sanitation measures in Chapei is fully explained the Consular Body will be prepared to withdraw its opposition.

Mr. Fukushima requests that he be supplied with a copy of the report furnished by the Commissioner of Public Health for use in connection with the representations which he will make to the Japanese Authorities.

Replying to the Chairman Dr. Jordan states that he is prepared ~~to~~ immediately to proceed with inspections of the affected areas but that any practical measures which may be decided upon would necessarily have to be undertaken in collaboration with the Commissioner of Public Works with whom he is in regular consultation.

The Commissioner of Public Health withdraws.

Mr. Bell states that it has been proposed by the Superintendent of Education and the Heads of Schools that as from Monday next new pupils be admitted to those municipal schools which were re-opened on Monday last. The Heads of Schools are aware that a number of former pupils who have left Shanghai ~~are aware that a number of former pupils who have left Shanghai~~ are unlikely to return and they are of opinion that the period of grace allowed for their rejoining should not exceed one week.

The Superintendent of Education attends and states that he supports a member's proposal that if this course is adopted a percentage of vacancies be left unfilled to permit a number of former pupils to return. He considers that 20% might be thus reserved for a further brief period; he will however consult with the Heads of the various schools as to this.

After discussion and subject to full publicity being given of the Council's intention members approve the proposal that new pupils be admitted to these schools; the percentage of vacancies to remain unfilled to be left to the discretion of the Superintendent of Education.

Replying to the Chairman Mr. Hsu states that the Chinese Ratepayers Association require for distribution 300 copies of the Chinese version of Volumes II and III of the Peetham Report.

Upon the Secretary General suggesting that a total of 500 Chinese editions of these volumes be printed Mr. Hsu states that as considerable interest has been manifested outside Shanghai in the Chinese version of this report he doubts whether 500 will be sufficient. Although only 100 copies of

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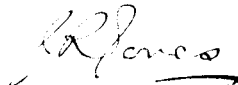
the Chinese edition of Volume I were issued he considers this may be due to the fact that many Chinese did not know that the Chinese version had been published nor from where they could be obtained.

The Secretary undertakes to arrange through the medium of the Gazette and of the press publicity as to the publication of the Chinese edition of Volumes II and III which will include a reference to the publication of Volume I.

Prior to recording decision as to the number of the Chinese editions of Volumes II and III to be printed the Secretary will obtain figures of cost for a supply of 750, 1000 and 1500 volumes, respectively.
The meeting terminates at 5.15 p.m.



Chairman.


Secretary.

At an informal meeting of the Council held on Friday, March 11, 1932,

at 4.30 p.m., there are:-

Present:- Brig.- Gen. E. B. Macnaghten (Chairman) Messrs. G. W. Sheppard (Vice-Chairman), A. D. Bell, J. W. Carney, K. Fukushima, S. L. Hsu, A. J. Hughes, N. Leslie, O. S. Jieu, C. Okamoto, F. J. Raven, T. D. Woo, L. T. Yuan, Yu Ya Ching, the Commissioner of Police, the Secretary General, and the Secretary.

Local Situation. - Mr. Bell states that he has been informed by Mr. Ross that the parents of pupils are anxious that the Public and Thomas Hanbury School for Boys should be re-opened. Mr. Ross was of the opinion that this would not be possible whilst the pass system continued in force.

The Commissioner of Police states that he visited this School this afternoon and that many of its windows are still broken. It is proposed to adhere to the pass system for a day or two longer. There are not sufficient municipal police available for the policing of the numerous alleyways leading from North Szechuen Road. The wiring installed by the Japanese Naval and Military Forces below the tramway wires is now being placed above these wires in order to permit a resumption of the tram service. Until this service is resumed he does not consider it advisable to re-open this School. He will however continue to give this matter his attention and will report further within the course of the next few days.

The Commissioner of Police withdraws.

With regard to the discussion at the last meeting relative to the sanitation of Chipei the Chairman reports that accompanied by Mr. Fukushima he called yesterday on Mr. Murai and informed him that in the Council's opinion, in the interests of the health of the Settlement, certain sanitation measures in the affected areas were imperative, and he enquired whether the Japanese Naval and Military authorities would object to the necessary action being taken by the Council. Mr. Murai gave an assurance that he would do all in his power to assist the Council. This morning he and the Secretary General interviewed the Mayor and informed him that the Council desired to proceed immediately in the matter of introducing sanitation measures in the affected areas, that this desire was actuated solely by humanitarian reasons and that the Council had no ^{illness} motive, political or otherwise, in undertaking this work. Whilst engaged with the Mayor Mr. Fukushima informed him by telephone that the Japanese Authorities had no objection to the Council proceeding in this matter provided they were given due notice of the affected areas with which it was proposed

to deal. The Mayor also acquiesced in this proposal but in order to safeguard himself with the higher authorities in Hanking he requested that a letter be addressed to him outlining the Council's intentions.

The Secretary General states that following the last Council meeting he called on the Senior Consul and explained to him that in the interests of the health of the Settlement the Council regarded the institution of sanitation measures in the adjoining affected areas as one of extreme urgency and that as it was the only organization in a position to undertake these measures it was of opinion that it had no alternative but to proceed. The Senior Consul personally supported this proposal but before giving a definite reply desired to confer with with the British Consul General. A meeting with the latter was arranged yesterday and he (Mr. Fessenden) attended and assured both Consuls-General that the Council's sole motive in desiring to take this action was the health of the Settlement. Both stated their appreciation of the Council's motive but suggested before they exerted their influence with the Consular Body the Council should ascertain whether the Mayor would raise any objections. This, as stated by the Chairman, has been done. Today he attended a meeting of the Consular Body and after he had explained to its members the reason actuating the Council's desire to proceed in this matter and upon informing them that neither the Japanese Authorities nor the Mayor would raise any objection the Consular Body unanimously acquiesced in this proposal. At this meeting Mr. Murai again requested that the Council would give him due notice of the areas proposed to be dealt with to permit him to arrange details with the Japanese Military Authorities.

The Chairman then reads the draft letter which it is proposed to dispatch to the Mayor.

Members generally are in agreement that the reference therein to the appointment of a Chinese official to act as liaison officer whilst this work is proceeding is unnecessary. It is accordingly decided to delete this reference, this matter to be left for informal arrangement.

With regard to the body of this letter Messrs. Bell and Leslie are of opinion that its phraseology places the Council in an humiliating and undignified position. The Council's object in putting forward a proposal for the cleansing of the affected areas is based solely on humanitarian grounds and they consider it unnecessary to include in this letter the reservations and qualifications which have already been communicated to the Mayor in a previous letter.

The Secretary General observes that this letter had to be drafted hurriedly; at the same time, as the Council proposes to function on purely Chinese territory the request of the Mayor for the assurances

objected to by certain members does not appear to be unreasonable, particularly so as he informed the Chairman that he desired to transmit a copy of this letter to the higher Chinese Authorities.

Mr. Leslie regards it as most unfortunate that the Council, having offered in the interests of humanity, to place its resources at the disposal of these affected areas should be surrounded by an atmosphere of distrust and suspicion.

With regard to Mr. Bell's suggestion that a further comprehensive letter to the Mayor is unnecessary the Secretary General states that apart from the fact that an undertaking has been given that this letter would be forthcoming, the present circumstances are different from those which obtained when the first letter was written. At that time the Council only proposed to undertake this work in co-operation with the Chinese Authorities whereas now it is intended to undertake this work independently.

After further discussion members generally agree that inclusion of paragraph three in this letter places the Council in an undignified position; it is accordingly decided to delete this. The Chairman undertakes in conjunction with the Secretary General to make further amendments to this draft in order to meet the views expressed by members and to despatch the revised communication to the Mayor this evening.

Replying to a member the Secretary states that there are only two copies of Volume IV of the Feetham report. As this volume deals primarily with internal administrative details and thus is likely to be of less interest to the public than the preceding volumes he will submit this volume to members prior to ordering copies to be printed. With regard to the number of the Chinese editions of Volumes II and III to be printed he submits figures of cost for the printing of 500, 750, 1000 and 1500 copies respectively.

After brief discussion the printing of 1000 Chinese versions of each of these volumes is authorized.

With regard to the price to be charged for these volumes the Secretary General states that the price charged for the Chinese edition of Volume I was based on the minimum charge for its printing; in addition a certain number of copies were supplied free of charge.

After discussion it is suggested that 500 copies each of Volumes II and III be distributed free of charge, the remaining copies to be sold at a price sufficient to defray printing costs, but it is left to the permanent staff to vary this arrangement according to circumstances.

With regard to the large number of the English version of Volumes I, II and III for which no demand has been forthcoming members generally favour Mr. Raven's proposal that in order to ensure as wide a distribution as possible, consideration should be given to a reduction in the price

hitherto charged.

Mr. Carney refers to the procedure in force at the Special District Court whereunder a defendant can appeal against an order without putting up a bond for the amount of the judgment; these appeals can go on indefinitely until the appellant's resources become exhausted with the result that ^{the} plaintiff secures no redress. He therefore enquires whether the Council can take any action to bring the procedure of these civil courts more into line with that obtaining in other national Courts and thus safeguard the plaintiff's interests.

The Secretary General observes that the agreement in respect of the Special District Court expires in February 1933 and that any alteration in the existing procedure would require its amendment. He considers that the most effective means by which any such revision could be secured would be for the various national Bar Associations to submit to the Council a memorial outlining any procedure which in their opinion requires revision and putting forward in a concrete form their suggested remedies. The Council would then be in a position to put forward the necessary representations to the Consular Body. In this view members concur and Mr. Leslie states that he understands that one National Bar Association has already prepared a tabulated statement of the deficiencies of the Special District Court and is in a position to substantiate the charges they are prepared to put forward.

Mr. Fukushima refers to the discussion at a previous meeting on the refusal of certain Chinese owner-occupiers ~~who refuse~~ to pay general municipal rate on the Council's assessment. The Council's reluctance to take action against them in the Special District Court demonstrates its lack of faith in securing an equitable judgment.

The Secretary General states that in consultation with other officials he will when he has more time at his disposal prepare a memorandum for submission to the Council outlining ^{other} ~~their~~ possible measures which might be adopted to enforce payment of rates in such cases, without recourse to Court action.

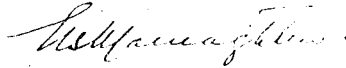
The proposal of the Vice-Chairman is adopted that at the next Regular meeting of Council the question of the non-payment of General Municipal Rate on the Customs House property be placed on the agenda in order that members may be advised as to whether or not the Council's endeavours to secure payment of this rate are likely to meet with success.

It is decided to discontinue the informal meetings of the

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Council and as from Wednesday next and until further notice to hold
formal Council meetings on Wednesday of each week.

The meeting terminates at 5.35 p.m.



Chairman.


Secretary.

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X.

Y.

Z.

At the meeting of the Council held on Wednesday, January 6, 1932, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. D. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

B. L. Hau

A. J. Hughes

C. S. Lieu

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ma Ching

The Treasurer & Controller,

The Secretary General, and

The Secretary.

Absent:

Messrs. N. Leslie

O. Okamoto.

Dr. J. C. H. Wu attends.

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

6023/ Development of Shanghai. - With reference to the minute of the last meeting it is decided to contribute a sum of £250 towards the cost of the special supplement to be issued by the "Financial Times" and information on municipal activities will be furnished for publication therein.

1337/ Dates of Election of Councillors. - As March 23 is a Bank Holiday it is decided to suggest to the Consular Body that the election of Councillors be held on March 21 and 22 next.

The Minutes of the meeting of the Finance Committee of December 22 are submitted and confirmed.

1167/ Municipal Finances. - Replying to the Chairman, the Treasurer & Controller states that he has little to add to the information furnished by him at the last meeting of the Finance Committee. Within the next few weeks he hopes to be in a position to forecast approximately the budget situation. Allowing for the increase in revenue of Tls.1,200,000 which will accrue from an increase of 2% in the General Municipal Rate it may be anticipated that there will still be a budget deficit of Tls.900,000 which will have to be met by cuts in departmental expenditure and a readjustment of certain items between the budgets of ordinary and extra-ordinary expenditure. He re-iterates that it will be quite impossible to balance the current budget on the basis of the existing General Municipal Rate of 14%.

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In connection with the proposal to increase the General Municipal Rate by 2% Mr. Hsu suggests the Council should take into consideration the ability of the Ratepayers to bear this additional burden. Having regard to the depressed state of local business conditions he submits that the Chinese community is not in a position to do this. The prospects for 1932 from a business point of view are far from bright; he is therefore of opinion that the present year is not an opportune time to impose increased taxation. He therefore suggests that the budget should be balanced by restricting expenditure to the revenue available. Although the Treasurer has pointed out that the French Municipal Authorities have decided to increase their General Municipal Rate by 2% he points out that generally speaking rentals in the Concession are on a lower basis than in the Settlement; accordingly in his opinion the action of the French Municipal Authorities should not be taken as a guide by the Council.

Mr. Fukushima states that members of the Japanese community are practically unanimous in the desire to avoid an increase in taxation during the current year and have expressed the view that the Council should exhaust all possible means of balancing its budget before resorting to this course.

In respect of the above observations the Treasurer stated that if essential services are to be maintained it is quite impracticable to effect budget excisions to the extent of an estimated deficit of Tls. 2,000,000. As pointed out to the Finance Committee, for some years past the Council has been working on the basis of 20% taxation, owing to the availability of credits resulting from the sale of the Electricity Department for inclusion in the ordinary estimates of revenue. Moreover the ordinary budget has been relieved of loan service charges by reason of the fact that since 1929 various sums for capital expenditure have been provided from the monies accruing from the same source. He therefore submits that any postponement of an increase in the General Municipal Rate will merely accentuate the difficulties with which the Council is faced during the current year. He is unable to endorse a member's suggestion that the General Municipal Rate might be increased by 1% since in his opinion there would be the same amount of opposition from certain quarters as has been forthcoming in respect of the proposal to increase this rate by 2%. As before stated even with an increase to the latter figure considerable difficulty will be experienced in balancing the current budget.

Mr. Bell is of the opinion that whilst the necessity for an increase in the General Municipal Rate is regrettable he considers that a rate on a basis of 16% is just and reasonable for a progressive city of the magnitude of Shanghai. He therefore proposes that the budget should be compiled on the basis of a 16% general municipal rate and that the reasons necessitating this increase should be clearly explained to the community. He is unable to support Mr. Hsu's suggestion that the estimated deficit should be made good solely by retrenchment in departmental expenditure since in his opinion adoption thereof is quite impracticable.

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In concurring in this view Mr. Hughes points out that Shanghai has been less badly hit by the prevailing world wide economic depression than many other large cities whose rates of taxation are greatly in excess of those obtaining locally. From a preliminary perusal of the Health Department estimates he has reached the conclusion that these as drawn have been curtailed to such an extent as to invite the criticism that insufficient provision is made to maintain a service which in all modern municipalities is regarded as of vital importance. In his opinion having regard to the programmes upon which the Council has embarked, notably in respect of education, a General Municipal Rate of 16% is eminently reasonable and much below the basis adopted by other modern cities.

After further discussion it is decided to defer decision on this question to a later meeting; in the meantime the Chinese members are invited to furnish their suggestions for balancing the budget.

With reference to the Committee's discussion on the subject of the re-assessment of owner-occupied properties the Secretary General, in amplification of the views expressed by him at the last meeting of the Committee in opposition to the Treasurer's proposal that one of the outstanding cases referred to should be taken to the District Court, states that although the Council is continually prosecuting Chinese and foreign ratepayers for non-payment of municipal rate in cases where no dispute has arisen as to the basis of taxation it has refrained from taking to any Court a case in which the justice or reason of its basis of assessment is involved. Accordingly if one of these cases is now taken to the District Court the Council may incur the risk of its assessment basis being questioned by the Court and the Court may reserve the right to determine whether such basis is just, reasonable and proper. In such an event it is not unlikely that other national courts might take similar action. In his opinion the Council's powers of assessment under the Land Regulations are not sufficiently specifically defined and endowed with sufficient finality to incur the risk of its basis of assessment being challenged. Since the meeting of the Finance Committee he has discussed this question with the Municipal Advocate and the Chinese Assistant Secretary and they agree as to the inadvisability of raising this issue with the District Court. He also instructed the Municipal Advocate to ascertain the procedure adopted in the Municipality of Greater Shanghai in respect of the levying of taxation on owner-occupied premises. He is informed that under a law promulgated by the National Government all Chinese municipalities are vested with the power of levying taxation on land and buildings and that the procedure followed, inclusive of reference of disputes to an Assessment Committee, is practically identical to that adopted by the Council. He is also informed that the Greater Shanghai Municipal Authorities have, in certain cases, distrained on the property of owner-occupiers who have failed to pay rates; the Council under its powers under the Land Regulations has taken similar action in one or two cases. The Greater Shanghai Municipality has

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however refrained from taking to Court any case in which the reasonableness justice or propriety of an assessment might be challenged by the Court. He is therefore strongly of opinion that all possible alternative means should be tried to effect an amicable settlement in these outstanding cases prior to putting a case to the test as suggested by the Treasurer. He is of the view that the support accorded by the Chinese Ratepayers' Association to certain disputants is based on its partial ignorance of the Council's position and he suggests that with a full explanation as to this is is not improbable that the resistance hitherto encountered may be overcome.

The Treasurer states that he pressed his proposal on the ground that as no opposition to the Council's basis of assessment is put forward by foreign owner-occupiers he considers that a negative attitude on the part of the Council in respect of disputed cases involving Chinese owner-occupiers constitutes discrimination against the foreign ratepayers. As a result of these outstanding cases the Revenue Office staff do not feel secure in proceeding with revised assessments of properties owned and occupied by Chinese and since these disputed assessments are considered by an impartial body recently instituted by the Council he regards it as only logical that the Council's position in this matter should be clearly defined by reference of one of the least controversial of these cases to the Court.

Despite the views expressed by the Treasurer the Secretary General adheres to his opinion as to the inadvisability of embarking on a course fraught with potential danger until all possible avenues have been explored for reaching an amicable settlement of this difficult problem. He therefore urges that he be given further time to study this question from all aspects in the hope that he may be in a position to submit proposals acceptable to the Council.

After brief discussion the above proposal is adopted.

The Minutes of the meeting of the Education-Board of December 30 are submitted, and subject to the following observations, are confirmed.

6010/ Building Programme: 1932. - Mr. Bell informs members that since the last meeting of the Board he has been advised that the proposal to transfer the Mental Ward patients to a portion of the former Victoria Nursing Home is not feasible. Accordingly the erection of the new Public and Thomas Hanbury School for Girls upon the extreme northern section of this property is contingent upon alternative accommodation being found for the inmates of the Mental Ward. Further reports as to this will be submitted by the Commissioners of Public Health and Works in due course.

5612/ Grants-in-Aid to Non-Municipal Schools. - A letter drafted by the Chairman of the Board for transmission to the Commissioner of Education for Greater Shanghai in reply to his letter recently received is approved subject to

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certain minor amendments which have been agreed between Mr. Bell and the Secretary.

5978/ Building Programme - 1932 - Chinese Primary Schools. - With regard to the recommendation that the Council should lease the premises No. 133 Ward Road for the purposes of a Chinese Primary School the Treasurer & Controller urges that in view of the general financial position consideration of any schemes involving recurring maintenance costs be deferred until fuller information as to the probable income and expenditure for 1932 is available.

Mr. Bell states that owing to the difficulty in securing permanent Primary School buildings members of the Board favour the provision of temporary buildings for this purpose in order to avoid the expenditure of capital funds. The premises in question are most suitable for this purpose and the need for a further primary school in this locality has been amply demonstrated.

Replying to the Chairman Mr. Yuan states that it may be possible to secure an option for two or three weeks on this lease. He will enquire from Mr. Ling as to this and report further. Pending this information decision on this question is deferred.

With regard to the recommendation that if finances permit Cad. Lot 5078 be purchased as a site for a Chinese Primary School it is decided to defer consideration thereof until the departmental estimates are under discussion.

On the question of the provision of educational facilities generally the Vice-Chairman re-iterates his view that if the programme contemplated is proceeded with it is only equitable that the school fees should be increased to offset to some extent this extremely heavy expenditure. In regard to Mr. Bell's observation that the proportion of expenditure on Chinese education facilities should be much higher than at present he is of the opinion that if this view is accepted the adjustment should be made by reducing the expenditure on foreign schools and transferring the balance for the benefit of the Chinese community.

In concurring in this view Mr. Hughes submits that the provision of educational facilities is an intensely national matter and that an international community such as that of Shanghai should not be called upon to shoulder this heavy burden.

Mr. Fukushima also agrees that the programme upon which the Council has embarked throws an undue burden upon the local community.

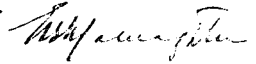
The Chairman points out that at the last Annual meeting a unanimous resolution was put forward by the Council with the object of giving effect to the revised educational programme. Since it would appear that certain members have now modified their views on this question he suggests it is possible if desired again to refer the question of the provision of

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educational facilities to the Ratepayers at the forthcoming Annual meeting.

On the ground that at the last Annual meeting it was specifically stated that approval of the scheme then submitted did not bind future Councils the members above referred to favour this suggestion.

The meeting terminates at 6.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, January 20, 1932, at

4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Macnaughten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

H. Leslie

O. S. Lieu

O. Okamoto

T. D. Woo

I. T. Yuen

The Treasurer & Controller,

The Secretary General, and

The Secretary.

Absent:

Messrs. F. J. Raven

Yu Ya Chiang.

Dr. J. C. H. Wu attends.

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

3267/2 Municipal Finances. - Replying to the Chairman Mr. Hsu states that the Chinese members will not be in a position to put forward suggestions for balancing the current budget until they have had an opportunity of examining the estimates of income and expenditure.

In connection with the proposal to increase the General Municipal Rate by 2% the Secretary General states that he has been informed by M. Verdier that the French Municipal Authorities have decided to follow the Council's lead in the matter of increasing this rate, alternatively if the percentage remains at the existing figure the French Authorities will not adopt an increased rate.

6061/1 The Chairman enquires whether it might be possible for the existing rate of 14% to be maintained if a separate budget in respect of the Education Department is prepared and a special rate of say 2% levied to finance it.

Whilst agreeing as to the propriety of a separate educational budget being prepared Mr. Bell submits that it would be incorrect and unfair to convey to the Ratepayers the impression that the increase of 2% in the General Municipal Rate is necessitated solely by expenditure on education.

The Treasurer & Controller concurs in this view: he considers however that it should be made clear that the cost of educational projects has a material effect on the budget and that under the existing policy this cost will increase annually. He has arranged for a separate educational budget to be prepared for the current year.

Members generally agree as to the desirability of separate educational budgets being prepared for this and future years in order that the Ratepayers may clearly realize the cost involved and thus be enabled, if they desire, to decide what percentage of the municipal revenue shall be devoted to education.

As an alternative to levying a special rate for educational purposes the Vice-Chairman suggests that the Council might apply to the Chinese Authorities for a grant from the Boxer Indemnity Funds which could be allocated solely for Chinese education and possibly operated by a Board of Trustees who might be able to provide educational facilities at a cheaper rate than under the system adopted by the Council.

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With regard to the discussion at the last meeting on the re-assessment of owner-occupied properties the Secretary General reports that he has under consideration other possible means for settlement of this difficult question. Members will re-call that in 1927 the Council's right to discontinue the electricity supply to premises in respect of which the occupiers refused to pay municipal taxation was upheld by the Court of Consuls. Since then the Electricity Department has been sold and no provision exists in the Company's franchise obligating it to discontinue the supply of electricity for this reason. It is however possible that road access to such premises might be blocked and he is now exploring the possibility of adopting this course as also of withdrawing amenities which are provided by the Council for the community in consideration of payment of taxation. He will report further as to this at a later meeting.

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Educational Building Programme - 1932 - Chinese Primary Schools. - In a letter submitted the Chinese members suggest that the appropriation for grants to Chinese private schools which was not expended during 1931 be applied to giving effect to the Board's proposal to lease the premises No.138 Ward Road as an additional Chinese Primary School.

Replying to the Chairman the Treasurer states that while he has no strong views on this proposal, on principle funds which have been unexpended in any one year should not be diverted for other purposes during the succeeding year without the specific authority of the Ratepayers. In view of the general financial situation he questions

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the advisability of authorizing expenditure on new projects until more information is available as to the prospects of balancing the current budget.

Mr. Bell supports the proposal put forward by the Chinese members particularly so as adoption thereof might enable the Council to discontinue the existing school in the near vicinity of Wayside Road and release this building for other municipal purposes if it transpired that financial considerations did not permit the functioning of both schools. The premises No. 138 Ward Road are larger and more suitable as a school building than the other premises referred to; for this reason he is of opinion that the Education Board would urge that a lease be entered into.

The Vice-Chairman favours the leasing of this house provided a reduction corresponding to the amount involved is effected in the funds allocated for the acquisition of school buildings.

After general discussion it is decided to authorize a lease of this house being entered into; decision as to the retention or otherwise of the premises in Wayside being left in abeyance until the Council has fuller information in respect of its income and expenditure during the current year.

Official Road Plans - 1932. - The official road plans for the current year 1932 which were submitted to the Works Committee at its meeting yesterday are submitted and are formally approved.

The Minutes of the meeting of the Works Committee of January 9 are submitted and confirmed.

The Minutes of the meeting of the Library Committee of January 7 are submitted, and subject to reference to the Finance Committee of the section relating to the Annual Estimates, are confirmed.

The Treasurer & Controller withdraws.

Penal Settlement. - The Chairman refers to the consideration given in 1930 to the possibility of inducing the Chinese Authorities to provide a Penal Settlement for the accommodation of long term prisoners confined in the Municipal Gaols. He recalls that he himself put forward this suggestion in view of the generally unsatisfactory conditions in the Settlement Gaols for the housing of vast numbers of prisoners and having regard to the very heavy expenditure which has to be borne by the Ratepayers for this purpose. There are at present approximately 7000 prisoners confined in Settlement Gaols and owing to the scarcity of accommodation it is impossible to utilize to any extent the services or provide facilities for

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exercise of these prisoners as is done in modern gaols in other countries. He therefore enquires whether members favour adoption of the proposal put forward by him in 1930 that a letter should be addressed to the Consular Body requesting that the attention of the Chinese Authorities should be drawn to the necessity of providing a Penal Settlement for these prisoners. He suggests that one of the islands at the mouth of the Yangtze would be suitable for this purpose.

Replying to the Chairman, the Secretary General agrees that if adoption of this proposal were practicable it is most desirable in the interests of the Ratepayers. He recalls that when the terms of the agreement governing the status of the Special District Court were being negotiated the Chinese Authorities insisted on the control of gaols within the Settlement housing Chinese prisoners. This proposal was not accepted by the foreign representatives in these negotiations. They however suggested to the Chinese Authorities that if they were prepared to erect modern gaols outside the Settlement an arrangement might ultimately be reached whereunder the prisoners detained in the Settlement gaols would be transferred to the Chinese administered gaols. Subsequently when the Chinese Authorities realized the cost involved in administering these gaols they did not press their proposal. He considers however in view of the major and pressing problems confronting the National Government that the present time would be inopportune to put forward the suggestion for the institution of a Penal Settlement. There has recently been a tendency on the part of the Consular Body to discuss more freely with the Council's representatives complicated problems relating to the Settlement and he suggests that instead of addressing the Consular Body officially on this subject it should be brought to their attention at one of their meetings in order to ascertain their views on the possibility of some action being taken at an appropriate time in the future with a view to the Council's desire in this matter being realized.

After brief discussion it is decided to take no official action in this matter for the time being, it being left to the Secretary General to ascertain unofficially the views of the Consular Body thereon.

Russian Emigrants Committee and other Organizations. - With reference to
1306 previous discussions a memorandum by the Secretary covering a memorandum signed by Mr. Metzler and Mr. Dolgoroukoff stressing the need of the appointment of a person to succeed the late Mr. Prosen in his office as Chairman of the Russian Emigrants Committee and a

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memorandum by Mr. Hughes on the same subject have been furnished to members.

Replying to the Chairman the Secretary General outlines the circumstances in which the late Mr. Grosse was appointed in his personal capacity as Adviser to the Council on Russian Affairs and how subsequently the functions undertaken by him developed beyond the extent originally contemplated by the Council. Mr. Grosse's prestige in his community was considerably enhanced by the recognition accorded by the Council to his office of Chairman of the Russian Emigrants Committee. There are now two rival factions of the Russian community who are striving to secure for their respective organizations the Council's recognition. Representatives of both parties have called on him urging the appointment of a successor to the late Mr. Grosse. An effort has been made by certain Russian organizations to unify the opposing parties but as evidenced by a press report of a meeting held recently these efforts have been unsuccessful. We accordingly submit that if at this stage the Council should accord recognition to either one of these contending parties it might reasonably invite the criticism of taking sides in a political dispute. The Director General of the French Municipal Administration recently interviewed him on this question and stated that the French Council General felt that it would be unwise for either Council to accord recognition to either party at the present time and that whilst the French Authorities were prepared to contribute to the financial support of a representative organization they consider that no action in this respect should be taken until unity is established between the various factions. The French Authorities are also opposed to making any financial contribution to an individual as in their view such a payment should be made to a representative Committee.

Mr. Hughes submits that the situation is fraught with potential danger and that since the death of Mr. Grosse a progressive disorganization has affected the Russian Community. There has been an increase in crime involving Russian nationals, and charitable works such as the provision of hospitals, schools, etc., formerly organized by the Societies over which the late Mr. Grosse presided are now being jeopardised by factional rivalry to the detriment of the community as a whole. He therefore strongly urges that in the interests of the Council and of the Russian community generally the Council should accord recognition to the two Societies which have received such recognition in the past.

With regard to Mr. Hughes' observation as to the methods adopted by the rival faction to secure a meeting on Sunday last the Secretary General states that from information he has obtained there is little difference in the methods adopted by either faction in their efforts to secure the Council's official recognition. It is difficult to escape the impression that the efforts put forward by these rival factions are actuated primarily to secure for their nominee the paid post formerly held by Mr. Grosse.

In adhering to his opinion that no further time should elapse before definite action is taken by the Council in order to permit the highly essential services rendered by these Associations to be efficiently maintained Mr. Hughes states that he sees no objection to a subsidy being authorized to the Association instead of to an individual as formerly, provided its activities are conducted in a manner satisfactory to the Council.

In this connection the Secretary General observes that so far no application for financial assistance has been put forward the requests received up to the present being limited to the appointment of a successor to the post held by Mr. Grosse with the accompanying emolument.

Mr. Bell states that he agrees with the Secretary General that the primary consideration of these rival factions is to secure official recognition owing to the considerable prestige which would accrue to the person nominated as head of the organization and that the accordence of recognition to one of the contending parties might have the effect of still further widening the breach between these parties. He accordingly suggests that no such action be taken at the present time and that it be made known publicly that the Council does not for the time being contemplate making a new appointment. Such an announcement may result in these rival organizations endeavouring to compose their differences and thus facilitate decision by the Council if later it is decided to continue the financial support hitherto accorded. Whilst he holds the view that the amount paid in the past by the Council was excessive he considers it is in its interest to contribute a reasonable amount to any reputable organization which can exercise a beneficial influence and can assist in the solution of the many problems which arise in connection with this large Russian community.

After further discussion it is decided to take no action in this matter for the time being other than to issue a statement for publication in the sense suggested by Mr. Bell which the

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Secretary General undertakes to prepare.

Sino-Japanese Disturbance. - Relative to the incident which occurred early this morning between Japanese civilians and Chinese Municipal police in the vicinity of Ward Road as a result of which one police officer and one Japanese civilian were killed and several combatants on either side were wounded, the Chairman states that the Japanese Consul General called on him this afternoon and expressed his deepest regret at this occurrence. He stated that he would consult with him further on the matter of the issue of a compassionate grant in respect of the police official killed and those injured in this affray. He also informed him that the necessary action would be taken to punish the perpetrators of this assault.

Mr. Fukushima also voices regret at the occurrence of this incident and assures the Council that the responsible section of the Japanese community ^{has} ~~have~~ no sympathy with the activities of the Japanese Young Men's Comrades Association which was responsible for provoking this incident.

The meeting terminates at 6.10 p.m.



Chairman.



Secretary.

At the meeting of Council held on Wednesday, February 3, 1932, at 4.30 p.m.

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

The Secretary General, and

The Secretary.

Absent:

Mr. Yu Ya Ching.

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

3667/ Municipal Finances. - Replying to the Chairman Mr. Hsu states that owing to the local situation the Chinese members have not yet had an opportunity to confer with the Treasurer & Controller on the question of the balancing of the budget and on the proposed increase in General Municipal Rate.

The Minutes of the meeting of the Works Committee of January 19 are submitted and subject to reference to the Finance Committee are confirmed.

The Minutes of the meeting of the Education Board of January 27 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 Watch Committee of January 28 are submitted and confirmed.

The Meeting terminates at 4.50 p.m.



Chairman.



Secretary.

At the meeting of Council held on Wednesday, February 17, 1932, at 4.30 p.m., there are:

Present:

Brig.-Gen. E. B. Macnaghten (Chairman,
Messrs. G. W. Sheppard (Vice-Chairman)
A. D. Bell
J. W. Carney
K. Fukushima
S. L. Hsu
A. J. Hughes
N. Leslie
O. S. Lieu
O. Okamoto
F. J. Raven
T. D. Woo
L. T. Yuan
Yu Ya Ching
The Treasurer & Controller,
The Secretary General, and
The Secretary.

Dr. J. C. H. Wu attends.

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

Municipal Finances. - For members' information the Treasurer & Controller

12674 reports that owing to the existing abnormal situation the taxes collected during the current month are 25% of the normal amount. Recently an attempt has been made in certain quarters to induce Chinese ratepayers not to pay municipal rates. This matter was quickly taken up through the Secretary and the Police Department and tomorrow Collectors are being sent to endeavour to collect these rates. No action is being taken which might be described as oppressive as it is realized that many ratepayers are not in a position to pay rates at this stage. Certain Chinese residents pay their rates by means of native banks orders and difficulty is being experienced in clearing these orders through the foreign banks owing to the policy adopted by certain of the native banks. It is too early at this stage to forecast the effect of the existing situation on the collection of municipal revenues and he will arrange when possible for a survey to be made of those districts which may be regarded as temporarily out of commission so far as concerns the collection of taxation. This reduction in revenue may to some extent be offset by the influx of refugees to the more secure parts of the Settlement and the

consequent renting of unoccupied properties. In regard to the rate of taxation he recalls that in September last he put forward a comprehensive plan for financing the current year's expenditure at which time he referred to the possible necessity of introducing somewhat drastic measures if on account of an Emergency arising it proved not to be possible to obtain an increased rate of taxation for this and successive budgets. Since the existing crisis arose he has definitely reached the conclusion that having regard to the enormous reduction in trade and loss of profits it would be unfair to the community to increase the G.M.R. by even 2% as contemplated prior to the emergency arising. Accordingly it is his intention solely as a temporary measure applicable only to the current year to prepare the 1932 budget for submission to the Finance Committee on the basis of the existing General Municipal Rate of 14%. Had the present emergency not arisen the contemplated increase to 16% would in his opinion have been fully justified. It will be essential still further to restrict expenditure on certain capital projects. With regard to the balancing of the Budget he has already advocated that certain expenditures which hitherto have been paid from revenue could rightly be charged to the extraordinary budget. By extending this principle which under the circumstances he considers to be fully justified to include certain other emergency liabilities and thus distribute this burden between present and future ratepayers he hopes that it will be possible to balance the current budget on the basis of the existing rate of 14%. This policy will necessarily accelerate public borrowings but as it is highly desirable to avoid this until future conditions can be more clearly visualized he may later in the year put forward proposals for some special means of financing extraordinary requirements - possibly in co-operation with certain of the banks - to carry the Council over until the flotation of a loan is more opportune.

With regard to the non-payment of G.M.R. by the Customs Authorities in respect of their property he has again taken up this question with Mr. Lawford who informs him that this matter has been referred to the Chinese Government. He gained the impression that the local Customs officials are reaching the conclusion that they have no good case for refusing this payment. He therefore hopes that a satisfactory settlement of this question will be reached without the Council having to take drastic action.

With regard to the cost to the Council of emergency measures it is not possible at this stage to give definite figures. He has however kept in close touch with the various additional Committees instituted by the Council and with the willing co-operation of their Chairman he has been able to keep a most careful check on these expenditures.

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With respect to the cost to the Council for food supplies for the Volunteers and Special Police, at the outset a daily expenditure of \$10,400 was incurred. At present owing to the release of the majority thereof and to the reduction in the capitation grant the daily cost to the Council is \$2,100.

In view of the rescission of last year's capital budget on cash requirements for the current year and having regard to the difficulty experienced in the collection of taxation he has called upon the Power Company for earlier payment of monies due under the contract for the sale of the Electricity Department. He received Tls.1,000,000 last month and has called for a similar payment at the beginning of next month and a further Tls.2,000,000 at the beginning of April. Although the Power Company and other public utilities Companies are suffering serious losses on account of the present crisis he has no reason to suppose that the Power Company will not meet these calls in the ordinary course.

The Noullens Case - proposed rewards to Police Officials. - The Chairman (113) reports that a letter has been received from an official of the Chinese Government stating that it desires to offer a reward of \$4000 to the police officials who were instrumental in effecting the arrest of Noullens and his associates. It also desires with the same object to present Mr. T. P. Givens with a motor car.

Members concur with the Chairman that as the acceptance of rewards by police officers for performance of their official duties is opposed to the Council's principle it is not possible to permit these officers to accept this reward.

The Secretary is accordingly directed to reply to this Government official expressing appreciation of the motives which prompted this offer but pointing out that the Council's policy precludes its acceptance.

The meeting terminates at 5 p.m.


Secretary.


Chairman.

At the meeting of the Council held on Wednesday, March 2, 1932, at 4.30 P.M.

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hau

A. J. Hughes

H. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Treasurer & Controller

The Secretary General, and

The Secretary.

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

Donation towards establishment of a Refugee Camp. - The Chairman refers to

5977 the suggestion he put forward at a recent meeting that in conformity with the Council's policy not to make any provision for refugees within the Settlement, a sum of \$50,000 should be donated towards the cost of the establishment of a refugee camp at Minghong. Owing to the radical change in the military situation today he desires to withdraw his proposal so far as concerns the establishment of a camp at Minghong, but in the interests of refugees who are Ratepayers of the International Settlement he proposes that a like sum be earmarked for their benefit in any way that may be determined upon when the situation becomes clearer.

In agreeing in principle with any proposal which has for its object the relief of ratepayer refugees Mr. Bell does not consider that any good purpose would be served by earmarking a specific sum at this stage. He therefore proposes that this question remain in abeyance until, when the situation is clearer, some specific proposal is put forward which will require the Council's practical assistance.

Replying to the Chairman the Treasurer & Controller states that he cannot at this stage forecast the cost to the Council of the

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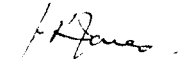
present State of Emergency and that accordingly he will have to insert an arbitrary figure in the Budget to provide for this cost. As the scheme for the establishment of a refugee camp is now indefinite he favours the suggestion put forward by Mr. Bell.

Members concur in this view and the Chairman undertakes to raise this question de novo when the developments in the situation require its further consideration.

The meeting terminates at 4.45 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, March 16, 1932, at 4.30 p.m.

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. "oo
 Yu Ya Ching
 The Treasurer & Controller,
 The Secretary General, and
 The Secretary.

Absent:

Mr. L. T. Yuan.

Dr. J. C. H. Wu attends.

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

5977 Donation towards establishment of a Refugee Camp. - The Chairman's proposal is adopted that a Committee composed of one Chinese member of Council, the Commissioners of Police, Public Health and Public Works be appointed to consider the best means by which relief can be afforded by the Council to destitute refugees and unemployed workers; the Committee to review this question from all aspects, particularly from the point of view of communist agitators attempting to take advantage of the large number of destitute persons to foment disturbances, and if necessary to submit concrete proposals to the Council for consideration.

The Minutes of the meeting of the Watch Committee of February 29 are submitted and subject to reference to the Finance Committee, are confirmed.

The Minutes of the meeting of the Health Committee of March 3 are submitted, and subject to reference to the Finance Committee, are confirmed.

The Minutes of the meeting of the Orchestra & Band Committee of March 4 are submitted, and subject to reference to the Finance Committee of the section relating to the Annual Estimates are confirmed.

General Municipal Rate - Custom House Property. - The Chairman reads a report 1098 furnished by the Treasurer & Controller covering a copy of a letter he has today addressed to the Commissioner of Customs stressing the

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urgency of arriving at an early and satisfactory conclusion of the outstanding question of the payment of General Municipal Rate on the Custom House property. This letter recapitulates the various aspects of this matter as previously discussed by the Treasurer and Mr. Lawford. It is noted that the total amount of arrears of General Municipal Rate in respect of this property for the years 1928 to 1931 inclusive amounts to Tls.322,090, and if the rate accruing during the current year is added a total sum of approximately Tls.400,000 is involved.

The Treasurer & Controller suggests that a period of a week or ten days should be allowed for a reply to this letter and that in the meantime the Council should consider what course of action should be adopted to obtain payment of this rate in the event of no satisfactory reply being forthcoming.

Upon the Chairman proposing that this question be referred to the Secretary General for his consideration and recommendation, Mr. Fessenden submits that diplomatic means should be exhausted prior to the Council taking drastic action to secure payment of these outstanding rates. In his opinion the Customs Authorities have no legal case for refusal to pay this rate, particularly so as under the agreement for the constitution of the Special District Court the Chinese Government has specifically recognized the provisions of the Land Regulations. He will however give this question his consideration and advise the Council at a later meeting as to the most appropriate action to be taken in the event of the letter despatched to the Commissioner of Customs producing no satisfactory result.

The Treasurer & Controller withdraws.

Council Election. - For the convenience of Ratepayers in the Northern District
1337 it is decided in connection with the ^{forthcoming} ~~following~~ Annual Election to establish a polling booth at the Hongkew Police Station.

The selection of two scrutineers will be undertaken by the Secretary.

Annual meeting of Ratepayers. - It is decided to hold the forthcoming Annual
1339 meeting of Ratepayers in the Carlton Theatre, the offer of the management to rent this building to the Council for a period of four hours upon payment of a rental of \$1000 being accepted.

1336 It is also decided to request Mr. A. W. Purkill to take the Chair at this meeting.

Proposed Special Meeting of Ratepayers. - The Chairman refers to the decision
1341 reached at the meeting on December 9 last that an endeavour should be made to convene a special meeting of Ratepayers immediately prior to the forthcoming Annual Meeting for the purpose of securing an amendment to Byelaw XXXIV to permit the licensing of factories. Whilst he regards

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this amendment as vitally necessary in order that the Council may secure a measure of control over factories etc., he suggests that the existing situation may overshadow the interests of the Ratepayers on this important question. Moreover as no building is available to accommodate a quorum of ratepayers, except possibly the Drill Hall, he doubts whether the present time is opportune to bring this question forward.

After discussion members agree that the section of the Community who would be likely to support this resolution are at present more interested in obtaining a return to normal conditions in the factories than in the introduction of new legislation governing their operation.

It is accordingly decided that whilst this proposal be not abandoned it remain in abeyance for the time being and that a reference be included in the Chairman's speech to the effect that the Council at a more opportune time hopes to convene a special meeting to authorize the desired amendment to this Byelaw.

Land Commission - Membership. - With reference to discussions at previous meetings it is decided to propose a resolution at the forthcoming Annual meeting authorizing the appointment of two Chinese Land Commissioners, additional to the existing membership thereof.

Publication of Annual Report. - The Press Information Officer refers to the view expressed by Mr. Justice Peetnam in his report that the present arrangements for the timing of the Annual election are unsatisfactory inasmuch as voters elect the new Council before they have seen the Report of the outgoing Council and before they have had an opportunity of hearing the account given of the work and policy by the Chairman at the Annual Meeting. In personal conversations Mr. Justice Peetnam suggested that if a Press Information Office was established it should publicize information with regard to the work of the outgoing Council prior to the Annual election taking place. He has therefore suggested to the Secretary General that the portion of the Annual report dealing with the activities of four Departments which has already been approved by the Secretary and printed be furnished to the Press forthwith. The Secretary General suggested that the Council's views should be taken on this proposal. In past years the Annual Report has been furnished to the Press in its entirety and this procedure does not afford editors sufficient time to digest and summarize this voluminous report nor to bring out in their leading articles points which it is in the Council's interests should be given the fullest publicity.

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The Secretary General states that there would appear to be no objection to furnishing the press with instalments of the Annual Report unless members feel they should be afforded an opportunity of perusing these sections before they are released to the Press. In his opinion the utmost publicity will be beneficial to the Council and publication of sections of the Report and comment thereon in the Press will reach a larger section of the public than will the printed volume.

Upon Mr. Leslic suggesting that members should have an opportunity of perusing the Report before being released to the Press the Secretary states that it is impossible to obtain the various Departmental sections of the report covering the year's activities until some time in February. As the complete volume has to be produced in March it would be impracticable to circulate this for perusal by members prior to publication. In concurring in this view the Secretary General states that in the realization of the impossibility of submitting this report to members the Council has delegated to the Secretary the responsibility for its accuracy and timely publication. Members agree as to the necessity for continuance of this procedure.

Mr. Bell then proposes, and members concur, that for the current year only, the section of the Annual report which has already been approved by the Secretary be furnished to the Press forthwith and that in future years Chairmen of the Committees be furnished with the appropriate sections of the Report for approval prior to publication.

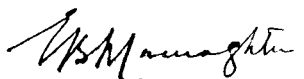
Status of Chinese Adviser on Municipal Affairs. - Dr. Wu refers to an article ~~by~~ by Mr. Woodhead which recently appeared in the "Shanghai Evening Post and Mercury" and which may convey to the public the impression that he is engaged in preparing a report countering the Report furnished by Mr. Justice Meekham. As the Council is aware the aspects with which he is dealing are entirely concerned with internal administrative matters and are in no way concerned with the political status of the Settlement. He therefore requests members' views as to the desirability or otherwise of Mr. Woodhead's statements being refuted either by the Council or by himself.

The Secretary General states that Mr. Woodhead approached him for information before he wrote this article. The paragraph in question to which Dr. Wu refers is contrary to the statements he furnished to Mr. Woodhead. As the articles are published as "One man's Comment" he considers that any refutation of this statement either by the Council or by Mr. Wu may serve to involve the Council in unnecessary controversy. His proposal is accordingly adopted that no action be taken in this matter.

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Replying to members Dr. Wu states that it is not possible to furnish members with individual sections of his report as was previously suggested as it is necessary from time to time to effect adjustment in these sections in order to preserve the unity of the Report.

The meeting terminates at 5.35 p.m.



Chairman.



Secretary.

At the meeting of Council held on Wednesday, March 23, 1932, at 4.30 p.m.,

there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)
 Messrs. G. W. Sheppard (Vice-Chairman)
 A. D. Bell
 J. W. Carney
 K. Fukushima
 S. L. Hsu
 A. J. Hughes
 N. Leslie
 O. S. Lieu
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller,
 The Secretary General, and
 The Secretary.

Dr. J. C. H. Wu attends.

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

1098 General Municipal Rate - Custom House property. - Members are informed that no reply has yet been received from the Commissioner of Customs other than the communication referred to by the Treasurer & Controller at the last meeting of the Finance Committee.

Mr. Bell suggests that it would be inadvisable at this stage to disclose further steps which may be contemplated by the Council to enforce payment of this rate and his proposal is adopted that any recommendation which the Secretary General may be prepared to put forward to this end be withheld for one week. If, within that period a satisfactory reply is not forthcoming, consideration will be given to alternative means of securing payment thereof.

1389 Annual meeting of Ratepayers. - It is decided that the Annual meeting of Ratepayers to be held on April 13 shall commence at 2.30 p.m.

1199 General Hospital Board. - It is decided to nominate Drs. Bryson and Dunn for re-election to the Board of Governors as also Messrs. Beith and Raven, vice Messrs. Sheppard and Carney.

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

The Commissioner of Police attends.

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Curfew Regulation. - In a memorandum submitted the Vice-Chairman suggests
8977 that the existing curfew hour regulation be modified or cancelled in order to permit dock and other labourers to resume night duty and thus assist towards the restoration of normal conditions.

The Commissioner of Police reports that in his opinion the continuance of the curfew regulation is in the general interests of peace and good order and in the absence of evidence that much good will accrue so far as the labour situation is concerned he does not feel inclined to recommend its cancellation. If however the Council is of opinion that this regulation should be rescinded he does not wish to raise any strong objection. With regard to the refusal of wharf coolies to work after a certain hour he states that numerous Chinese living in the neighbourhood of the wharves will not leave their homes on account of their fear of the Japanese patrols and he doubts whether the removal of the curfew regulation will induce them to undertake night work.

The Vice-Chairman is strongly of opinion that the Council should make an effort to secure a return to normal conditions. He maintains that continuance of the State of Emergency and the curfew regulation creates unrest and uncertainty in the minds of the public and encourages the Japanese pickets to maintain their activities unnecessarily. If it is possible to restore gradually the flow of labour to and from the industrial districts confidence will inevitably return.

Mr. Leslie is of the view that the comments contained in the report furnished by the Commissioner of Police indicate that there are factors other than the curfew regulation which tend to prevent a return to normal of labour conditions. Members agree that such factors should be carefully investigated by the Police Department.

Despite this, the Vice-Chairman adheres to his view that the Curfew regulation has a restraining influence on labour and that this should be removed even though a certain amount of risk were assumed. He therefore suggests that the State of Emergency be cancelled and that after a few days the curfew regulation be cancelled.

The Chairman supports this proposal provided the French Municipal Authorities agree to take similar action and the Defence Committee raises no objection.

Mr. Raven suggests that if the French Authorities are not prepared to cancel the Curfew regulation it might be suggested to them in the interests of labour that it be curtailed by commencing at 1 a.m. or 1.30 a.m.

The Commissioner of Police states that he understands that the French Concession Authorities favour cancellation of this regulation but that they desire to be notified of the Council's intention to rescind it prior to any public announcement being made.

After further discussion the Commissioner of Police is requested to obtain officially from the French Authorities their approval of the cancellation of this regulation and to notify the Council thereof, whereafter the Defence Committee will be informed that subject to its having no objection the Council proposes to cancel the State of Emergency and the curfew regulation.

Soochow Creek Barricades. - Mr. Bell states that he has been informed by the 5977 Japanese Commander in charge of the sector in the neighbourhood of Markham Road Bridge that considerable inconvenience is caused by the extremely large number of Chinese crossing this bridge to and from Chapel due to the fact that this is the only means of ingress and exit in this vicinity. He accordingly enquired whether it was possible to open up another bridge to relieve this congestion.

The Commissioner of Police replies that the North Thibet Road bridge was recently opened but that the wire was immediately replaced by the Japanese Commander referred to by Mr. Bell.

Upon Mr. Fukushima stating that decision as to the removal of wire barricades is left to the Defence Committee the Secretary states that the Committee informs him that decision rests with the Police Department.

Mr. Fukushima undertakes to take up with the Japanese Authorities the question of further openings being made in the wire barricades erected on these bridges.

The Commissioner of Police withdraws.

Schedule of Rates, Taxes, Dues and Fees for 1932. - The above Schedule to be 1807 submitted to the forthcoming Annual meeting of Ratepayers for authorization with amendments thereto suggested by the Secretary has been circulated to members.

With regard to the Vice-Chairman's observation that the proposed fee of \$5 for the registration or registration of transfer of ownership of any motor vehicle is likely to be vexatious and that in lieu of this new fee he would prefer an increase ⁱⁿ on the licence fee, the Secretary states that this is inserted to offset the cost of the services rendered by the Revenue Office. Moreover it is in accordance with the principle adopted in Great Britain.

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As the imposition of this fee will primarily affect the wealthier classes i.e., those who are in a position frequently to replace their cars, the majority of members favour the imposition of this charge rather than further increasing the licence fee which would bear equally on all classes of motor vehicle owners.

The above proposal is accordingly approved.

In respect to Mr. Hsu's comment that the proposed increase in licence fees for Chinese lodging house and wine shop may be excessive the Secretary states that the former vary considerably in character and size, and that some of them closely approximate hotels. The increase in the maximum fee from Tls.80 to Tls.200 per quarter is suggested in order to permit the Revenue office staff more latitude in dealing with this larger type of premises.

The Treasurer states that the increased fees now proposed should be regarded as the extreme maxima and that it is not intended to apply these without the most careful consideration.

Members generally take the view that the increased maxima fees proposed for these two licences are framed on too wide a basis and that the various types of lodging houses and wine shops should be classified.

The Treasurer accordingly undertakes in conjunction with the Secretary to prepare and submit for approval a classification of these types of licensed premises. The words "according to classification" will also be inserted in the printed schedule.

The further amendments to the Schedule are approved.

Sanitation measures in Chapei. - It is decided to call for a report from the
5977 Commissioner of Public Health on the progress which has been made in effecting sanitation measures in Chapei and other devastated areas.

The meeting terminates at 5.50 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, March 30, 1932, at

4.30 p.m., there are:-

Present:

Brig.-Gen. E. B. Maonaghten (Chairman)

Messrs. G. W. Sheppard (Vice-Chairman)

A. D. Bell

J. W. Carney

K. Fukushima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General, and

The Secretary.

Dr. J. C. H. Wu attends.

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

1098 General Municipal Rate - Custom House Property. - The suggestion of the Secretary General is adopted that consideration as to what further steps should be taken to enforce payment of general Municipal rate on this property be deferred for one week. It is also decided to address a further letter to the Commissioner of Customs forthwith, requesting a reply to the Council's previous letter in order that an early settlement may be reached in this matter.

1199 General Hospital - Board of Governors. - As, on account of pressure of business, Mr. B. D. F. Beith is unable to serve as the Council's nominee on this Board it is unanimously decided, subject to his acceptance, to nominate Mr. P. W. Massey thereto.

5977 Sanitation measures in Chapel. - A report on this subject has been furnished by the Commissioner of Public Health. It is directed that this be placed at the disposal of the Publicity Department for publication of its contents.

1582 Annual Inspection - Volunteer Corps. - In a report submitted the Commandant recommends that the Annual Inspection of the Volunteer Corps be undertaken on Sunday, April 10 at 3.30 p.m., and that Brigadier Fleming be requested to conduct this inspection.

The Commandant's recommendation is unanimously approved.

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March 30, 1932.

Statement by Japanese Minister for Foreign Affairs. - Mr. Hsu refers to the observations made by him at the last meeting relative to certain inaccuracies in the published report of a statement made by Mr. Yoshizawa in his review of recent developments in Shanghai and in particular to the aspects thereof which resulted in the declaration of a State of Emergency. Although the Council decided that it was not within its province officially to draw attention to these misstatements he desires for purposes of record that a reference thereto be included in the minutes.

The Chairman proposes, and members concur, that a minute be drafted by the Secretary and agreed by Mr. Hsu whereafter it will be circulated to members for approval and included in the minutes of the last meeting.

The meeting terminates at 4.55 p.m.



Chairman.



Secretary.

Council Meeting March 23, 1932.

Addendum

Statement by Japanese Minister for Foreign Affairs. - Mr. Hsu refers to a report which appears in the press today of a review by the Japanese Foreign Minister of the events which led up to the recent Shanghai crisis. Included in this review is a statement to the effect that owing to the 19th Route Army, then concentrated in the vicinity of Shanghai assuming a disquieting attitude and making a display of warlike preparations the Council decided to declare a State of Emergency as a precautionary measure against "the possibility of disturbances created within the Settlement by undisciplined Chinese soldiers or by mobs and radical elements."

He considers that the above version does not represent the truth as to how the State of Emergency was declared. The declaration of such a State of Emergency was decided upon, he states, at a special Council meeting held on January 28th, acting on the advice of the Defence Committee to do so.

He therefore suggests that this statement should be officially controverted by the Council.

The Secretary General is of the opinion that even if it were possible for the Council to correct the numerous misstatements which have been made by individuals and by the press since the commencement of the present crisis, it would become involved in endless controversy.

The Chairman recalls that the Council's attention was recently drawn to certain inaccuracies contained in one of the reports issued by the League of Nations local Committee when it was decided that no good purpose would be served by taking up this matter officially.

As the Council cannot be held responsible for statements put forward by individuals or by official bodies members generally agree that it is not within the Council's province to make any incorrect statements a subject of official representation.

J. M. Macmillan

Chairman

J. H. Jones
Secretary.

At the meeting of Council held on Wednesday, April 6, 1932, at 4.30 p.m.,
there are:-

Present:

Brig.-Gen. E. B. Macnaghten (Chairman)

Messrs. A. D. Bell

J. W. Carney

K. Fukuahima

S. L. Hsu

A. J. Hughes

N. Leslie

O. S. Lieu

O. Okamoto

F. J. Raven

L. T. Yuan

Yu Ya Ching

The Treasurer & Controller,

The Secretary General, and

The Secretary.

Absent:

Messrs. G. W. Sheppard

T. D. Woo

Dr. J. C. H. Wu attends.

Messrs. H. E. Arnhold

J. J. Bahnson

B. D. F. Beith

P. W. Massey

Councillors elect

for the Municipal year

1932/33 attend.

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

1098 General Municipal Rate - Custom House Property. - The Secretary General states that as requested by the Council he has investigated as to what measures might be adopted to enforce payment of General Municipal Rate on this property. As members are aware municipal taxation has never been paid on the Custom House property but when the new building was erected a few years ago the Council attempted by means of correspondence and by personal representations to induce the Customs Authorities to recognize their obligations in this respect. This they refused to do. In the course of previous discussions it has been suggested that the Council might possibly bring suit against the Customs Authorities to secure this payment. Under the general rule of law no Government can be sued without its consent. This aspect he has discussed with the Municipal Advocate. At the time the Extraterritoriality Commission was sitting in China an eminent Chinese jurist gave the opinion that the Treasury of the Chinese Government could be sued and this opinion is referred to in the Feetham Report. A Chinese Government Department

cannot however be sued in a local Court, accordingly in his opinion and of those with whom he has discussed this question an attempt to bring suit against the Chinese Government in any local Court would not be successful. The Municipal Advocate has expressed the opinion that the Special District Court would not in any circumstances issue a judgment against the Customs Authorities without the instruction of the Judicial Yuan. Accordingly the only legal action which the Council could take would be to file a petition to the Judicial Yuan transmitti it through the Special District Court; it is however extremely doubtful whether such action would meet with success. As in his opinion diplomatic methods are most likely to be productive of result he has interviewed the Senior Consul and explained fully to him the Council's position. The Senior Consul has intimated his willingness to exert his influence and to endeavour to secure the weight of the influence of the Consular Body to assist the Council. He therefore recommends that a carefully drawn statement be prepared setting forth the protection and amenities afforded to the Customs property. If such a statement is properly presented and supported by the Consular Body there is in his opinion reason to believe that this method may meet with success. As distinct from the employment of diplomatic methods the Council under the Land Regulations is empowered to adopt somewhat drastic measures in cases of refusal to pay general municipal rate. In the past the Council has been able to arrange for the discontinuance of public utility services; at present however the only service which could be withdrawn from properties inside the Settlement is the telephone service. Apart from the inadvisability of adopting such a course in this particular case the inconvenience to the community would be out of all proportion to any advantage the Council might hope to secure. In his opinion which is supported by others the Land Regulations give the Council power without reference to the Courts to distrain on properties in respect of which General Municipal Rate is not paid; there are however obvious difficulties in resorting to such a measure in this particular case. Moreover as the Council for over sixty years has taken no effective action to secure payment of General Municipal Rate on this property its case from a legal point of view would be somewhat prejudiced. For the above reasons he therefore suggests that this matter be dealt with on diplomatic lines.

After brief discussion this recommendation is unanimously approved and the Secretary General is requested to prepare the necessary memorandum for submission to members.

The Minutes of the meeting of the Watch Committee of March 24 are submitted and confirmed.

The Minutes of the meeting of the Rate Assessors of March 29 are submitted and confirmed.

The Minutes of the meeting of the Education Board of April 1 are submitted, and subject to the following observations, are confirmed.

1592 Headmaster, Public & Thomas Hanbury School for Boys - Mr. R. Ross - Terms of Service. - In amplification of his previous comment the Treasurer & Controller states that under the authorized terms of service Mr. Ross as Headmaster becomes eligible for a triennial increment of Tls.125 per mensem. It happens that if this normal increase were authorized it would place Mr. Ross on the maximum pay for the post. He considers it desirable that it should be realized that as apart from Mr. Ross's qualifications or otherwise to draw the maximum pay for this post the increment in question represents the normal increase of pay under the Terms of Service.

Members unanimously decide that the recommendation put forward by the Board be submitted to the Staff Committee for its full consideration and recommendation.

5613/1 Grants-in-Aid. - Members concur with the Treasurer that so long as a proportion of the Municipal Revenue is not definitely allocated for the financing of the education scheme it will be necessary for the cases of all educational institutions in respect of which a remission of taxation is authorized to be referred to the Finance Committee for consideration.

1893 Wharfage Dues. - The Secretary General recalls that in 1929 the Customs Authorities gave notice that they were not prepared to continue the collection of wharfage dues on behalf of the Council unless the Municipality of Greater Shanghai participated in the revenue derived from wharfage dues. After protracted negotiations however an agreement was reached in April 1931 between the Commissioner of Customs and the Mayor of Greater Shanghai whereunder they would continue this collection on the Council's behalf which agreement expires at the end of the current month. A letter has now been received from the Chief Secretary of the Greater Shanghai Municipality suggesting that this agreement be extended for a further year upon the same terms and he has today requested that the Council will furnish him with a prompt reply as to this. In conversation with the Secretary and himself officials of the Greater Shanghai Municipality have agreed that the present time is inopportune to consider an increase in wharfage dues. When this agreement was entered into it was understood that the Treasurer might explore the possibility of the Council itself collecting these dues.

The Treasurer states that various difficulties arise in connection with the direct collection of these dues by the Council. The amount paid by the Council to the Customs Authorities for the collection of these dues has progressively increased. Moreover the revenue received by the Council from this source is also materially reduced owing to a re-allocation of these dues and to a steadily increasing amount of cargo being discharged on the Pootung side of the River. Whilst he is prepared to give this matter further consideration with a view to this collection ultimately being undertaken directly by the Council he concurs with the Secretary General that as at present no machinery exists for this purpose the existing agreement be renewed for a further year.

After brief discussion the Secretary General is authorized to inform the Mayor that the Council is prepared to renew this agreement for one year.

Annual Meeting of Ratepayers - Chairman's Speeches. - The Chairman reads in the order in which they will be delivered the speeches relative to resolutions IV, V and VI.

Resolution IV. - With regard to the section of the speech relative to the deficiencies of the Special District Court Mr. Hau submits that this is in the nature of an unwarrantedly severe judgment. As the foreign powers have intimated their willingness to assist the Chinese Government in its expressed intention to abolish extraterritoriality he considers the first step to that end should be the institution of a Court which functions to the satisfaction of the community. In his opinion the expression of view contained in this section of this speech will retard rather than accelerate the aim of the Chinese Government. He therefore suggests that this be modified. The foreign members concur with the Chairman that the statements in this section of his speech faithfully reflect the feelings of the foreign community which views the deficiencies of the Court with the most serious alarm. Having regard to the vital importance to the maintenance of law and order in the Settlement of a properly conducted Court they feel that it is in the interest of the community as a whole that the feeling of the foreign community on this question should be frankly stated.

The Chairman then proposes and members concur that a statement be inserted in this section of his speech that the Chinese members dissociate themselves from the views expressed relative to the Special District Court.

Mr. Carney's proposal is adopted that a reference be included in this speech to the effect that with the exception of the difficulties

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referred to therein the Council's relations with the neighbouring Chinese Authorities have, largely through the efforts of the Chinese Councillors, continued on an amicable basis.

Resolution V. - Mr. Bell states that a portion of the draft speech which he prepared relative to expenditure on Education has been omitted. Whilst he does not press for its retention he considers that in fairness to the Chinese community a reference should be included intimating that irrespective of the amount allocated annually for educational projects the proportion devoted to Chinese education will increase in view of the fact that Chinese ratepayers and Chinese pupils requiring educational facilities preponderate.

It is agreed to include a reference in this section of the speech in the sense suggested by Mr. Bell.

Chairman. - In referring to the fact that this is the last meeting at which
117 Brigadier General Macnaghten will preside as Chairman after having held that position for two years Mr. Bell states that he is assured he is voicing the unanimous feeling of his colleagues in expressing appreciation of the zeal and tact with which the Chairman has discharged his onerous duties. His accessibility and scrupulous fairness to all points of view have been warmly appreciated by his fellow Councillors. The dignity with which he has represented the Council on official occasions has also been a source of gratification whilst the interest and energy he has displayed in questions affecting all classes and sections of the community have won the admiration of his colleagues. The Chairman may rest assured that during his term of office he has upheld the standard which has been set by a long line of predecessors.

The sentiments expressed by Mr. Bell are unanimously endorsed.

In thanking members for this expression of appreciation the Chairman states that he welcomes this opportunity of officially bidding them farewell and of thanking them whole-heartedly for the loyal support they have accorded him during the past two years. It is a matter of deep regret to him that the Vice-Chairman through ill-health is unable to be present at to-day's meeting, Mr. Sheppard's extensive knowledge of Municipal affairs and business matters has been readily placed at his disposal on all occasions and the sound advice which he has been able to proffer has proved invaluable in times of difficulty. He desires to pay a special tribute to his Chinese and Japanese Colleagues for the extreme tact, courtesy and forbearance they have displayed in the course of the delicate discussions which have been necessary during the past two months. In conclusion he expresses his best wishes for the

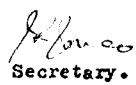
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incoming Council and the hope that they will be able satisfactorily to solve certain difficult problems which they must of necessity take over from the outgoing Council.

The meeting terminates at 6.30 p.m.



Chairman.



Secretary.

At the meeting of Council held on Thursday, April 14, 1932, at

12 o'clock noon there are:-

Present:

Mr. H. E. Arnhold
 Capt. J. J. Bahnson
 Messrs. D. B. F. Beith
 A. D. Bell
 K. Fukushima
 S. L. Hsu
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Dr. J. C. H. Wu attends.

Election of Chairman. - Upon the proposal of Mr. Leslie, seconded by Mr.

1173 Fukushima, Mr. A. D. Bell is unanimously elected Chairman.

In thanking members for the honour they have conferred on him Mr. Bell expresses the hope that he will discharge the duties devolving upon the Chairman in such a manner that they will not regret their choice. Should he at any time commit an error or appear to be in danger of doing so he particularly requests his fellow members to draw his attention thereto immediately. He assures his fellow Councilors that he will study most carefully and respectfully any advice that they desire to proffer.

Election of Vice-Chairman. - Upon the proposal of Mr. Bell, seconded by

1173 Mr. Raven, Mr. H. E. Arnhold is unanimously elected Vice-Chairman.

Constitution of Committees. - The Chairman's proposal is adopted that a

1173 draft list of Committees be prepared by the Secretary and circulated to members. In the event of any member desiring any alteration in the proposed constitution thereof such suggestions will be considered at a special meeting to be convened at an early date.

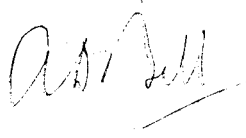
Membership. - The foreign members unanimously subscribe to the view

2211 expressed by Mr. Leslie that it is a matter for congratulation that the Chinese Councilors who served on the outgoing Council have been

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re-elected for the current Municipal year.

The meeting terminates at 12.10 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, April 20, 1932, at 4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bainson
 Messrs. S. L. Hsu
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Police
 The Commissioner of Public Works
 The Commissioner of Public Health
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Messrs. E. D. F. Beith
 K. Fukushima
 F. J. Raven.

Dr. J. C. H. Wu attends.

Standing Orders. - In connection with the Standing Orders, copies of which ^{11/12} have recently been furnished to all Councillors, the Chairman impresses upon members the necessity of regarding the deliberations which take place at Council and Committee meetings as strictly confidential.

The Minutes of the meeting of April 6 are confirmed and signed by the Chairman.

¹⁰⁹⁸ General Municipal Rate - Custom House property. - The Chairman refers to the letter which has been received from the Commissioner of Customs offering a voluntary contribution of Tls.2,500 per month in lieu of all municipal rates (including land tax as now paid), whilst he considers that the Treasurer & Controller's success in eliciting this offer from the Customs Authorities is in the nature of an achievement he agrees with him that it cannot be regarded as a satisfactory conclusion of this outstanding question. He therefore suggests that before resorting to formal diplomatic methods the Treasurer be authorized to proceed with these negotiations in the

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hope that a sum more commensurate with the amenities enjoyed by the Customs Authorities will be agreed to.

Replying to members, the Secretary General states that he has not yet taken action on the lines suggested at the last meeting as he considered it advisable to obtain members' views on the offer referred to by the Chairman.

Mr. Leslie suggests that the Treasurer's renewed representations might be assisted if concurrently diplomatic measures were instituted, since in his opinion the Customs Authorities may be more likely to increase their offer if outside pressure is brought to bear.

The Secretary General concurs as to the desirability in the first instance of further representations being made by the Treasurer & Controller. In the meantime he will prepare a memorandum for submission to the Consular Body in the event of such further representations being unsuccessful.

The Treasurer states that whilst Mr. Lawford has been most helpful throughout these negotiations he doubts whether he will be in a position to induce the Customs Authorities to put forward a more satisfactory offer.

Upon Mr. Okamoto emphasizing the necessity of maintaining the principle governing the payment of Municipal taxation during these further negotiations the Treasurer states that this principle in respect to the payment of Land Tax has hitherto been consistently adhered to and that in respect to the payment of General Municipal Rate this principle will likewise be maintained, consideration however being given to the special circumstances governing the case of this particular property.

RESOLVED that the Treasurer be authorized to proceed with these informal negotiations and if these meet with no success that diplomatic methods as outlined at the last meeting be employed.

The Minutes of the meeting of April 14 are confirmed and signed by the Chairman.

117 Committee Membership. - The Secretary reports that the membership of the various Committees has now been agreed by members and that as soon as acceptances have been received from outside members the complete list of Committees will be published.

The Chairman states that Mr. Woo has intimated to him that he would prefer to serve on the Education Board rather than on the Library Committee. As Mr. Woo has afforded material assistance to the Board in connection with its negotiations with the Chinese

Authorities he feels sure that its members would welcome his election to the Board and makes a proposal to that effect. There is however no vacancy in its membership except the temporary one created by the absence on leave of the Rev. G. W. Sheppard.

RESOLVED that Mr. Woo be elected to fill the existing vacancy on the Education Board during the absence of the Rev. G. W. Sheppard upon the understanding that if during that period a vacancy occurs Mr. Woo be elected a permanent member of the Board for the current Municipal Year.

The Minutes of the meeting of the Staff Committee of April 8 are submitted and confirmed.

1692 Public and Thomas Hanbury School for Boys - Headmaster Mr. R. Ross. -

RESOLVED that subject to the concurrence of the Education Board in the recommendation relating to the terms upon which the services of Mr. R. Ross be terminated and in order that unnecessary delay may not occur in giving effect thereto these terms be communicated as early as possible to Mr. Ross for his acceptance either by the Secretary or the Treasurer & Controller.

5936 The Feetham Report. - The Chairman refers to the two copies of Volume IV of this report which are now in the course of circulation. As these are the only copies available he requests members to peruse them as quickly as possible. As members are aware, this volume deals with matters of internal administration and whilst some of the proposals contained therein will require careful consideration, he suggests that the recommendation dealing with the form of compilation of Council and Committee minutes be given immediate effect. The suggested revision has to some extent been in force for sometime.

RESOLVED (a) that the decisions and recommendations recorded at Council and Committee meetings respectively be clearly and briefly set out at the end of each minute (b) that additional typewritten copies of Volume IV of the Feetham Report be circulated to members prior to this being set up in printed form.

5944 Sanitary Measures in Chapel. - Further reports by the Commissioners of Public Health and Public Works on the measures which have been adopted for the cleansing of Chapel and contiguous areas are submitted. From the latest report furnished by Dr. Jordan it is noted that existing conditions are not such as to warrant the suggestion that they are a growing menace to the health of the Settlement. The Commissioner of Public Works states that municipal activities on the scale hitherto undertaken have been suspended and if these are resumed without

curtailment of legitimate works within the Settlement additional monthly expenditure of Tls.5,000 will become necessary.

The Commissioner of Public Health expresses the opinion that it is not necessary in the interests of the health of the Settlement to resume operations in these areas for some weeks.

RESOLVED that the Commissioners of Public Health and Public Works keep these areas under their supervision and report to the Council if in their opinion the resumption of sanitation measures becomes necessary.

Open Air Swimming Pool - Admission Fee. - With regard to the proposal which 6006/ has been approved by the Health Committee to increase the admission charge to the Swimming Pool from 20 cents to 50 cents or three tickets for one dollar, the Chairman suggests that imposition of this increased charge may inflict a hardship on the poorer classes of the community. Dr. Jordan has expressed the view that it would be impracticable to cope with the ^{conv.} suggestion at the Pool by restricting the numbers admitted thereto since this system has already been attempted without success. As an experimental measure Dr. Jordan is prepared to agree to the proposal that on two days a week the admission fee remain as at present.

Dr. Jordan states that his original proposal was put forward with a view to offsetting to some extent the additional cost of the Pool and also to relieve the congestion which has been so apparent during the past two years. The suggestion that the admission charge be increased to exclude the rougher elements has been put forward by other users of the Pool. He is therefore of opinion that if the charge remains as at present for two days a week the majority of those frequenting the Pool will be satisfied.

RESOLVED that on Tuesdays and Fridays the admission charges to the Pool remain at the present figure of 20 cents and that on other days of the week this charge be increased to 50 cents or three tickets for \$1.

The Commissioner of Public Health withdraws.

Application for enquiry by Lieut. Col. Hayley Bell. - Correspondence between 5177 the Council and Lieut.-Col. Hayley Bell on the subject of his application that an enquiry be held into the circumstances in which his connection with the Volunteer Corps was severed, together with comment thereon by the Commandant, have been circulated to members.

The Chairman states that whilst he considers it preferable for the Council voluntarily to agree to the holding of an enquiry if insisted upon by Lieut.-Col. Hayley Bell rather than that it should be forced into taking such action as a result possibly of legal advice being taken by Col. Hayley Bell it is in his opinion infinitely

preferable that this matter be disposed of by other means. During the past week he has endeavoured without success to induce Col. Hayley Bell through the representations of personal friends to abandon his application. Although ultimately he may agree to do this he suggests that if this does not prove to be the case the Council should consider its line of action. The Commandant has pointed out to him that with the exception of Brigadier Fleming he (the Commandant) is senior in rank to other military officers in Shanghai; accordingly both he himself and junior officers would be placed in an embarrassing position if they were called upon to constitute a Board of enquiry. He has therefore suggested that if Col. Hayley Bell persists in his demand for an enquiry the Board should consist either of naval officers or civilians. The Chairman accordingly requests any members who personally may be in a position to exercise any influence over Col. Hayley Bell to endeavour to induce him to withdraw his application for an enquiry. Whilst undoubtedly the Council would be prepared to accept his resignation as a means of overcoming this difficulty it is unlikely that Col. Hayley Bell would accept this suggestion since he obviously desires to clear himself before the public.

Members generally agree that the holding of an enquiry would place the Council in an embarrassing position since morally it would be bound to support the action taken by the Commandant. Mr. Yuan refers to the appreciation recorded by the Council at a previous meeting of the gallantry displayed by Col. Hayley Bell in organizing the search party which penetrated into Chapel and he suggests that if he were apprised as to this he might possibly modify his present attitude. Members however do not consider that this procedure would affect the principle involved as between Colonel Hayley Bell and the Council.

RESOLVED that decision in this matter be deferred pending the result of further representations by the Chairman and others to induce Col. Hayley Bell to abandon his application for the holding of an Enquiry.

Film Censorship. - A memorandum has been furnished to members outlining the functions of the Board of Film Censors and the procedure adopted for the censoring of films. A letter from Mrs. K. S. Inui, a member of the Board is also submitted advocating a revision in procedure with a view to ensuring an improvement in the standard of films by removing the restrictions under which the Board at present operates.

Members concur with the Chairman that the criticisms which are periodically levelled at the public display of certain films are well founded and that it is highly desirable that a small Commission be formed to advise the Council as to what measures can be adopted to effect any necessary improvements.

The Chairman suggests that Messrs. A. M. Cannan, E. Howard and ^P C. Colman would be willing to serve on such a Commission.

RESOLVED that the above gentlemen be invited to serve on a Commission to put forward proposals for the guidance of the Board; the terms of reference to such Commission to be the subject of later consideration.

Payment of General Municipal Rate - Northern and Eastern Districts. - Arising

1031 out of an application by the Chinese Ratepayers' Association that owing to the financial losses suffered by residents as a result of the recent hostilities, particularly those residing North of the Soochow Creek, the Council should afford them relief by a remission of taxation a report on this subject is submitted by the Treasurer & Controller.

The Treasurer states that this application has been very carefully considered by officials of the Revenue Office with the assistance of the Police Department and that the conclusions which have been reached differ slightly from those outlined in his report of April 16. Briefly these revised proposals, full details as to which will be submitted in due course, are as follows:- That Chinese residents in the eastern sector of the Northern District be granted remission of taxation for a period of two months, that those in the Western sector of the Northern District be granted remission of taxation for a period of one month and a half; Chinese residents in the entire Eastern District a flat rate of remission for one month and a half. In respect of those properties within the Settlement but which were outside the Defence line remission of taxation for a full quarter; certain other cases not provided for in the above categories to be the subject of special consideration and to be dealt with on their merits. If the above proposals are approved he recommends that they be published forthwith with a view to disarming agitation against the payment of General Municipal Rate. He advocates that any public announcement should clearly state that it is proposed to proceed with the normal collections of municipal rates in the Central and Western Districts. In his opinion there is no justification for residents in these districts to obstruct the Council by refusal to pay these rates. Replying to Mr. Okamoto the Treasurer states that the proposals for relief apply only to the Chinese community since that community has definitely suffered a great degree of hardship and restriction than any other national community. All residents who have objected to payment of municipal taxes have however been furnished with a form to fill in stating their case which will receive consideration.

Mr. Hsu states that he regards the proposals submitted by the Treasurer as equitable; he suggests however that the Chinese

members should be given an opportunity to study these for a day or two prior to publication. Members adopt this proposal.

RESOLVED that prior to publication the draft proclamation embodying the proposals as outlined by the Treasurer be circulated to the Chinese members; meanwhile the Press will be notified forthwith that the Council has this question under consideration.

Attacks on Japanese Subjects - Letter from Japanese Consul-General. - Rela-

8977 tive to the letter from the Japanese Consul General drawing attention to attacks by Chinese on Japanese subjects the Secretary reads a report submitted by the Commissioner of Police outlining the difficulties which are encountered by the Police Department in preventing such occurrences and suggesting preventive measures with the object of ensuring that such incidents are reduced to a minimum.

The Chairman states that he has received a visit from the Japanese Consul-General on this subject in the course of which he expressed to Mr. Murai his regret at these incidents and assured him that the Police would do their utmost to prevent such assaults. He also suggested that for the time being it would be prudent for Japanese subjects to avoid entering alleyways and sidestreets as much as possible. In this view Mr. Murai concurred but stated that in some cases the presence of Japanese citizens in the Chinese neighbourhoods where these assaults have occurred was unavoidable. He therefore suggests that Mr. Murai be informed of the willingness of the Police Department to provide escorts for Japanese subjects or to keep them under surveillance in such cases if required. He has also suggested to the Press Information Officer that the aid of the Chinese Press might be invoked to discourage such outrages and the editors with whom Mr. Sayer has discussed this proposal have intimated their willingness to assist provided he (the Chairman) or the Secretary General will interview them and issue a general statement drawing attention to the futility of these attacks and the discredit they bring on the Chinese community. It has also been suggested that the Chinese members and the Chinese Ratepayers' Association might exercise their influence in order to secure a cessation of such assaults.

On behalf of the Chinese members Mr. Hsu states that they will use their influence in this connection. He points out that the majority of the assaults referred to by the Japanese Consul-General occurred prior to March 4 and that the situation in this respect has from that date improved. He is of the opinion that with the re-establishment of more amicable relations between the Japanese and Chinese, incidents such as those referred to will cease.

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RESOLVED that a letter be addressed to the Japanese Consul General in the sense of the information furnished by the Commissioner of Police and that the Chairman's proposal be adopted that an interview be arranged with representatives of the Chinese press for the purpose of invoking their assistance in this matter.

Entry of Chinese armed troops and police into the Settlement. - The Chairman

1690 informs members that just prior to this meeting a telephone message was received from the Chief Secretary to the Mayor of Greater Shanghai requesting the Council's permission for armed Chinese police and soldiers not exceeding 100 in number to accompany the funeral cortege of the late Mr. Short on ~~Monday~~^{Sunday} next. Whilst in his opinion there is no objection to compliance with their further request that a municipal police escort be furnished to regulate this procession he points out that with one exception, applications for the entrance into the Settlement of armed Chinese police and troops have been consistently refused. In the case of the exception referred to, after this permission had been given the Consular Body took strong exception to the departure by the Council from this long established principle and intimated that in the absence of the expressed sanction of the Consular Body the Council's action was out of order. He is therefore strongly of opinion that the Mayor should be dissuaded from submitting a formal application for this permission. With regard to the point on the outlying roads at which Chinese police and troops should be permitted to join this cortege he suggests the bridge near the Hungjao golf Club as suitable. Members concur in the views expressed by the Chairman

RESOLVED that the Secretary should intimate to Mr. Yui the Council's reasons for desiring that no official application be made for permission for Chinese armed troops and police to enter the Settlement; that the request for an escort of Municipal police will be acceded to and that he be notified as to the point at which the Council is willing to permit Chinese armed forces to join this funeral cortege.

The meeting terminates at 6.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Thursday, May 5, 1932, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnold (Vice-Chairman)
 Capt. J. J. Bannson
 Messrs. B. D. F. Feith
 K. Fukushima
 S. I. Hsu
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 L. T. Yuan
 Yu Ya Ching
 The Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. D. Woo.

Dr. J. C. H. Wu attends.

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

1098 General Municipal Rate - Custom House property. - The Chairman reports that as the Treasurer & Controller has not been able to obtain a more satisfactory offer from the Commissioner of Customs the Secretary General has prepared for transmission to the Senior Consul a memorandum setting out the Council's case and invoking its assistance and that of the Diplomatic Body to secure a satisfactory settlement of this matter.

5599/ Committee Membership. - The Chairman states that Mr. Woo has informed him that he was not aware at the last meeting that an honorarium was attached to the membership of the Education Board; accordingly he would prefer not to commit himself regularly to attend its meetings and has withdrawn his acceptance to serve on the Board.

1592 Public & Thomas Harbury School for Boys. - Headmaster, Mr. Ross. - The Chairman states that Mr. Ross has been notified of the terms upon which the Council is prepared to dispense with his services and that there is reason to believe that he will accept the Council's proposals.

5977 Sanitation measures in Chapei. - Members are informed that the Commissioners of Public Health and Public works have today visited Chapei and have reported that there appears to be no urgent need to incur additional expenditure for the resumption of the sanitation measures previously undertaken by the Council.

1099 The Secretary reads a report furnished by the Commissioner of Public Health relative to the verification of a case of cholera which occurred in the Chapei area early in the year and stating that an endeavour is being made to verify the source of infection.

560 Film Censorship. - The Chairman reports that Mr. Haward now finds that he is unable to accept membership on the proposed Commission of Enquiry. As the other two members are of British nationality he suggests that as the majority of films shown in the Settlement are of American production it might be desirable to elect an American member to the Commission.

In this connection the Secretary states that the Joint Committee of Shanghai Women's Organizations has suggested the desirability of a lady member serving on the Commission and has suggested that Mrs. Lunkley - an American - be invited to serve. The Motion Pictures' Association has also requested that one of its representatives should serve on the Commission. He has informed this Association that in any case its views will be given full consideration by the Commission.

Members concur with the Chairman that the position of the Association is more appropriately that of a witness before the Commission rather than a representative member thereof.

RESOLVED (I) that the suggestion of the Joint Committee of Shanghai Women's Organizations, that Mrs. Lunkley be invited to serve on the Commission of Enquiry be accepted and (II) that the following Terms of Reference to the Commission as prepared by the Secretary be adopted. "To enquire into and report on the principles by which the Council should be guided in the control of cinematograph films and of posters and advertisements in connection therewith exhibited in the International Settlement, and the best and most efficient method of censoring such exhibitions."

(10) Payment of General Municipal Rate - Northern and Eastern Districts. - The Treasurer & Controller reports that since the last meeting he has had several discussions with Mr. Singloh Hsu, representing the Chinese members of Council, relative to the proposed scheme of relief, as a result of which he now recommends that the period of abatement in respect to premises in the Kashing Road, Wayside and Yangtze-poo Police Districts be increased from 1½ to 2 months. He considers it desirable when replying to the letter

from the Chinese Ratepayers' Association on this subject to stress the point that the Council's action in this matter should be regarded as a measure of relief rather than compensation for damage or loss sustained.

With regard to the memorandum submitted by the Treasurer outlining details of the relief scheme as a guide for the Council's published statement Mr. Beith points out that the statement contained therein that foreign residents can only secure an abatement of taxation by producing satisfactory proof of emergency evacuation somewhat conflicts with the principle which the Treasurer desires should be stressed in the reply to the Chinese Ratepayers' Association.

Replying, the Treasurer states that there is no intention of refuting any proper claims put forward by foreign ratepayers although it will be necessary to consider each such application on its merits. During the period of hostilities the foreign community enjoyed a greater degree of freedom of action than the Chinese community; owing to the very great preponderance of Chinese residents in the affected areas it would be quite impracticable to deal with these cases individually. With respect to foreign ratepayers, he agrees with the views expressed by Messrs. Beith and Leslie as to the inadvisability of the line of demarcation regarding the conditions upon which abatements will be granted to Chinese and foreign ratepayers being too finely drawn. Moreover having regard to the Secretary General's observation that from a legal point of view the Council's power to make this discrimination is doubtful he suggests, and members concur, that clause (B) be amended to the effect that abatements may be granted to foreign Ratepayers subject to the same limitations as in (A) and subject to consideration of each case on its merits.

RESOLVED (I) that a statement based on the particulars furnished by the Treasurer be published forthwith; that so far as foreign ratepayers are concerned this scheme be given a trial; in the event of it being found not to be workable applications from foreign ratepayers will be referred to a small Committee for settlement; (II) that a letter be sent forthwith to the Chinese Ratepayers' Association in the sense recommended by the Treasurer & Controller.

The Treasurer & Controller withdraws.

The Minutes of the meeting of the Education Board of April 27 are submitted and confirmed.

3741 Junior School for Boys - Theft of Employee's Fur Coat. - In respect to the opinion that, legally, no responsibility attaches to the Council for the loss of this coat the Secretary states that although technically in the event of the Council being sued for compensation for this loss it would not be difficult successfully to defend such an action, the flimsy nature of the structure wherein the staff had to deposit their personal belongings, its close proximity to a camp and the fact that until after the theft no watchman was provided by the Council might be construed to show lack of reasonable care.

Members generally agree that admission by the Council of liability for compensation in respect of this loss is not called for; moreover such an admission would constitute a dangerous precedent. In view however of the particular circumstances of this case it is

RESOLVED that as an act of grace payment of a sum of half the value of the coat be authorized for issue to the employee.

3742 Activities of Japanese Armed Forces within the Settlement. - For members' information the Chairman reports that immediately after he heard indirectly that a considerable movement of Japanese troops would take place within the Settlement in connection with the arrangements for the celebration of the Birthday of the Japanese Emperor he consulted with the Senior Consul and the British Consul General who thereafter accompanied him to the Japanese Consul General for the purpose of supporting his representations that in order that no untoward incidents might occur this portion of the programme should be abandoned. The Japanese Consul General courteously informed him that he feared it was too late to make any change in the arrangements already decided upon. The Chairman emphasized that the Council had not been notified of this proposed movement of troops and it was not until the afternoon before this was scheduled to take place that such official notice was received. Accordingly he forwarded a formal protest against troop movements on a major scale in times of such tension and without adequate notice being given to the Council.

Members are aware of the tragedy which occurred in Hongkew Park during these celebrations and he desires on behalf of the Council to renew to the Japanese members its expression of sympathy at the injuries sustained by the distinguished Japanese nationals on that occasion.

Since that date further unfortunate incidents have occurred between Japanese naval and military forces and Chinese, notably that on May 3 in the Ginza District. He therefore proposes that subject

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to the confirmation by the Police Department of the circumstances of these incidents that a formal protest be addressed to the Japanese Consul General against the action of the Japanese armed forces on this occasion and possibly in respect to other recent incidents.

RESOLVED that if the Police Department reports verify the circumstances of these incidents as already reported unofficially that a formal protest be addressed to the Consular Body.

Application for Enquiry by Lieut.-Col. Hayley Pell. - With reference to the 5977 minute of the last meeting the Chairman reports that the further representations which have been made to Lieut.-Col. Hayley Pell with a view to inducing him to abandon his application for the holding of an enquiry have not so far been successful. It is however possible that through the good offices of Brigadier Fleming he may be induced to agree to this suggestion.

RESOLVED that further action in this matter be deferred pending the result of the representations to be put forward by Brigadier Fleming.

Country Hospital - Board of Governors. - A letter from the Superintendent 4355/18 of the Country Hospital is submitted notifying that Mr. Ellis Hayim is due to retire from the Board of Governors under the provisions of the Deed of Gift. It is noted that the appointment of his successor is in the hands of the Council and that Mr. Hayim is eligible for re-appointment.

RESOLVED that Mr. Hayim be appointed to serve on the Board of Governors for a further period of three years.

The Peetham Report. - In a memorandum submitted the Secretary states that 5976 Judge Peetham has suggested that in order to make his Report, or certain portions of it, more readily acceptable it should be republished in whole or in part in book form, rearranged and possibly abridged or condensed. Before giving this proposal further consideration he desires to know whether the Council would permit him to re-issue the Report either in whole or in part in the form and in the manner which he suggests. Whilst he does not at present suggest that the Council should contribute to the cost of re-issue, if such a proposal is put forward by the Oxford University Press he will let the Council know in case it may think it worth while to make such a contribution.

RESOLVED that if he so desires Judge Peetham be given permission to proceed with the re-issue of his report in the form proposed.

Negotiations on Outside Roads. - For members information the Secretary
5189 General gives a résumé of the position of the negotiations on the
question of the Outside Roads. He states that members of the former
Council will recall that in July last the Council appointed a small
Committee consisting of the Commissioner of Public Works, the
Treasurer & Controller and himself to prepare a memorandum to serve as
a basis of discussion with the appropriate Chinese Authorities. This
memorandum was approved by the Council and submitted to the Chinese
Authorities; no progress was however made until about one month ago
when Mr. Choy returned to Shanghai as a representative of the Greater
Shanghai Municipality. The British Consul General then suggested that
the Chinese Authorities might be prepared to continue these discussions
and a meeting was arranged at the British Consulate between the
Chairman and himself and the Mayor, Mr. Choy and Mr. Yui. In the
course of the general discussion which then took place the Chinese
representatives were strongly urged to submit written proposals in
reply to those furnished by the Council as a basis for discussion.
A week later at a further meeting they put forward written proposals
but these were of such a nature that they could not be seriously
considered. These informal discussions will be continued after the
return of Mr. Choy from Nanking within the course of the next few
days. During the recent discussions the Chinese representatives
appeared to be willing to take a reasonably broad view but he gained
the impression that the Nanking Officials were not inclined to view
this question so broadmindedly and that difficulty from that source
might be anticipated. It is apparent that the Chinese officials are
inclined to continue to view this question solely from its legal
aspect whereas the Council's representatives are endeavouring to
impress upon them the importance of a settlement of this question
from a political rather than a legal point of view. In his opinion
the only means by which this outstanding question can be amicably
settled is by the admission on each side that both the Council and
the Chinese have certain rights without attempting to define the
precise nature of such rights; such an admission is essential in
order to arrive at a basis for discussion. He hopes at the next
meeting with the Chinese Authorities that more definite proposals
will be forthcoming than those which have been put forward hitherto.
At the last conference, which can be regarded as solely of a preli-
minary nature, the chief stumbling block to progress was the
inevitable introduction into the discussions of the question of

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sovereign rights; the Chinese representatives proposing that they should be given full police powers over these roads, adoption of which proposal by the Council would be tantamount to giving up all rights and interests in these roads. He hopes however within the next few weeks to be in a position to notify the Council that more definite progress has been made in these informal negotiations.

The meeting terminates at 5.50 p.m.

Arthur Bell

Chairman.

W. H. ...
Secretary.

At the meeting of the Council held on Wednesday, May 13, 1932, at 4.30 p.m.

There are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahnson
 Messrs. E. D. F. Reith
 K. Fukushima
 S. J. Hsu
 N. Leslie
 O. S. Iieu
 P. W. Massey
 P. J. Raven
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Messrs. O. Okamoto
 T. D. Woo.

Dr. J. C. H. Wu attends.

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

1592 Public & Thomas Hanbury School for Boys - Headmaster, Mr. R. Ross.

Members are informed that Mr. R. Ross has formally accepted the terms upon which the Council is prepared to dispense with his services.

RESOLVED that Mr. Ross's request that he be granted leave of absence from June 15 to June 30 be complied with.

5977 Sanitation measures in Chapeli. - Since the last meeting a further report on this subject has been furnished by the Commissioner of Public Health. The Chairman states that Dr. Jordan has also informed him verbally that he considers it essential, in the interests of the health of the Settlement, that cleansing operations should be resumed by the Council in Areas Nos. 1 and 2. There appears to be no immediate prospect of the Chinese Authorities commencing to function in these areas and their obstruction to the resumption by the Council of cleansing measures is not anticipated. The Chinese Authorities have been tentatively notified that the Council proposes to proceed with such measures.

RESOLVED that the Commissioners of Public Health and Public Works be authorized to resume the necessary cleansing measures in Areas Nos. 1 and 2.

5977 Activities of Japanese Armed Forces within the Settlement. - The Chairman states that in accordance with the authority granted him at the last meeting, and as the Police Department confirmed the unofficial reports of certain incidents in which the Japanese armed forces were involved, he addressed a formal protest to the Consular Body. He requested the Consular Body to do its utmost to induce the Japanese naval and military forces to refrain from interfering with and obstructing the municipal police and other Council employees with whom they come into contact. No reply has yet been received from the Consular Body. Although certain statements contained in, and the tone of, this letter have formed the subject of severe criticism in the Japanese Press, he considers that the Council had no alternative but to lodge a firm protest against the incidents referred to.

5977 Application for Enquiry by Lieut.-Col. Hayley Bell. - The Chairman reports that Brigadier Fleming has not yet been able to get into touch with Col. Hayley Bell but that he will proceed with his endeavours to induce him to withdraw his demand for the holding of an enquiry.

5129 Negotiations on Outside Roads. - The Chairman informs members that despite repeated efforts on the part of the Council's representatives it has not yet been possible to arrange for the continuance of these informal discussions with the Chinese representatives. An intimation from the latter has however been received today that these informal discussions will be resumed tomorrow.

5230 The Minutes of the meeting of the Staff Committee of May 6 are submitted and subject to deletion of the words "as from December 1, 1932" from the recommendation relative to the regrading of Mr. F. Westridge, Assistant to the Director of Chinese Studies, are confirmed.

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

The Minutes of the meeting of the Education Board of May 11 are submitted and confirmed.

5868 Senior Assistants in Municipal Schools. -- In amplification of the views expressed in this minute the Chairman states that he considers it regrettable that an erroneous impression prevails amongst members of certain Committees in respect of the Council's policy relative to the engagement and/or promotion of Chinese employees in the various branches of the Service. The Council has given an undertaking that foreign employees will not be engaged for any post if the services of suitable Chinese are available. This policy has been, and continues to be, strictly adhered to. It was however never intended under this

revised policy to deprive loyal and efficient members of the foreign staff of the promotions to which they become entitled and the prospects of which were definitely held out to them upon their entering the service, whilst sympathising with the aspirations of the Chinese members that Chinese employees should be engaged for and promoted to senior positions as rapidly as possible he contends that the Council at no time contemplated giving effect to this policy at the expense of foreign employees of long and satisfactory service. To meet the situation which has arisen in the Municipal Chinese Secondary Schools in which only a very small number of senior foreign employees are involved the Board is concentrating on finding some means, supplementary to advertising, by which it will be possible to secure the services of Chinese teachers of a superior type to those who hitherto have been engaged.

The Minutes of the meeting of the Public Utilities Committee of May 12 are
1881 submitted, and subject to a minor amendment to that relating to Election of Chairman, are confirmed.

1908 Shanghai Waterworks Company Investigation. - Relative to the recommendation that the Hill report should be submitted to members of the late Public Utilities Committee for its findings the Chairman expresses doubt as to whether the services of such members will be available.

The Secretary states that it is not clear from the Council's decision whether the members of the late Public Utilities Committee were appointed in their personal capacity to consider this report or whether the Committee for the time being should undertake this duty.

The Chairman observes that the late Public Utilities Committee gave only the most cursory consideration to this Report on account of the expressed wish of its Chinese members that consideration be deferred until the Chinese translation was available for the Chinese community. Accordingly any body to which consideration of the Report is referred will have to conduct its examination de novo.

RESOLVED that enquiries be made as to whether the members who served on the Public Utilities Committee last year but are no longer members thereof are prepared to continue as members of the Investigation Commission; if so the recommendation of the Public Utilities Committee is approved; if not, members of the present Public Utilities Committee to be appointed on the Investigation Commission in place of those who cannot continue to serve.

Hospital and Nursing Services Commission Report. - The Report of this
4716 Commission is formally received.

RESOLVED that this Report be submitted to the Health Committee for its consideration and recommendation as to its adoption, in toto, or otherwise.

Royal Asiatic Society - Council's Nominee. - The Secretary reports that the
1179 Hon: Secretary of this Society requests that he be informed of the
name of the Council's nominee to the Governing Body of the Society
for 1932-33. Mr. A. J. Hughes was elected as the Council's
representative for the preceding year.

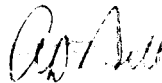
RESOLVED that Mr. A. J. Hughes be requested to continue
to represent the Council on the Governing Body of the Royal
Asiatic Society for the year 1932-33.

Membership - Mr. K. Fukushima. - The Chairman informs members that a letter
1178 has been received from Mr. K. Fukushima tendering his resignation from
the Council, owing to his transfer to his Head Office in Tokyo. The
Chairman states that he is assured that he is voicing the feeling of
members of former Councils in expressing deep regret at the loss of
the valuable services rendered by Mr. Fukushima over a period of
several years. In particular he desires to pay a tribute to the
courtesy and tact displayed by Mr. Fukushima during the discussions
which took place during the recent crisis. The calm and impartial
manner in which Mr. Fukushima then put forward the views of the Japa-
nese community materially assisted the Council in its endeavour to
cope with the very serious problems with which it was confronted.
The admirable and unbiassed interest always displayed by Mr. Fukushima
in all matters affecting the municipality renders his severance with
the Council a loss to the community. On behalf of the Council he
extends to Mr. Fukushima best wishes for the future.

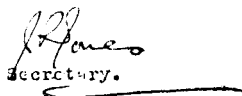
In thanking the Chairman for the sentiments expressed Mr.
Fukushima states that he has regarded his membership of the Council
and the opportunity thus provided of serving the community as a privi-
lege and a pleasure. He sincerely hopes that the spirit of co-ope-
ration amongst members which has been so much in evidence during his
tenure of office will continue in the interests of the community as
a whole.

RESOLVED that the resignation of Mr. K. Fukushima be
accepted as from May 24 and that to fill the vacancy created
thereby Mr. H. Terai be requested to accept membership on the
Council for the remainder of the current Municipal year.

The meeting terminates at 5.40 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 1, 1932, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahnson
 Messrs. B. D. F. Beith
 S. L. Hsu
 P. W. Massey
 F. J. Raven
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Public Health
 The Secretary General, and
 The Secretary.

Absent:

Messrs. N. Leslie
 O. S. Lieu
 O. Okamoto.

Dr. J. C. H. Wu attends.

Membership. - On behalf of members the Chairman extends a cordial welcome
 1172 to Mr. H. Terai upon his taking his seat on the Council.

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

8977 Sanitation measures in Chapei. - The Secretary reads a report which
 has today been furnished by the Commissioner of Public Works outlining
 the action which has been taken since the last meeting for the
 cleansing of the Chapei areas and intimating to what extent it is
 proposed to continue such sanitation measures in the immediate future.

8977 Application for Enquiry by Lieut.-Col. Hayley Bell. - The Chairman
 informs members that since the last meeting he has had further inter-
 views with Col. Hayley Bell and conversations with Brigadier Fleming.
 Correspondence has also passed between Col. Hayley Bell and the
 Chairman on this question. Col. Hayley Bell has now agreed to drop
 his application for the holding of an Enquiry on condition that a
 letter he has addressed to the Chairman together with certain exhibits
 in the form of evidence furnished by persons associated with him in
 penetrating into Chapei be filed in the Council's archives. The
 Chairman adds that after further consideration of the circumstances
 surrounding Col. Hayley Bell's application for an enquiry the more
 inclined he is to the belief that he has put forward a good case in
 support of such application. He is therefore of opinion that his

willingness to abandon this application in deference to the Council's wishes is a most generous gesture. He has intimated to Col. Hayley Bell the Council's readiness to address him formally expressing its appreciation of the gallantry displayed by him in the Chapei venture, and its willingness to publish this letter, but he has stated that he prefers that this whole matter be dropped.

The Chairman then proposes and members unanimously concur that he should address a letter to Col. Hayley Bell thanking him for abandoning his application for the holding for a formal enquiry; such letter, which is not intended for publication to be submitted to members prior to despatch.

5139 Negotiations on Outside Roads. - The Secretary General reports that during the last two weeks the representatives of the Council and of the Greater Shanghai Municipality have met every few days; the intervals between such meetings have been devoted to consideration of points raised at such informal conferences. He has today completed a draft memorandum dealing with the points raised at the last conference and he hopes that at the meeting which has been arranged for next Friday the representatives of both sides will be in a position finally to agree this draft for submission to both Authorities as a basis for discussion. The Chinese delegates have shown a willingness to meet the points raised by the Council's representatives and throughout these conferences the informal negotiations have been conducted on the lines laid down by the Council last year.

Upon Capt. Bahnsen requesting that for the benefit of new members of Council a resume be given of the lines upon which these unofficial negotiations have been conducted, the Secretary General states that it is not improbable that the final draft memorandum he has referred to will be amended at the meeting next Friday. Until this has been agreed he is of opinion that little purpose would be served in discussing the points contained therein.

The Chairman states that he has a copy of an earlier memorandum which although not amended up to date will serve to inform members not conversant with these negotiations of the basis upon which these discussions have been conducted. He will be pleased to arrange for any members who desire to peruse this earlier draft to do so, if they will advise him to this effect.

5977 Public Health situation. - With reference to certain recent press reports suggesting a connection between the incidence of cholera outbreaks and the pollution of the Whangpoo River by the dumping of garbage therein the Commissioner of Public Health states that during the past 10 years the average annual death rate in Shanghai from cholera is 1.2 per 10,000 of population as compared with between 10 and 20 per 10,000 of population in Calcutta. Although he agrees that the house refuse disposal problem merits serious consideration he is unable to support the view advanced in certain recent

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press articles that cholera outbreaks are attributable to pollution of the Whangpoo by garbage. The cholera bacillus cannot originate in house refuse and it is noteworthy that it has not been proven that cholera has occurred in Shanghai during the winter season. Thousands of junks and other small sea-going craft travel between Shanghai and places where cholera is epidemic and it can safely be assumed that the pollution of the river by such vessels is directly connected with the incidence of cholera in Shanghai. The fact that cholera occurred in Hankow unusually early this year and shortly afterwards in Shanghai supports this contention: it is however most difficult to determine whether the early occurrence of cholera in Shanghai this year can be attributed to its early occurrence in other Chinese areas although as stated above adequate grounds exist in support of this contention. In conclusion he states that in his opinion the theories advanced in recent press articles on the cholera situation viz-a-viz the methods adopted for the disposal of house refuse are not sufficiently well founded to cause the Council undue anxiety.

The Commissioner of Public Health withdraws.

The Minutes of the meeting of the Finance Committee of May 19 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of May 20 are submitted and subject to the following observations, are confirmed.

5977 Death of Private B. Rapaport - Compensation to parents. - The Secretary reports that since the Committee's meeting Dr. Wilhelm has intimated to him that he would regard compensation in the sum of Tls.3,000 as more adequately meeting the needs of this case. He is of opinion that if this question is left for settlement between Dr. Wilhelm and himself it may be possible to compromise for a sum of Tls.2,500. He gathers however that Dr. Fischer may continue these negotiations in which case it may be necessary again to refer this question to the Council.

RESOLVED that the Secretary be authorized after further consultation with Dr. Wilhelm to agree, if necessary, to a compromise between the amount of compensation offered by the Council and that already suggested by Dr. Wilhelm.

The Minutes of the meeting of the Works Committee of May 24 are submitted and confirmed.

5982 Sale of Land - Cad. Lot 174 Central. - In a report submitted the Commissioner of Public Works states that he has received two confidential offers for the purchase of this property, each of which in the absence of the other he would consider a reasonable offer. These offers are made on the assumption that no further public notification will be made to the effect that the land is available for sale. He suggests that if the Council is

of opinion that there should be a formal notification inviting sealed tenders to be submitted by a certain date the proper course would be to return each of these offers without submission to the Council in the first instance.

RESOLVED that a notification in accordance with the draft submitted be published in the next issue of the Municipal Gazette.

The Minutes of the meeting of the Education Board of May 25 are submitted and confirmed.

6082 Emergency Postal Service. - A report by the Secretary on the arrangements made for the institution of an emergency postal service during the recent postal strike has been furnished to members. It is noted that the machinery utilized will be available at short notice in the event of a further postal strike.

RESOLVED that letters of appreciation be addressed to the persons who assisted and volunteered their services in connection with the organization of the Emergency Postal Service.

6081/7 Chinese Land Commissioners. - In a memorandum submitted the Secretary refers to the resolution passed at the last Annual Meeting of Ratepayers providing for the addition of two Chinese members to the Land Commission. In view of the observations made by Mr. Leslie in speaking in support of the Resolution against the amendment proposed to the effect that only one Chinese member be added, he requests the Council's views as to whether in the case of the two additional Chinese members it would be in accordance with the principle under which the foreign land Commissioners are appointed and of the representation made at the Ratepayers Meeting that one Chinese Land Commissioner be appointed by the Council and one elected by the Chinese Ratepayers or by the Property Owners' Association, or otherwise.

Having regard to the observations made by Mr. Leslie with the support of the outgoing Council the Chairman is of opinion that it is incumbent on the Council to take all possible steps to ensure that the interests of Chinese Ratepayers who are not connected with the ownership of land should be safeguarded.

Mr. Woo suggests that the required safeguard would be provided if one of the Chinese Land Commissioners was nominated by the Property Owners' Association and the other by the Chinese Ratepayers' Association.

The Secretary General urges that one of the Chinese Land Commissioners be appointed by the Council. From his practical experience of the activities of the Chinese Ratepayers' Association and the definite connection therewith of Chinese land owners he cannot escape the feeling that the appointment by the Council of one of the

Chinese Land Commissioners is in the interests of the Chinese community as a whole.

In supporting Mr. Woo's proposal Mr. Hsu states that he is unable to agree with the Secretary General that the appointment of one of the Chinese Land Commissioners by the Chinese Ratepayers' Association would be subversive of the interests of the Chinese community. The further suggestion put forward by the Chairman that the Council, on the advice of the Chinese members, should appoint one Chinese Land Commissioner would in his opinion place the Chinese members in an embarrassing position in having to put forward a nomination. Moreover adoption of Mr. Woo's proposal would be in accordance with the principle laid down for the appointment of the foreign Land Commissioners whereunder one is nominated by the land owners and another by the Ratepayers. As members are aware the selection of the Chinese Councillors is left to the Chinese Ratepayers' Association, he is therefore unable to appreciate why the Council should object to the appointment of one Chinese Land Commissioner by this body.

The Chairman states that whilst in theory he agrees with Mr. Hsu's contention he cannot avoid the impression that the influence wielded in the Ratepayers' Association by land owners will result in its nominee being primarily concerned in the interests of the land owning classes rather than of the Chinese ratepayers in general. The position would then be that the Land Commissioners appointed in the interests of land owners would preponderate.

The Secretary General states that in his official capacity he has been brought into close contact with the Chinese Ratepayers' Association. Whilst not wishing to appear critical the fact remains that in certain major matters they do not exercise good judgment. The intrusion of political factors into its activities has resulted in its forwarding to the Council ill-advised and ill-considered recommendations. Speaking frankly he has not sufficient confidence in the Ratepayers' Association to support the proposal that it should be charged with the appointment of a Chinese Land Commissioner. Although he appreciates the point made by Mr. Hsu that the Chinese Councillors are elected by the Ratepayers' Association he points out that these elections are carried out by the electoral college system which is quite different from the direct appointment by the Association of a Chinese Land Commissioner.

In this respect Mr. Hsu states that if the appointment of one Chinese Land Commissioner is left to the Ratepayers' Association the same methods for election will be employed as are adopted in the case of the election of the Chinese Councillors.

The Secretary General replies that if this is the case his objections to this proposal would to some extent be overcome.

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Upon the Vice-Chairman suggesting that the Council might be willing to agree to both Chinese Land Commissioners being elected by this method Mr. Hsu submits that the fears expressed by the Chairman and the Secretary General as to the land owners' representatives dominating the Commission are exaggerated. The Chinese property owning class are not very popular with the Ratepayers' Association and he gives his assurance that the greatest care would be exercised in the selection of a suitable Commissioner to safeguard the interests of the non-land-owner classes.

The Chairman states that he is unable to appreciate the hesitancy on the part of the Chinese members to nominate one Land Commissioner; whilst the Council would have no hesitation in accepting the Chinese members' nominee he cannot but feel that some risk will be run if this appointment is left to the Ratepayers' Association whatever care is exercised in its selection.

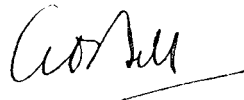
Mr. Massey suggests that with a view to overcoming the present difficulty the Ratepayers' Association might be asked to recommend three names and that the Council should then select one from this list, thereby retaining the appointment in its own hands.

The Vice-Chairman then proposes that before reaching a final decision the Ratepayers' Association be asked to inform the Council of the precise methods which will be adopted for the selection of one Chinese Land Commissioner without committing itself to delegating the power of this appointment to an outside body.

The Secretary General observes that it will be necessary for the method of appointment to be laid down in the required amendment to the Land Regulations. This question will accordingly have to be settled to the Council's satisfaction prior to taking up this question with the Powers concerned.

The Chairman's suggestion is then adopted that members should consider the points raised during this discussion and that consideration thereof be postponed until the next meeting.

The meeting terminates at 6 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 15, 1932, at 4.30 p.m.,

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahnson
 Messrs. B. D. F. Beith
 S. L. Hsu
 O. S. Lieu
 F. W. Massey
 O. Okamoto
 F. J. Raven
 H. Teral
 T. D. Woo
 The Commissioner of Public Health
 The Commissioner of Public Works
 The Secretary General, and
 The Secretary.

Absent:

Messrs. N. Leslie
 L. T. Yuan
 Yu Ya Ching.

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

5129 Negotiations on Outside Roads. - The Chairman informs members that the draft memorandum referred to at the last meeting has been initialled by the representatives of both parties and that it has been forwarded to Nanking for the approval of the Chinese Government. In the meantime he has handed a copy of the memorandum to the Council's Legal Adviser who has submitted a number of comments; these are available in the Secretary General's office for members' information if they so desire.

RESOLVED that discussion on this subject be deferred until a reply is received from the Chinese Government.

5977 Death of Private B. Rapaport. - Compensation to Parents. - The Secretary reports that since the last meeting Dr. Fischer has called on him and stated that he is not prepared to compromise and that compensation in the sum of Tls. 5,000 is the minimum he is willing to advise his client to accept; otherwise a case will be instituted against the Council in the Court of Consuls. He therefore suggests that the relative papers be submitted to the Legal Adviser who will be called upon to defend this action if a case is brought against the Council.

The Secretary's recommendation is unanimously approved.

980 Chinese Land Commissioners. - The Chairman states that the Chinese members have given further consideration to this question and desire to put forward a suggestion which may overcome the existing difficulty. In deference to his suggestion they are however prepared to postpone consideration of this question until the next meeting when it is hoped that Mr. Leslie, who has interested himself therein, will have returned to Shanghai.

1094 Public Health Situation. - The Commissioner of Public Health reports that the number of cholera cases is increasing but not so rapidly as in previous epidemic years. He quotes detailed figures of the cases which have occurred amongst the foreign and Chinese communities up to date and states that this is the first year since 1902 that cholera cases have occurred in the month of May. Whilst it is impossible to predict whether or not the epidemic this year will be on so large a scale as in 1902 it is satisfactory to note that the epidemic this year is not progressing so rapidly as in 1902.

5977 With regard to the sanitation measures taken in Chapei Dr. Jordan states that he has recently visited the various areas and that their condition may be regarded as satisfactory. Area No.1 has now reverted to Chinese control. A certain amount of refuse has accumulated in this area but this may be due to the unavoidable dislocation which occurred in the course of the transfer to the Chinese Authorities of the control of this area. Area No.2 continues to be cleansed by the Public Works Department and its condition is satisfactory.

The Commissioner of Public Health withdraws.

The Minutes of the meeting of the Orchestra & Band Committee of May 30 are submitted and confirmed.

1100 Open Air Concert Season 1932

RESOLVED (I) that if the demand exists the Conductor be authorized to increase up to 50% of the total, the number of chairs in the Jessfield Park enclosure for which a charge of \$1 is made
(II) that in order to attract larger Chinese audiences additional publicity relative to the Orchestral Concerts be given in the Chinese press.

The Minutes of the meeting of the Education Board of June 7 are submitted and confirmed.

1191 With regard to the application for a grant put forward on behalf of the School for Indian Boys it is

RESOLVED that after this question has been discussed between a representative of the Finance Department and Captain Smyth A.C.P. (Sikhs) it be referred to the Watch Committee for its consideration and recommendation.

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

Sale of Surplus Land - Cad. Lot 174. - Mr. Raven refers to the recommendation 555/ recorded at the meeting of the Works Committee yesterday that the offer of the Metropolitan Land & Building Company based on a price of Tls.206,500 per mcw for the purchase of the above surplus area be accepted.

Replying to the Chairman the Commissioner of Public Works states that the price offered by this Company is in excess of that offered by Messrs. Palmer & Turner taking into consideration the fact that the latter are not prepared to pay the purchase price until November 30 next. If however interest at the rate of 6% cannot be obtained from the time the Metropolitan Land & Building Company makes payment until November 30 it is not impossible that the offer put forward by Messrs. Palmer & Turner may be equivalent or slightly advantageous to the offer now recommended for acceptance.

To ensure that this property is developed as quickly as possible in order to enable it to contribute to General Municipal Rate the Vice Chairman suggests it might be advisable to ascertain from both parties their proposals as to this. In this respect it is noted that the Metropolitan Land & Building Company has undertaken by letter that the proposed building will conform to the style and standard of buildings recently erected in this area and that it will arrange for building commencement about the same time as the Council commences development of the other portion of this area.

RESOLVED that subject to confirmation of the above two undertakings the offer of the Metropolitan Land & Building Company for the purchase of this surplus area be accepted.

The Commissioner of Public Works withdraws.

Annual Inspection of Volunteer Corps. - Copies of the report of Brigadier Fleming 161/ on his annual inspection of the Volunteer Corps conducted on April 30 last have been furnished to members.

RESOLVED that the recommendations contained in this Report be submitted to the Watch Committee for its consideration and recommendation.

Application of Factory Regulations. - In a memorandum furnished to members the 6021/ Secretary General recalls that the Council is definitely committed to taking action for the licensing of factories when the time is opportune to convene a special meeting of Ratepayers for the purpose of securing the necessary amendment to Byelaw XXXIV. In December last Miss E. Hinder applied to be attached to the Council's staff to act as an executive in the task of organization of an inspectorate and administration of any regulations subsequently adopted as licence conditions. Miss Hinder is leaving Shanghai

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shortly but would be prepared to return to Shanghai about the end of the year if she had some assurance of a position being offered her by the Council. In his opinion it is extremely doubtful whether the Council could find another person so well qualified as Miss Hinder for this particular work, taking into account the excellent services she has already rendered in connection with the earlier discussions on and investigations into this complex question.

The Chairman is of opinion that whether or not the Council succeeds in securing the desired legislation considerable further preliminary work will be required in investigating labour conditions and in formulating arrangements to enable the Council to take action in the interests of the health and safety of factory employees. On this ground he supports the proposal put forward by the Secretary General that negotiations be opened with Miss Hinder in order to ascertain upon what terms she would be willing to accept employment with the Council.

Replying to members the Secretary General states that the engagement of Miss Hinder would not commit the Council to the creation of a Department on a large scale to apply the factory regulations. In previous discussions it was suggested that four or five trained Chinese factory inspectors would be engaged and these presumably would work under the direction and supervision of Miss Hinder. The intensive study she has devoted to this question renders her particularly suitable for such a duty and for the co-ordination of measures which have been suggested by the Employers' Federation and the Public Health and Works Department and the Fire Brigade as in the interests of the welfare of factory workers. Miss Hinder would also act as liaison officer between the Council and the Chinese Authorities. It would not in his opinion be necessary to contemplate the creation of a Department until the necessary amendment is secured to Bye-law XXXIV.

RESOLVED that the Secretary General be authorized to ascertain from Miss Hinder the terms upon which she would be prepared to enter the Council's service in the capacity applied for.

Greyhound Racing Association (China) Ltd. - A letter from the Chairman of Directors of the above Association enquiring whether the Council is prepared to agree to arbitration on the question of the amount of compensation that should be paid to the Association by the Council in respect of the closing of the Greyhound Racing Track on March 31, 1931 is submitted. This request is made without prejudice to the action now pending against General Macnaghten and Captain Martin but it is understood that this action would be discontinued in the event of arbitration taking place.

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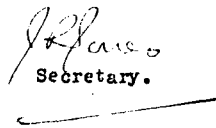
The Secretary General states that he is unable to agree entirely with all the statements contained in this letter. Negotiations were conducted with representatives of this Association by Mr. N. S. Brown and himself on behalf of the Council. The views put forward by the Association's representatives in respect to compensation were so far apart from those entertained by Mr. Brown and himself that these negotiations were discontinued. So far as his recollection goes neither Mr. Brown or himself gave any assurance that the Council was prepared to refer this matter to arbitration. His long experience in a legal capacity leads him to the conclusion that the strong personal feeling which has been evinced and the preconceived views which obtain on this issue would render it most difficult to select satisfactory arbitrators and an umpire. Moreover arbitrators do not assess damages on the same basis as Courts of law and from his previous experience he has generally found it a good policy for a party to decline to resort to arbitration if it has a good case in the Courts. He is therefore of opinion that it would be opposed to the Council's interests to agree to this case being arbitrated. He suggests, as a matter of courtesy that this application be referred to the Council's Legal Adviser for his views.

RESOLVED that subject to the concurrence of the Legal Adviser, the application of the Greyhound Racing Association that the question of compensation be referred to arbitration be refused.

The meeting terminates at 5.55 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, June 29, 1932, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahson
 Messrs. R. D. F. Beith
 S. L. Hsu
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O/ Okamoto
 F. J. Raven
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Public Health
 The Secretary General, and
 The Secretary.

Dr. J. C. H. Wu attends.

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

89/17 Death of Private B. Rapaport - Compensation to Parents. - The Secretary reports that since the last meeting he has had a further interview with Messrs. Wilhelm and Fischer and that finally they agreed to accept compensation in the sum of Tls. 3,000. He has obtained a receipt which discharges the Council from all claims which may arise in connection with Private Rapaport's death.

412/17 Chinese Land Commissioners. - To overcome the existing difficulty in the matter of the method of appointment of two Chinese Land Commissioners Mr. Hsu proposes that one Commissioner be appointed by the Chinese Ratepayers' Association and the other by the Chinese Property Owners' Association the candidates for appointment to be selected after consultation between the Chinese Councillors and representatives of the above two Associations.

Mr. Leslie refers to the assurance given by the Council at the last Annual meeting to the foreign ratepayers that if two Chinese Land Commissioners are appointed the interests of the Chinese non-land owning classes would be adequately safeguarded. If adoption of Mr. Hsu's proposal provides that the two Associations referred to will clearly realize that one Chinese Land Commissioner will represent the interests of non-land owners he considers that the Council will have fulfilled its undertaking

to the foreign ratepayers. Whilst he is willing to accept Mr. Hsu's assurance that the Chinese members in making their selection will bear this principle in mind, in his public capacity he considers that in the interests of present and future ratepayers an explicit written agreement should be entered into that the Chinese Land Commissioners will be appointed on the basis stipulated by the Council. In this view members concur.

The Secretary General proposes and members approve that the basis upon which the two Chinese Land Commissioners will be appointed should be expressly stated in the communication which will be addressed to the Consular Body in connection with obtaining the necessary amendment to the Land Regulations. This draft letter will be circulated to members prior to despatch.

60.4. Application of Factory Regulations. - The Secretary General refers to a memorandum which has been circulated covering a letter from Miss E. Hinder outlining her views as to the nature of the organization required to undertake factory inspection etc. In respect to the amount of salary suggested by Miss Hinder i.e., Tls.7/800 per mensem members concur with the Secretary General that the duties and responsibilities to be undertaken by the executive in charge of this work justify pay at this rate. They also agree that as labour problems are assuming increasing importance it is essential that the Council should be in a position to obtain first hand information of the various phases of this problem. In view of the considerable preliminary work to be undertaken in connection with the obtaining of data they consider it desirable that Miss Hinder's original engagement should be for a period of three years.

RESOLVED that Miss E. Hinder be offered an engagement with the Council for a period of three years as from January 1, 1933 with pay at the rate of Tls.7/800 per mensem.

59.6 Greyhound Racing Association (China) Ltd. - The Secretary reports that ^{Mr. Holborn} the Council's Legal Adviser has agreed as to the inadvisability of complying with the suggestion put forward by this Association that the question of the amount of compensation which should be paid by the Council to the Association in respect of the closing of the Greyhound Racing Track be referred to arbitration. He reads a letter which he has drafted to the Association notifying that the Council is unwilling to agree that this matter be referred to arbitration.

109.4 Public Health Situation. - For members' information the Commissioner of Public Health reports that cholera is continuing in epidemic form and that up to date the total number of cases is approximately 1,000: the largest number to occur on any one day is 70. Whilst the figures quoted are lower than

those for a similar period during the 1929 epidemic, in that year the epidemic occurred in later months which can be regarded as more favourable for assisting the spread of this disease. It is not possible to predict whether the present epidemic will become intensified within the next few months. Up to date the death rate has been extremely low and from information he has received but not been able to verify the type of cholera prevalent would appear to be milder than in certain other parts of China. Inoculation is proceeding on an extensive scale and in this respect he considers that the Council should continue to concentrate on those classes who through ignorance or for other reasons do not exercise the necessary care in the matter of diet or the preparation of their food.

The Commissioner of Public Health withdraws.

The Minutes of the meeting of the Works Committee of June 14 are submitted and, subject to the following observations, are confirmed.

L.R./6 Customs Jetty - Improved Passenger Landing facilities. - Members adopt the view put forward by the Secretary that action for obtaining the consent of the Hongkong & Shanghai Bank and the Bank of Communications to the overlapping of their frontages by the proposed extension of the Customs Examination Shed should more appropriately be taken by the Council. They also concur in the view advanced by Mr. Leslie that in the public interest provision of the improved passenger landing facilities should be expedited as much as possible.

RESOLVED that the Committee's recommendation be amended to the effect that the application for the consent of the Hongkong & Shanghai Bank and the Bank of Communications to the overlapping of their frontages be made by the Council with the assistance of the Customs Authorities.

2093 Water Mains - Repairs to Tracks. - The Secretary reports that since the meeting of the Committee a further letter has been received from the Waterworks Company reiterating the views advanced in their previous letters. The points raised in this latest letter have been commented on by the Acting Commissioner of Public Works and will be submitted to the next meeting of the Committee. He therefore suggests that the record of the discussion at the last meeting of the Committee be not published in the Gazette until next week in order to enable the Council's reply to reach the Company prior to publicity being given to this matter.

In approving this proposal members record the view that the Company has no case for withholding payment of this outstanding account and that payment thereof should be a requisite preliminary to discussions with the Company as to the principle upon which such charges are based.

The Minutes of the meeting of the Waterworks Investigation Committee of June 20 are submitted and confirmed.

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The Minutes of the meeting of the Staff Committee of June 21 are submitted and subject to the following observations are confirmed.

PAI Parks and Open Spaces - Appointment of Assistant Superintendent.

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RESOLVED that enquiries as to the possibility of securing a suitable Chinese candidate for this post be not confined to Cornell University and the Nanking College of Agriculture; applications from any candidates who possess the required qualifications to receive consideration.

PAI Accident to Mr. J. B. Watson. - As the circumstances in which this employee incurred this riding accident were only very remotely connected with his association with the Volunteer Corps Mr. Leslie questions the advisability of the Council authorizing a contribution to the medical expenses involved. In any case he considers that employees should insure themselves against the cost incurred by such accidents by taking out accident policies.

Mr. Massey explains that the Committee gave very careful consideration to this application and its decision was influenced by the fact that there was some slight connection between this accident and the employee's association with the Volunteer Corps. It also transpired that Watson had originally insured himself against accidents but discontinued doing so upon entering the Council's service. At the time he entered the service it was not definitely stipulated that the defrayment of medical expenses in respect to accidents incurred not in connection with an employee's official duties would be at the sole discretion of the Council.

Members generally agree that in view of the remote connection between the accident and the employee's association with the Volunteer Corps the sum recommended to be contributed by the Council is somewhat generous. As however it is possible that Watson may not have realized the intention of the recent alteration in the Terms of Service they confirm the Committee's recommendation in this case.

RESOLVED that the attention of all employees be drawn to the fact that the Council although it has made an ex gratia grant in this case is not disposed to exercise its discretion to contribute towards expenses incurred as a result of accidents arising from sporting activities and that the advisability be stressed of employees protecting themselves against such expenses by taking out accident policies.

The Minutes of the meeting of the Education Board of June 22 are submitted and subject to the following observations are confirmed.

PAI Secondary Schools for Chinese Boys - Senior Assistants. - In respect to the Board's recommendation that the rate of pay for Chinese Senior Assistants should be based on that authorized for foreign senior

Assistant masters less one-third (repatriation pay) the Chairman refers to the memorandum which has been circulated to the Staff Committee and the further comment submitted by the Acting Treasurer & Controller, the latter suggesting that the commencing rate of pay should be \$400 per annum as against \$1s.300 per annum proposed by the Board. From information he has received today from a well informed source he gathers that the Chinese masters who have agreed to enter the Council's service in the capacity of assistant masters with the prospect of early promotion will only do so if they are engaged on the tael basis of pay recommended by the Board. Whilst the difference in the initial rate of pay recommended by the Board and that proposed by the Acting Treasurer is negligible he appreciates that the maximum on the tael basis is considerably in excess of that which could be authorized under the grading on the dollar basis advocated by the Finance Department. Despite this he considers that the importance of these proposed appointments warrants a departure from the customary application of the scales of pay.

As in the Board's opinion the masters whom it is desired to secure will constitute a valuable asset to the Council's schools particularly so as it can be anticipated that they will in due course qualify for promotion to the rank of Headmaster, members are prepared to support the Chairman's proposal.

The Secretary observes that under the authorized scales of pay the Chinese staff with a few exceptions are paid on a dollar basis and the foreign staff on a tael basis. Without prejudice to the rate of pay it may therefore be desirable for the Staff Committee to consider whether the proposed grading on a tael basis might not be converted to a dollar basis.

In this respect Mr. Hsu points out that the Salaries Commission appreciated the necessity of making provision for certain Chinese appointments on a tael basis of pay; accordingly in his opinion endorsement of the Board's recommendation would not conflict with the principles adopted by the Salaries Commission.

RESOLVED that the scale of pay for the Chinese Senior Assistant Masters to be appointed as recommended by the Education Board be authorized; (II) that the Staff Committee be requested to consider the detailed application of this rate of pay in connection with the existing scales.

Revision of School Fees. - The Chairman suggests that as it may be possible to consider and submit a recommendation relative to a revision of fees at all Schools in time to permit such revision to become effective as from the commencement of the next Winter term confirmation of the Board's recommendation relative to an increase in the fees at the Nieh Chih Kwei School be held in abeyance. Unless this is done it may be necessary again to revise the fees for this latter school in order to bring them more into line with those obtaining at other municipal Schools. If it is not possible to deal with the

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revision of fees generally within the next few weeks the recommendation relative to the Nich Chin Kuei School could then be confirmed and made public.

The Chairman's proposal is unanimously approved.

8926 Mr. Justice Peetham's Report - Volume IV. - In a memorandum submitted the Secretary details the number of copies of the first three volumes of the Peetham Report which have been printed and disposed of and he requests members' views as to how many copies of the final volume should be printed.

As this latter volume deals with details of internal administration and procedure and thus is not of the same public interest as the previous volumes it is

RESOLVED that 1,000 copies in the English language and 4/500 copies in the Chinese language be printed.

The Chairman observes that nearly a year has elapsed since the Council officially recorded its receipt of this Report. Discussion as to its attitude was held in abeyance at the request of the Chinese members that such discussion be deferred until the Chinese translation of the report was available. He therefore suggests that the question of the Council's attitude towards this Report and the most appropriate means of dealing with the conclusions therein contained should form the subject of early consideration.

Members adopt this proposal and copies of the published announcement as to the official receipt of this Report and of the Minutes recording the Council's decision to defer consideration thereof will be circulated to members.

8927 Outside Roads negotiations. - With reference to the discussion at the last meeting the Chairman states that the draft agreement then referred to which had been initialled by representatives of both sides was forwarded to Nanking by the Chinese delegates and that this has been returned with certain suggested changes.

The Chairman's proposal is adopted that a special Council meeting be held on Wednesday next to consider this draft agreement.

In view of the public interest taken in this matter and the expectation that it might be dealt with at today's meeting publication of an announcement indicating the Council's intention to convene a special meeting is authorized.

The meeting terminates at 6.20 p.m.

Arthur Hill

Chairman.

J. R. Jones
Secretary.

At the special meeting of the Council held on Wednesday, July 6, 1932, at 4.30 p.m., there are present:-

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Johnson
 Messrs. B. D. F. Reith
 S. L. Hsu
 H. Leslie
 C. S. Mieu
 F. W. Losey
 C. Kamoto
 H. Terpi
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. F. J. Raven.

Dr. J. C. H. Wu attends.

Outside Roads negotiations. - A draft of the agreement initialled by 5139 representatives of both parties is furnished to members. The Chairman states that in order to avoid delay this draft has been considered by the foreign members and certain modifications have been suggested by them for consideration at this meeting. A draft of the amendments suggested by the Chinese representatives is also submitted.

The Chairman requests members to regard the contents of these documents, as also the discussion at today's meeting, as confidential. He desires it to be understood that any tentative conclusions which may be reached by the Council at this and subsequent meetings do not commit any member to recommending acceptance of this document until reference thereof to all concerned. His suggestion is adopted that the clauses of the draft agreement be considered seriatim in conjunction with the proposed amendments thereto.

With regard to the introductory paragraph to the draft agreement, the Chairman states that the foreign members cannot agree to the amendment proposed by the Chinese Authorities. As, under the Land Regulations, the Council is empowered to construct and maintain such roads the foreign members are unable to accept the wording of the proposed amendment.

The amendment proposed by the foreign members is adopted.

Article 1 - POLICE. - The Chairman states that as the geographical areas which will be covered by the terms of the agreement will as a result of further negotiation be definitely defined and delineated on maps to be annexed to the final agreement the foreign members take the view that the expressions "Extra Settlement Roads" and "Outside Roads" should be changed to "Extra-Settlement Roads Area.". His proposal is approved that this latter expression be substituted for the two former expressions wherever they appear in this draft agreement.

Para (b). - The amendment suggested by the foreign members is approved.

Para (c). - The addition proposed by the Chinese representatives is approved and the concluding words "during the period of this agreement" are deleted.

The Chairman is of opinion that a clear understanding should be reached with regard to the personnel of the police administration. In view of the large Japanese population in the Northern district he regards it as desirable that in their interests a substantial proportion of the police personnel to function in this area should be of Japanese nationality. Whilst he does not consider it necessary to insert such provision in the draft agreement he proposes and members concur that this be arranged by negotiation and an exchange of correspondence.

Para (d). - The Chinese representatives have proposed the following addition "Chinese Police Laws to be followed and applied as far as possible and practicable."

As neither foreign nationals nor police officials are conversant with Chinese police laws the foreign members take the view that this provision should be omitted, the question of what police laws should be followed to be settled by the Commissioner and the Deputy Commissioner as a result of practical experience of the problems which will arise. In this respect members concur with the Secretary General that inclusion of this provision might affect the extraterritorial rights of certain nationals and raise a major political issue, a situation which it is desirable to avoid. As it is considered inadvisable for either side to commit itself to follow any particular police laws this amendment is not approved.

Para (e). - The foreign members have suggested that this para be redrafted to include more specific provision for dealing with mixed cases where Chinese and foreigners are involved and to include a provision that pending the establishment of improved prison facilities outside the Settlement all foreigners not having extra-territorial rights charged with having committed offences in the Extra-Settlement Roads Area shall be tried in the Special District Court and serve their sentences in the S.M.C. Gaols.

The Chairman proposes that the Secretary General be authorized to ascertain from the Chinese Authorities their intentions as to the trial and detention of such cases.

The Secretary General states that as the Nantao and City Courts have with the Special District Court concurrent jurisdiction in such cases the tendency would probably be to refer any cases which may arise for jurisdiction by the former Courts. He undertakes to take up this question with the Chinese Authorities with a view to the paragraph being re-drafted more specifically defining its intention or alternatively to this object being achieved by an exchange of correspondence.

Para (f). - Substitution of the word "matters" for "cases" is approved.

Article 2. - In respect to the amendment to this article proposed by the foreign members, the Chairman desires that it should be clearly understood that the Council does not require delegated powers so far as concerns the repair, maintenance etc. of the roads referred to in this draft agreement. If however the Chinese Authorities intend that this article embraces the entire area within the defined perimeter then there is no objection to its wording. On the other hand if this is not the case the foreign members require an amendment as suggested.

The Secretary General undertakes to ascertain from the Chinese Authorities the precise intention of this Article.

Article 4. - For the reasons set forth in the preceding paragraph the foreign members have proposed a similar amendment to this Article.

Mr. Hsu states that while he agrees with the foreign members' contention in respect to the repair, maintenance, etc. of roads he is not aware that the Land Regulations give the Council similar powers regarding fire prevention and public health measures. He therefore sees no objection to the Council agreeing to delegated powers in this respect.

Mr. Leslie observes that by accepting such delegated powers the Council would by implication admit that its actions in the past had been irregular. This the Council is not prepared to do. In his opinion the terms of this agreement will not be entirely palatable to either side and in suggesting amendments thereto the foreign members have had to bear in mind the re-action on their constituents of the points conceded.

The Chairman refers to the very long period over which the municipal fire and health services have functioned on the outside roads. In his opinion an impossible situation would arise if suddenly it was stipulated that these essential activities could be continued only by the permission of the Chinese Authorities. If however the intention of this Article is to permit these services to penetrate into a more extensive area then he realizes that the Council would require to obtain delegated powers.

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The Secretary General observes that the services referred to in Articles (2) and (4) have been so arranged in accordance with the system under which the Council keeps its accounts and in order to facilitate compilation of the necessary records etc.

Mr. Hsu states that he is willing to accept the proposed amendment to this Article although he desires it recorded that he adheres to his opinion that as a matter of principle fire and health services do not fall within the same category as road repairs, maintenance etc.

Article 6. - The amendment proposed by the Chinese representatives is approved subject to a satisfactory exchange of letters making it clear that taxes in excess of ~~2%~~ less than the rate fixed for the International Settlement cannot be levied.

Article 7. - With regard to the amendment proposed by the foreign members to the effect that the arrangements outlined will operate for a period of three years and thereafter continue in force subject to termination on one year's notice on either side the Secretary General states that the original intention was to fix the initial period at five years; the Chinese representatives however suggested a three year period.

Mr. Massey states that he favours a five year period and that if notice of discontinuance is not given at the end of the first four years that the agreement should continue for a further five years.

Upon the Chairman observing that under the existing article no provision is made for continuance of the agreement beyond a period of three years, Mr. Hsu suggests that if a period of notice of termination is to be suggested he considers six months is adequate.

The Secretary points out that although this period coincides with the period of notice for terminating the agreement in the event of the Chinese Government and the Foreign Powers implementing treaties concerning the extra Settlement areas referred to, such period of notice would appear to be somewhat inadequate so far as concerns capital investments during the currency of the Agreement.

In this respect Mr. Massey's suggestion is adopted that an addition be inserted in the second paragraph of this article providing that the arrangement would be null and void at the end of the next succeeding quarter after the expiration of six months' notice of termination.

With regard to the duration of the agreement and the period of notice required for its termination, it is agreed that the Secretary General be authorized to negotiate with the Chinese Authorities for the agreement to run for a period of five years; and

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thereafter continue in force subject to termination on one year's notice by either side.

With regard to the new paragraph which the Chinese representatives have suggested should be inserted members concur with the Chairman that the latter portion thereof would unduly restrict the Council. Whilst it would in all cases give due consideration to the desires and suggestions of the City Government it is felt that occasions may arise when it would be hampered in its activities if a literal interpretation of this concluding section were insisted upon.

The Secretary General is accordingly authorized to negotiate with the Chinese Authorities for excision of the words "and to execute its authority in accordance with the desires and suggestions of the City Government of Shanghai."

Finally the Secretary General is authorized to continue his negotiations with the Chinese representatives with a view to clarifying the points raised in this discussion and to securing their approval to the proposed modifications.

The meeting terminates at 6.20 p.m.



Chairman.



Secretary.

Addenda to Minutes of Special Council Meeting held on
July 6, 1932.

EXTRA SETTLEMENT ROADS.

The City Government of Greater Shanghai and the Shanghai Municipal Council have agreed upon the following *modus vivendi* in respect of the Extra Settlement Roads:-

(1) POLICING.

The City Government of Greater Shanghai to establish a Police Administration to function on the outside roads. This Administration to be under the control of the Bureau of Public Safety of Greater Shanghai, subject to the following conditions:-

- (a) The Mayor of Greater Shanghai to appoint a senior officer in charge, to be styled "The Commissioner" of the said police administration.
- (b) The Shanghai Municipal Council to nominate a Deputy Commissioner in Charge, to be styled "The Deputy Commissioner" of the said police administration who upon the nomination being approved by the Mayor of Greater Shanghai will be appointed by him.
- (c) The said police administration to be organized under the direction of the Commissioner and the Deputy Commissioner and the personnel of this police administration shall wear a distinctive badge or device in Chinese and English and shall have the exclusive right to function on the said roads during the period of this agreement.
- (d) The Commissioner and the Deputy Commissioner to make such arrangements in connection with patrol, traffic, and other functions on the Extra Settlement Roads within the different areas as will be most convenient for administration and control.
- (e) As regards the police control of the Extra Settlement Roads all matters relating to Foreign Nationals having extraterritorial rights shall be handled by the Deputy Commissioner, and all cases relating to Chinese and other Nationals shall be dealt with by the Commissioner, subject to any such action being in conformity with the Agreement appertaining to the Shanghai District Court.
- (f) Any order issued by the said police administration regarding cases concerning foreigners having extraterritorial rights shall not become operative unless it is accepted and/or otherwise given effect to by the Consul at the authority of the Deputy Commissioner.
- (g) In the case of doubt arising as to the proper handling of any particular case or situation, the Commissioner and the Deputy Commissioner will, if unable to agree, immediately report in writing to the Chief of the Bureau of Public Safety of Greater Shanghai and to the Commissioner of Police S.M.C., respectively, for consideration and subsequent settlement; - and failing such settlement, for their reference to higher authority.

(2) REPAIRS, MAINTENANCE, ETC., OF EXTRA SETTLEMENT ROADS.

The City Government of Greater Shanghai to delegate the necessary power and authority exclusively to the Shanghai Municipal Council, to undertake the work in respect to road repairs, bridges, drainage, sewerage, house refuse, and removal of ordure, etc., on the Extra Settlement Roads.

(3) PUBLIC UTILITIES.

- (a) Northern Areas: Public Utility services for the northern areas to be supplied by companies having obtained or which shall obtain franchise rights from the City Government.
- (b) Western Areas: The existing public utility companies to apply to the City Government for franchises to operate in these areas: such applications to be considered in connection with the services now being rendered to the community of public utilities now operating on Extra Settlement Roads.

(4) FIRE PREVENTION
and
PUBLIC HEALTH.

The City Government to delegate the necessary power and authority exclusively to the S.M.C. Department to undertake the work for fire prevention and public health on the Extra Settlement Roads.

(5) MUNICIPAL PROPERTIES.

All municipal property of the S.M.C. and of the Municipality of Greater Shanghai on Extra Settlement Roads to be exempt from taxation and free from interference.

(6) FINANCE.

The City Government to delegate the necessary power and authority exclusively to the Shanghai Municipal Council to collect taxes on Extra Settlement Roads.

The Shanghai Municipal Council and the City Government of Greater Shanghai to keep a separate Budget of Income and Expenditure to which all such revenue shall be credited;

and all expenditure involved under:-

Clause 1 (Policing)

Clause 2 (Repairs, Maintenance, etc., of Extra Settlement Roads);

Clause 4 (Fire Prevention and Public Health);

and the cost of collections and public lighting; shall be a first charge on this Special Budget.

In regard to royalties derived by the City Government of Greater Shanghai or the Shanghai Municipal Council in respect to services actually provided on Extra Settlement Roads, such royalties shall be placed to the credit of aforesaid Budget of Income and Expenditure; also any receipts emanating from the issue of licenses or permits shall be so credited.

The City Government of Greater Shanghai and the Shanghai Municipal Council shall be jointly responsible for any surplus or deficit arising out of the income and expenditure on the Budget of the Extra Settlement Roads, and in the ordinary course any such surplus or deficit shall be included in the Budget for the succeeding financial year.

(7) GENERAL.

It is to be understood that the arrangements outlined in the foregoing articles will operate for a period of three years, at the expiration of which the arrangement shall be subject to renewal with such adjustments as may be agreed upon between the two authorities.

In the event of the Chinese Government and the Foreign Powers concluding treaties concerning the Extra Settlement Areas referred to, this arrangement to be null and void on the expiration of six months from the giving effect to such treaty or treaties.

Matters such as a scheme for reciprocal action in regard to vehicle licenses, etc., to be negotiated by representatives of the S.M.C., W.P.C., and the City Government, as early as possible.

AGREED by the authorized representatives of the City Government of Greater Shanghai and of the Shanghai Municipal Council subject to the approval of the Higher Authorities.

4 June 1932.

After submission to Hanking, the Chinese representatives propose the following amendments:-

Page 1.- The Chinese representatives wish to amend the introductory paragraph to read as follows:-

"Having regard to the principle that roads hitherto constructed by the S.M.C. outside the limits of the Settlement should be controlled and maintained by the City Government of Greater Shanghai the City Government of Greater Shanghai and the Shanghai Municipal Council have agreed upon the following modus vivendi in respect of the Extra Settlement Roads."

The Secretary General would not agree to this and suggested the following way of compromise:-

"Having regard to the contention of the Chinese Authorities that roads hitherto constructed by the S.M.C. outside the limits of the Settlement should be controlled and maintained by the City Government of Greater Shanghai and having like regard to existing conditions in respect to such roads the City Government of Greater Shanghai and the Shanghai Municipal Council have agreed upon the following modus vivendi concerning the Extra Settlement Roads."

Page 1.- (c) 5th line - after the word "shall" insert

"under the control of the Bureau of Public Safety."

Page 1.- (d) 5th line - after the word "control" insert

"Chinese Police laws to be followed and applied as far as possible and practicable."

Page 3.- Para. (6) FINANCE.

At the end of line 3 - Insert "in accordance with the rates fixed by the City Government of Greater Shanghai."

(Note: It is proposed by the Chinese to arrange by an exchange of letters between the Shanghai Municipal Council and the City Government of Greater Shanghai that the rates now collected on the outside roads shall remain unchanged and that the proportion of rates on the outside roads to those inside the Settlement shall remain as at present.)

The insertion of an entirely new paragraph to read as follows:-

"In all cases where the City Government of Greater Shanghai delegates its power and authority to the Shanghai Municipal Council the latter should submit from time to time detailed reports to the former on the work undertaken on Extra Settlement Roads and to execute its authority in accordance with the desires and suggestions of the City Government of Greater Shanghai."

AMENDMENTS suggested by Foreign Members of Council.

Introductory paragraph to read as follows:-

"Having regard to the contention of the Chinese Authorities that roads hitherto constructed by the S.T.C. outside the limits of the Settlement should be controlled and maintained by the City Government of Greater Shanghai and having like regard to the contention of the Shanghai Municipal Council in respect to such roads the City Government of Greater Shanghai and the Shanghai Municipal Council have agreed upon the following *modus vivendi* concerning the Extra Settlement Roads."

Page 1. Art. (1).-

and line alter words "outside roads" to read "Extra Settlement Roads Area."

Para. (b). - 4th line altered to read "upon nomination will be appointed by the Mayor of Greater Shanghai."

Para. (c). - Amendment proposed by Chinese Representatives agreed to.

Para. (d). 3rd & 4th lines altered to read "Extra Settlement Roads Area as will be most convenient."

Object to amendment (last line) as proposed by Chinese Representatives.

Para. (e). To be redrafted to include more specific provision for dealing with mixed cases where Chinese and foreigners are involved and to include a provision that pending the establishment of improved prison facilities outside the Settlement all foreigners charged with having committed offences in the Extra Settlement Roads Area shall be tried in the Special District Court and serve their sentences in the S.T.C. gaols.

Para. (f) 2nd line - word "cases" to be altered to "matters."

Page 2. Art. (2). - Repairs, Maintenance, etc.

If it is understood that the term "Extra Settlement Roads Area" includes the whole area within the agreed perimeter the words in the 1st line "to delegate" may stand but if the whole area not included the Article to be amended to read "The Shanghai Municipal Council shall have the exclusive power and authority to undertake the work in respect to road repairs, bridges, drainage, sewerage, house refuse, and removal of ordure, etc., in the Extra Settlement Roads Area."

The Council's position as to construction of new roads in the Extra Settlement Roads Area and their maintenance to be clearly defined.

Page 3. Art. (4) Fire Prevention and Public Health.

If the term "Extra Settlement Roads Area" includes whole area, words in 1st line "to delegate" may stand otherwise the Article to be amended to read "The Shanghai Municipal Council shall have the exclusive power and authority to undertake the work of fire prevention and public health in the Extra Settlement Roads Area."

Art. (6). Finance.-

A amendment suggested by Chinese Representatives accepted subject to exchange of satisfactory letters making it clear that taxes in excess of 2% less than rate fixed for International Settlement cannot be levied.

Page 4. Art. (7).-

To be amended to read "It is understood that the arrangement outlined in the foregoing clauses will operate for a period of three years and thereafter continue in force subject to termination on one year's notice by either side."

The new Article proposed by the Chinese Representatives to be amended by deleting all the words after the word "Roads" in the 6th line.

As amended it will read:- "In all cases where the City Government of Greater Shanghai delegates its power and authority to the Shanghai Municipal Council the latter should submit from time to time detailed reports to the former on the work undertaken on Extra Settlement Roads."

At the meeting of the Council held on Wednesday, July 13, 1932, at 4.30 p.m.

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bannison
 Messrs. B. D. F. Beith
 W. Leslie
 C. S. Licu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Commissioner of Police
 The Commissioner of Public Health
 The Commandant S.V.C., and
 The Secretary.

Absent:

Mr. J. L. Hsu.

Dr. J. C. H. Wu attends.

5705/2 Subject to insertion of the name of Mr. Holborow before the words "the Council's Legal Adviser" in the minutes relating to Greyhound Racing Association (China) Ltd. the Minutes of the last meeting are confirmed and signed by the Chairman.

4861/5070 Chinese Land Commissioners. - The Chairman states that the draft letter to the Senior Consul has been prepared and will be circulated to members within the course of the next few days.

5426 The Weethan Report. - The Chairman states that he hopes to be in a position to submit a resolution for consideration at the next meeting.

The Minutes of the Special meeting of July 6 are confirmed and signed by the Chairman.

5129 Outside Roads Negotiations. - The Chairman states that the Secretary General although unable through indisposition to attend his office is at his home continuing his discussions with Mr. O. K. Yui. The latter is studying the points raised by the Council whereafter he will further confer with Dr. Fessenden.

The Chairman refers to the erroneous accounts of the tenor of the Council's discussion at its last meeting which appeared in the

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Chinese press and states that the Press Information Officer has arranged for these inaccurate statements to be corrected.

In respect to the misleading statements published yesterday in the Shanghai Evening Post and Mercury, the Press Information Officer states that when the Editor has been requested to publish corrections of inaccurate statements he has replied that he would only do so if the Council immediately furnished him with full details of the subject in question; if this is not done Chinese sources are approached with the result that incorrect statements are published; the attitude adopted by this paper is in effect a challenge to the Council immediately to furnish information on questions which are sub judice. The Secretary General has repeatedly informed this Editor that the Council is not in a position prematurely to disclose such information.

The Chairman's proposal is adopted that he should interview this Editor with a view to prevention of publication of inaccurate statements on Municipal matters.

A brief statement to the effect that no further discussion took place at this meeting on the Outside Roads negotiations is authorized for publication.

The Minutes of the meeting of the Health Committee of June 30 are submitted and confirmed.

5609 Anti-Cholera Campaign - Provision of water Hydrants. - Relative to the recommendation that the Council should approve in principle a limited supply of free water, a letter is submitted from the Waterworks Company intimating its willingness to supply free water from hydrants in areas which have been decided upon after consultation with the Commissioner of Public Health.

RESOLVED that formal permission be accorded the Company for the supply of free water in accordance with the scheme submitted and that the action taken by the Company be given publicity forthwith.

The Commissioner of Public Health withdraws.

The Minutes of the meeting of the Water Committee of July 7, are submitted and confirmed.

3160 Russian Detachment. - In respect to the view recorded by the Committee as to the desirability, if finances permit, of the services of a number of the trained members of the Russian Detachment being retained, the Chairman states that the Commandant has submitted a revised proposal whereunder a reduced number would be retained this year and others engaged or re-engaged during the next two years. It

is noted that under this scheme the additional cost would amount to approximately \$20,000, \$154,000 and \$174,000 for 1932, 1933 and 1934 respectively. In his opinion adoption of this proposal would react somewhat harshly on certain members of the Detachment inasmuch as their services would be terminated and the possible hope of re-engagement held out to them subsequently. Upon his suggesting that this revised scheme be referred to the Watch Committee for its consideration, Mr. Arnhold states that the Committee strongly favours an increase in the Russian Detachment but that it realizes this can be effected only if the Council is in a position to finance the additional cost involved. The retention or otherwise of those members of the Russian Detachment who are surplus to the authorized establishment requires early decision and in the absence of further information as to whether the necessary funds are available he considers little purpose would be served by again referring this question to the Watch Committee.

Mr. Leslie states that whilst he does not wish to appear unfeeling in respect to the members of the Detachment, whose services it may become necessary to terminate it has been found in the past that no difficulty has been experienced in obtaining the temporary services of this type of Russian during periods of Emergency and that they appear to be only too willing to accept temporary employment during such periods. In this respect the Commandant states that it may be anticipated that some 40% of those who leave the Council's service will apply for and secure service with the Russian Company maintained by the French Concession Authorities. The Commandant adds that his revised scheme has been put forward solely with a view to reducing additional expenditure during the current year and with the object of maintaining a skeleton organization which could be built up within the next two years. In his opinion if the desired strength of the Corps as a whole is to be maintained it is necessary that the ultimate strength of the Russian Detachment should approximate one-third of its Infantry strength.

In agreeing in principle as to the desirability of increasing the strength of the Russian Detachment members adopt Mr. Leslie's proposal that the question as to the possibility of the necessary finances being available be referred to the Finance Committee.

The Chairman draws attention to the fact that in the Minutes of the Watch Committee this Unit is referred to both as the Russian Detachment and the Russian Company. As the former consists of paid men and the latter are volunteers, for purposes of clarification the expression "Russian Detachment" will be substituted in this minute.

The Commandant withdraws.

1044 Gaol Administration. - Replying to the Chairman the Commissioner of Police states that although under the recent amnesty some 2,000 professional criminals may be released from the Ward Road Gaol it is probable that they will quickly resort to a life of crime and return to the Gaol; hence in his opinion their release under the amnesty will not materially affect the problem of accommodation with which the Council is confronted.

In view of the extremely heavy cost involved by the provision of additional gaol accommodation it is unanimously.

RESOLVED that representations on the lines suggested by the Committee be put forward to the Consular Body at an early date.

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

The Minutes of the meeting of the Education Board of July 5, are submitted, and subject to the following observations are confirmed.

1142 Grants-in-aid and Remission of Taxation. - In respect to the recommendation that remission of taxation hitherto accorded to certain schools situated beyond Settlement limits, including St. John's University, be discontinued as from January 1, 1933, Mr. Yuan states that he has discussed this proposal with the Principal of the School who stated that owing to the withdrawal of financial support from other sources the School would have great difficulty in finding the necessary money for the payment of municipal taxation and that he would welcome the opportunity of discussing this matter with the Chairman.

The Chairman states that in deference to the views of the Chinese Education Authorities, no grants are being recommended by the Education Board to Chinese schools situated beyond settlement limits. Whilst it is not within the Board's province to suggest financial assistance to this school its members considered that for 1932 the Council might be disposed to authorize a small grant to offset to some extent its demand for the payment of municipal taxation.

Mr. Iciu states that as a member of the Board of Directors of this School he is aware of the difficult financial position in which it is placed and as more than half of its pupils are local students he would appreciate sympathetic consideration being given to its financial position.

The Chairman's proposal is adopted that decision in the matter of the issue of a grant to St. John's University be deferred until he has consulted with the Principal of this School and that its unsatisfactory financial position as outlined by Messrs. Yuan and Iciu be communicated to the Finance Committee for its sympathetic consideration.

1189 Revision of School Fees. - The Chairman states that the Chinese members of the Board who were in a majority at its last meeting opposed the proposal for a general revision of school fees so far as the Chinese Secondary

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schools are concerned. Briefly their objections were based on the following grounds:- that, traditionally in China fees at Schools established by public authorities should be lower than those in force at private Schools; that the existing scale of fees at the Municipal Schools is already high and that any increase will deter the children of the poorer classes from attending. The foreign members took the view that the parents of the children attending the Municipal Chinese Secondary Schools were in a position to pay the proposed comparatively small increased fee and that with the restriction there would still be a sufficient list of pupils. As the aim of the Council is to obtain from school fees a sum equivalent to one-third of the cost of administering the Schools and as the present school fees have not been revised for many years they considered, that in fairness to the Ratepayers the proposed increase is called for.

Upon Mr. Yuan stating that the Chinese members suggested on account of the prevailing business depression that the revision of fees should be deferred for one year the Chairman points out that a Chinese member of the Board who is a principal of a School admitted that he had recently successfully increased his fees by 15%.

Whilst agreeing that the value of the education provided at the Municipal schools is in excess of the amount of the fees charged Mr. Lieu submits that an increase at this time may result in bad feeling and a feeling of uncertainty that this may be the forerunner of an increase in other municipal charges.

In observing that the Council may be faced with additional heavy expenditure next year for an increase in the strength of the Revision Department and for other important projects the Vice-Chairman considers that the most economical programme possible should be followed for education and that unless it can be placed on a more self-supporting basis it will become necessary for the Council to revise its existing educational policy.

In concurring in this view Mr. Leslie is of opinion that the reluctance of the Chinese members to agree to the proposed school fee revision will definitely postpone the attainment of the objects desired by the Chinese community in the matter of an extension of educational facilities. It is obvious that the greater the deficit on the Schools' budgets the less chance will the Council have of proceeding with its existing educational programme.

In supporting the views expressed by the Vice-Chairman and Mr. Leslie, the Chairman states that it has been pointed out to the Chinese members of the Board that unless additional revenue is forthcoming

by means of increased school fees it will automatically reduce the funds at the Council's disposal for assisting schools whose need is greater than that of the municipal schools. He has explained to the Chinese members that the Council cannot consider proposals for increased salaries and for increased grants if at the same time no increase is made in the existing low school fees.

Mr. Woo then suggests that decision on this question be deferred until the next meeting; in the meantime the Chinese members will give further consideration thereto.

Members adopt this proposal, decision on the recommendation relative to the increase in the fees at the schools for foreign children being also deferred.

With regard to the recommendation No.V, that with certain exceptions children of parents who are not Settlement residents should be charged an additional 20% in school fees, the Chairman states that this recommendation was intended to apply to all municipal schools both foreign and Chinese.

Members concur with Mr. Lieu that an increase in excess of 20% is justified in such cases. Decision as to the extent of this increase is deferred until the next meeting.

The minutes of the meeting of the Works Committee of July 8 are submitted and confirmed.

1486 Prostitution and Street Soliciting - Proposed Enquiry. - The Secretary reports

that a member has suggested an enquiry into the problem caused by the houses of prostitution and by street soliciting in certain areas of the Settlement and particularly in the area between Henking Road, Market Road, Avenue Edward VII and Cheong Road.

Replying to the Chairman the Commissioner of Police states that Police officers do not report any particular increased influx from the French Concession in the number of prostitutes and persons soliciting in the vicinity of the Great World. In his opinion in the absence of the necessary legislation little more can be done by the Police Department than is done at present. Fines of from 500 to 750 are imposed for the offence of soliciting but it is most difficult to prove this offence. Plain clothes men are utilized to detect these offenders but many of these are recognized by the girls and boys and the utmost care has to be exercised to ensure that definite proof exists against the person arrested. A further difficulty is that persons arrested are most reluctant to come forward and give evidence.

Mr. Lieu is of opinion that the chief offenders are the elderly women who run these immoral houses and the pimps engaged in soliciting.

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As such houses are not controlled by license nor are their inmates subject to regular medical examination, as is the case in certain other large cities, he suggests that from a moral point of view the Council should give this problem earnest consideration.

The Commissioner of Police states that upon the necessary legislation being enacted in India which provided for the flogging of pimps and the imprisonment of the women conducting these houses the problem became simplified; without similar legislation in Shanghai and as it is not possible to detach a large number of the police from other important duties he is of opinion that there will be considerable difficulty in remedying existing conditions.

As the Chinese members desire that a small joint Committee be formed to consider this question and to submit recommendations for remedying this evil it is

RESOLVED that a small joint Committee be appointed to consider this question in conjunction with Dr. J. C. H. Wu and to report to the Council, nominations to such Committee to be put forward at the next meeting.

The meeting terminated at 6.30 p.m.

W. H. H.

Chairman.

J. J. H.
Secretary.

At the meeting of the Council held on Wednesday, July 27, 1932, at 4.30 p.m.,

there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahnson
 Messrs. B. D. F. Beith
 S. L. Hsu
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 H. Terai
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Mr. T. D. Woo.

Dr. J. C. H. Wu attends.

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

5139 Outside Roads Negotiations. - Copies of a revised draft of the modus vivendi concerning the Extra Settlement Roads have been furnished to members. The Chairman states that to avoid delay the foreign members met yesterday and with two exceptions agreed to this revised draft. The two points raised by the foreign members have today been the subject of further discussion and negotiation between the Secretary General and Mr. O. K. Yui.

The Secretary General states that the first of these points discussed with Mr. Yui concerns the phraseology of Art. 2 dealing with Repairs, Maintenance etc., of Extra Settlement Roads. The foreign members desired that the word "necessary" be deleted and the expressions "as may be required" or "where necessary" inserted. Mr. Yui was of the opinion that the existing phraseology was broader than that suggested. He was unable to accept the proposed amendment on the ground that the amended phraseology might lead to argument in the future in the event of a change in the personnel of officials of the Greater Shanghai Municipality, as such future officials would not be so familiar with these negotiations as those at present in office. Moreover the Chinese negotiators regard it as highly essential that nothing should be introduced into this modus vivendi which has any bearing on the Council'

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powers under the Land Regulations since they consider that its successful operation depends entirely on the spirit by both sides in which its provisions are carried out. In his opinion this Article as at present worded is more comprehensive than if amended as desired and in view of Mr. Yui's adamant attitude he favours its acceptance as it now stands. The future point he discussed with Mr. Yui was as to whether parties who contemplate the erection of buildings abutting on or having access to a municipal road will be required to apply to the Greater Shanghai Municipality for a building permit. Mr. Yui replied that neither he nor his associates had considered this question. From their point of view the proposed agreement applies only to the roads and not to adjoining territory. On this ground he was not prepared to agree to inclusion of a reference to building permits in the agreement and he suggested that this matter be taken up by officials of both Public Works Departments in order to arrive at an arrangement satisfactory to both sides.

The Chairman recalls that the foreign members were averse to accepting delegated powers in respect to matters as to which they regarded such delegated powers as unnecessary. In view of the assurance given by Mr. Yui that the Chinese officials regard the existing phraseology as conferring full and complete power on the Council for the repair etc., of these roads he enquires whether members are prepared to accept this Article as it stands or whether they desire that negotiations be continued for its amendment.

The Secretary submits that introduction of the words "as necessary" or "as required" would be dangerous since arguments might arise in the future as to whether such powers were necessary or required.

The foreign members concur that whilst there is no reason to doubt that the present Chinese officials will adhere to their expressed interpretation of this article the existing phraseology does not safeguard the Council in the future if any departure from this interpretation was taken by future Chinese officials, or in the event that the existing spirit of good will between both parties was not maintained.

The Chairman states that rather than that these negotiations should be broken off he is prepared to sink his personal objection to the phraseology of this Article provided it is clearly recorded that the Council does not regard delegated powers as necessary in all respects and that if the Article as now worded is accepted the Council's interpretation thereof is the same as that expressed by the Chinese officials.

Upon Mr. Beith suggesting that this interpretation be confirmed by an exchange of correspondence the Secretary General states that in his opinion there is little likelihood of Mr. Yui adopting this suggestion. Mr. Yui informed him that the Chinese officials attached the greatest

importance to the reference in the preamble to this agreement that the Council should recognize the principle that these roads should be under the control of the Greater Shanghai Municipality. By accepting the Council's amendment to the preamble the Chinese officials consider that they have conceded a most important principle.

In concurring with the Chairman that if this Article is accepted the Council's views relative to the delegation of certain powers should be clearly indicated to the Consular Body when the draft modus vivendi is forwarded Mr. Leslie's suggestion is adopted that it also be clearly stated that the Council's acceptance is without prejudice to its rights and that its acceptance of the phraseology is influenced by its desire to implement this agreement.

With regard to the further point dealing with application for building permits, members appreciate that for some considerable period the requirement has been in force that permits must be obtained from the Municipality of Greater Shanghai for the erection of buildings abutting on to extra Settlement roads. The Secretary General is of opinion that it may be definitely assumed that the Chinese Authorities will not give up any of their existing rights so far as concerns purely Chinese territory. Members adopt his proposal that officials of the Public Works Department confer with officials of the Public Works Department of the Greater Shanghai Municipality with a view to an arrangement satisfactory to both parties being reached, such arrangement ultimately to be confirmed by an exchange of correspondence.

With regard to the maps to be attached to the modus vivendi defining the roads concerned the Chairman states that the Public Works Department has been instructed to proceed with the preparation of these for subsequent transmission to the Chinese officials for their approval.

The Chairman proposes that the draft modus vivendi be now transmitted to the Consular Body and with this object the Secretary General has prepared a covering letter. Certain of the foreign members do not associate themselves with the terms of this letter since they consider that possibly a more suitable agreement might have been secured; they agree however as to the desirability of transmitting the draft agreement to the Consular Body for its views.

Subject to certain minor amendments in phraseology which are agreed and to inclusion of a paragraph clearly stating the Council's views on the subject of delegated powers as above recorded this draft letter which will be submitted in final form at the meeting convened for Friday next is approved.

Referring to the meeting of the foreign members which was held yesterday Mr. Hsu states that he deprecates the holding of meetings by separate national groups of the Council which he considers to be wrong

in principle and expresses the hope that this system will be discouraged.

The Chairman agrees that an extension of this policy is undesirable; in the case of the discussions on the outside roads however, the Chinese members were informed that such meetings would be held with a view to reconciling any conflicting views held by the foreign members and thus avoiding delay. He observes that the foreign members, comprized of four nationalities have in the ordinary course less opportunity of meeting unless a definite meeting is convened, than have the Chinese members. He gives an assurance that such meetings will be held only in exceptional circumstances and that the Chinese members will be notified that such meetings will be convened.

The Secretary General withdraws.

596 The Feetham Report. - The Chairman states that he has been informed that the Chinese members are prepared to associate themselves with any reasonable resolution relative to the Feetham Report. They have however suggested that postponement of publication of this resolution until a final decision is arrived at on the subject of the outside roads might from a psychological point of view have a more satisfactory effect.

The Chairman's proposal is adopted that consideration of this resolution be deferred until after the Recess.

1189 Revision of School Fees. - The Chairman states that since the last meeting, the Chinese members have put forward an amended proposal whereunder the school fees for the junior pupils would remain unchanged and those for the middle and higher students would be increased on a graduated scale. An analysis of this proposal by the Finance Department reveals that by its adoption the increased revenue would amount to approximately only 7%. In view of the low ratio of fees to expenditure obtaining at the Municipal Chinese Schools the Chairman regards this increase as quite inadequate. The Education Board agreed in principle some months ago that an increase in School fees was justified and in his opinion the reasons advanced by the Chinese members against an increase in fees from the commencement of the next term are not convincing. In deference to the views expressed by the Chinese members of the Education Board he would be reluctant to put this question to the vote at today's meeting since unquestionably the Council would decide to authorize this increase in fees.

Mr. Yuan states that the Chinese members take the view that as no grants were authorized to Chinese schools for 1931, increased fees should not be imposed until next year; moreover they consider that an increase in fees from the commencement of the year is more in accordance with the recognized custom.

The Chairman replies that even if the Council had not, under its revised policy, decided to authorize the issue of grants-in-aid, it would

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have become necessary to increase school fees. Apart from the fact that the aim of the Council is to obtain school fees equivalent to 33-1/3% of the cost of administering the schools it should not be overlooked that the Council has recently authorized the engagement of highly paid teachers and the depreciation of the dollar is a further factor necessitating an increase in school fees.

Upon the foreign members concurring with the Chairman that an increase in School fees is justified and should be given effect as from September next, Mr. Lieu states that the Chinese members have given their reasons for opposing an increase at that time and that if a majority decide to authorize this increase the Chinese Councillors will have no alternative but to acquiesce.

As a compromise Mr. Massey suggests that the fees at the Chinese Secondary Schools be increased by \$4 per term as from September next and by a further \$4 per term as from the commencement of 1933. Members adopt this proposal.

RESOLVED (1) that a public notification be issued that the fees at the Municipal Chinese Secondary Schools will be increased by \$4 per term as from the commencement of the next School term and by a further \$4 per term as from the commencement of the first term of 1933 ; that the fees at the Municipal foreign schools be increased as recommended by the Education Board as from the commencement of the next School term (2) that with the exceptions referred to by the Education Board pupils of parents who are not Settlement Ratepayers be charged an additional school fee of 25%.

1486 Prostitution and Street Soliciting - Proposed Enquiry. - Nominations to the Committee of Enquiry are left in abeyance until after the Annual Recess.

The Minutes of the meeting of the Public Utilities Committee of July 14 are submitted and confirmed.

The Minutes of the meeting of the Library Committee of July 18 are submitted and confirmed.

The Minutes of the meeting of the Staff Committee of July 19 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of July 22 are submitted and confirmed.

1408 Shanghai Waterworks Company - Rebate on Meter Charges. - In a memorandum submitted the Secretary reports that owing to the large increase in many instances in the Company's accounts by meter over the fixed rates based on percentage of rent it requests the Council's sanction to a rebate being given during investigation into the problem and the

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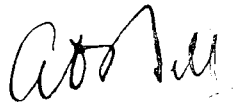
correction of high consumption, provided that its revenue on the whole does not suffer and no increase in the tariff would become necessary.

The Chairman states that in proceeding with the installation of the metering system the Company has found that owing to the recent heat the consumption of water has greatly increased instead of being reduced. Accordingly if the owners of large blocks of property are required to pay on a meter basis they will be faced with heavy additional charges. The Company accordingly requests permission, at its discretion, to allow considerable rebates in cases where it is apparent a hardship will be inflicted. Provided that it is clearly understood that approval of this application will not involve an increase in tariff rates to offset this rebate or to meet the sum required to pay dividends to its shareholders he favours approval of the Company's proposal which is of a temporary nature and will be discontinued after the necessary action has been taken to correct the existing high consumption. Adoption of the Company's proposal involves the granting of rebates in such sums as to bring the charges to approximately 30% more than would be payable if these charges were based on a rental percentage.

After brief discussion it is

RESOLVED that on the distinct understanding that no claim for loss is made on the Council and subject to a monthly return being furnished giving details of all cases in which relief is granted and shewing the effect of general metering on the consumption of water and on the Company's revenue its application to grant rebates as a temporary measure be approved.

The meeting terminates at 6.40 p.m.



Chairman.



Secretary.



At the meeting of the Council held on Friday, July 29, 1932, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahneon
 Messrs. S. L. Hsu
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 H. Terai
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Messrs. B. D. F. Beith
 T. D. Woo

Dr. J. C. H. Wu attends.

Outside Roads Negotiations. - The Chairman states that he has been
 5129 informed by the Acting Commissioner of Public Works that
 owing to the opposition put forward by officials of the
 Municipality of Greater Shanghai it has not been possible
 during the past three years to survey the outside road areas
 and keep these plans up to date. During that period a
 considerable amount of building development has taken place
 and particulars as to this are not available. Accordingly so
 far as these new buildings are concerned some time must elapse
 before complete plans can be prepared. The Acting Commissioner
 of Public Works has suggested that a small Commission composed
 of officials of both Public Works Departments should survey
 the areas concerned and agree as to what properties shall be
 shown on this map.

Mr. Massey questions the advisability of including
 buildings in this map since it will not be possible to provide
 for buildings to be erected in future.

Upon the Chairman suggesting that difficulty may be
 encountered in respect to a number of private roads the
 Secretary-General states that he does not anticipate
 this will be the case. Up to the present a number of resi-
 dents on such roads, jurisdiction over which by either party

has been doubtful, have evaded payment of taxation. As the Chinese Authorities will be jointly responsible for any surplus or deficit on the taxation accruing from these areas he considers they will welcome the inclusion of these private roads in this map. He concurs in the Vice-Chairman's suggestion that any private roads abutting on to Municipal Roads should as a matter of course be shown in this map, and given a distinctive colour.

The Chairman then proposes that the Secretary General, after having obtained from the Public Works Department such data as is available should by negotiation with the Chinese officials endeavour to reach an agreement as to the detailed preparation of this map.

The Chairman's proposal is unanimously approved.

The draft covering letter to the Senior Consul is then considered and subject to a minor amendment suggested by Mr. Hsu is approved. It is decided that the terms of the modus vivendi be not published until the comments of the Consular Body thereon have been received.

The Minutes of the meeting of the Education Board of July 20 are submitted
 5612/1 and subject to the following observations, are confirmed.

Grants-in-Aid for 1932.- The Chairman states that he has discussed with Mr. Yuan, the question of the distribution of grants which have been allocated to Chinese Schools for building development. In order to ensure that these funds are utilized for the purpose stipulated he proposes that they be not handed over to the Schools concerned until the building work is in progress; in the meantime interest at the rate of 4 o/o will accumulate for the benefit of the recipient schools until the money is handed over. With regard to grants generally he suggests that the Health Department be asked to inspect the Schools concerned and that it be stipulated that the Health Department's requirements should constitute a first charge on the grant issued. Each of these schools has submitted a balance sheet which has been examined by the Chinese Education Officer. These balance sheets are now in the course of being examined by the Finance Department and he proposes that the issue of these grants be withheld until its report is received. The Police Department has reported that one of the Schools recommended for the issue of a grant has been utilized as a meeting place by an anti-Japanese Society. Mr. Yuan undertakes to take up this question with the Principal of the School in order to ensure that this School ceases to be used for such a purpose.

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The Chairman proposes that until an assurance is received to this effect, the issue of the grant be withheld.

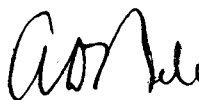
The proposals put forward by the Chairman as above outlined are unanimously adopted.

1041 Discharge of Prisoners under Amnesty Law. - In a memorandum submitted the Secretary refers to the Amnesty Law and Regulations for the Prevention of Crimes which have been promulgated by the Chinese Government and under which a number of prisoners have been, and will continue to be, released. He suggests that apart from seeking the assistance of the Discharged Prisoners' Aid Society some arrangement might be possible whereby various Guilds or charitable associations might look after discharged prisoners belonging to those parts of the Country in which such guilds or Associations are interested.

The Chairman states that Major Darby of the Salvation Army has informed him that he has interested himself in prisoners discharged from the Ward Road Gaol and in respect to those who have homes in other parts of the Country they have been provided with transportation by rail or steamer. A large number of prisoners will be discharged under the Amnesty Law and he suggests that the Chinese members, through their guilds and charitable organizations might interest themselves and possibly take action on the same lines as that taken by the Salvation Army.

Mr. Yuan states that the Discharged Prisoners' Aid Society which was formed some three years ago functioned for about two and a half years but found it difficult to continue. He will however endeavour to convene a meeting of representatives of the various Chinese philanthropic organizations with a view to repatriating as many as possible of these discharged prisoners.

The meeting terminates at 5.10 p.m.



Chairman.



Secretary.

At the special meeting of the Council held on Wednesday, August 24, 1932, at 4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 B. D. F. Beith
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General. and
 The Deputy Secretary.

Absent:

Capt. J. J. Bahnson
 Mr. S. L. Hsu.

Dr. J. C. H. Wu attends.

Outside Roads Negotiations. - Owing to the Secretary General's departure on health grounds on Sunday next and his absence for approximately one month, the Chairman states that this meeting has been convened in order that members may be apprised of the further developments in these negotiations. As members are aware, letters have been received from the American and British Consuls-General warmly commending the terms of the draft agreement and a favourable communication has also been received from the Danish Consul-General. This afternoon the Secretary General received a letter from the Japanese Consul General opposing the terms of the draft agreement and a somewhat surprising attitude has now been adopted by the officials of the Greater Shanghai Municipality regarding the publication of the text of the draft agreement which he requests the Secretary General to outline.

The Secretary General states that on Monday he interviewed Mr. O. K. Yui for the purpose of discussing the preliminary draft of the correspondence to be exchanged relative to the status of the public utility undertakings etc., in the areas affected. He informed Mr. Yui that a Special Council meeting had been convened for today at which possibly it might be decided immediately to publish the text of the draft agreement. Mr. Yui took strong exception to this proposal on

the ground that it might result in completely wrecking the draft agreement. He explained that certain Chinese radical elements were particularly active at present and continued in their demand for the rendition of the Settlement. Accordingly if the text of the draft agreement were published the fact that certain powers have been delegated by the Municipality to the Council would be seized upon as a ground for further agitation to such an extent that the Nanking officials would be unable to authorize signature of the agreement. He reported Mr. Yui's view to the Chairman and yesterday he again interviewed Mr. Yui. Mr. Yui then informed him that if he as Secretary General would give him an informal assurance that the Council was prepared to sign the agreement before publishing its text he would immediately proceed to Nanking to secure authority for signature by the Chinese whereafter there would be no objection to its immediate publication. Mr. Yui emphasized that there was no desire on the Chinese side to keep the contents of the agreement secret once it had been signed by both parties, since from the Chinese point of view as soon as the agreement became a fait accompli, possible opposition thereto would be less intense. The draft agreement as approved by the Council is he understands acceptable to Nanking subject to slight alterations in phraseology. From informal conversations with Chinese government officials he has gathered that Nanking requires that the areas referred to in the draft agreement be more definitely defined and definite boundaries delineated on the accompanying map. This object he considers could be achieved by reference of this question to a small Committee composed of members of the staff of both Public Works Departments. Both the Mayor and Mr. Yui are prepared to advocate signature of the agreement in its present form but have to await the formal authorization of Nanking. Mr. Yui is at present studying the terms of the draft correspondence to be exchanged relative to the status of the public utility companies in these areas and he stated yesterday that whilst he did not object in principle to the form submitted by the Secretary General he would prepare an alternative draft for submission to the Council.

The Chairman states that after hearing what transpired at the interviews between Mr. Yui and the Secretary General he referred to the communiques which have been issued by the Council on the subject of the publication of the text of the draft agreement. In his opinion the communique issued on June 29 implies that the Ratepayers will be given an opportunity of expressing their views and definitely commits the Council to publication prior to signature.

Replying to the Chairman the Secretary General states that he has not specifically drawn Mr. Yui's attention to the sense of the communiques issued by the Council but he presumes he is aware of its position vis-a-vis the Ratepayers in this respect.

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In view of the changed circumstances the Vice-Chairman is of opinion that as a matter of expediency the Council should assume responsibility for a change of policy and sign the agreement prior to publication rather than, by adhering to a decision which was reached in different circumstances, risk the agreement being wrecked. It is unusual to publish the texts of agreements prior to their being signed and the risk involved by publication of this agreement prior to signature is of such magnitude as to call for reconsideration of the Council's announced intention.

The Secretary General adds that he is convinced that Mr. Yui is quite sincere in his contention that if the text of the draft agreement is published prior to signature it will be wrecked. The political situation today is so different from that which obtained when these negotiations were instituted that Mr. Yui feels that the Nanking officials will not be able to withstand the opposition which will be put forward against the signing of this agreement.

The Chairman states that whilst he concurs with Mr. Arnhold that the altered circumstances justify the Council in authorizing signature of the agreement prior to publication, at the same time such a course would constitute a breach of faith to the Ratepayers. He suggests that possibly a middle course might be adopted whereby the Council would be enabled to fulfill its undertaking to the Ratepayers and also obviate the risk of the agreement being wrecked. He enquires whether this double object could not be achieved by authorizing the Secretary General to notify that the Council is willing to sign the agreement, obtain a similar consent from Nanking and release the text of the agreement for publication a day or two before signature.

In this respect the Secretary General states that Mr. Yui has specially requested that if the Council decides to authorize the signing of this agreement no publicity be given to such decision until he has had an opportunity of conveying this decision to Nanking. He is definitely of opinion that if wide publicity is given to such decision suspicions will be aroused in Nanking.

Upon Mr. Okamoto questioning whether from a legal point of view the Council can sign this agreement without the prior consent of the Consular Body the Secretary General states that he has discussed this point with the Senior Consul as representing the Consular Body and also with the British Consul-General. Both these officials are of the opinion and have so advised their respective Governments that the proposed agreement is solely concerned with administrative procedure and as such has no direct connection with the Land Regulations. The roads affected are outside the Settlement limits and the Council's rights thereon are not determined

by the Land Regulations. On this ground they are of the view that no reason exists why the Council should not sign this agreement. He has gathered that with the exception of the Japanese Consul General the other members of the Consular Body subscribe to this view.

X The Chairman re-iterates that he would be prepared to propose the immediate signing of the agreement were it not for the undertaking given by the Council that the Ratepayers would be afforded an opportunity of expressing their views prior to signature. He is far from convinced that the Chinese can justify their determination to wreck the agreement if published prior to signature and he suggests that further negotiation on this point might overcome the existing difficulty.

Provided a majority of the Council is in favour, the Chairman supports Mr. Arnhold's proposal that the Secretary General be authorized forthwith to notify Mr. Yui that the Council is prepared to sign the agreement but he adheres to his view that further negotiations should be conducted with the Chinese Authorities to enable the Council to abide by its undertaking to the Ratepayers.

Upon Mr. Massey suggesting that the Council might issue a further communique tomorrow to the effect that the Council is prepared to sign the agreement within a stipulated period the Chairman states that he is informed by the Secretary General that such an announcement would embarrass the Chinese officials almost as much as publication of the draft text.

The Vice-Chairman then suggests that the Council should authorize signature of the agreement and then frankly explain to the Ratepayers the reasons which actuated the Council in departing from its announced intention of publication prior to signature. In his opinion the Council would receive the support of the Ratepayers in such action.

Messrs. Okamoto and Terai doubt whether such action would receive the support of the Ratepayers. In their opinion it would be wrong in principle for the Council to commit itself to the terms of this agreement without affording the Ratepayers an opportunity of expressing their views. Whilst they appreciate the difficulties presented by the existing political situation it should not be overlooked that the political situation is subject to continuous change and it is not inconceivable that still further changes may later place the Council in a more favourable position. In deprecating undue haste in ratifying this agreement the Japanese members state that they feel committed to affording their constituents an opportunity of expressing their views on the draft agreement to such an extent that if this decision were departed from they would have no alternative but to resign from the Council.

In sympathising with the view expressed by the Japanese members the Chairman states that he still hopes some means can be found whereby, after the consent of ranking to signature has been obtained, publication will

be possible prior to signature by the Council. He suggests that if it is clearly explained to Mr. Yui that the Council is committed to publication prior to signature the Chinese officials may be prepared to modify their attitude. He regrets to differ from the view expressed by the Japanese Consul General as, in his opinion, the proposed agreement is in the best interest of all concerned and were it not for the fact that the Council is committed to publish the draft agreement prior to signature he would not hesitate at this meeting to recommend its signature.

Mr. Leslie concurs that it would be most regrettable if the Council should not fulfil its undertaking to the Ratepayers. In his opinion the reasons advanced by Mr. Yui against publication prior to signature are not convincing and he would find great difficulty in explaining to the foreign ratepayers that such reasons were regarded by the Council as sufficiently cogent to warrant departure from its announced intention. The attitude adopted by Mr. Yui would imply that a competent authority is not prepared to face possible criticism of the draft agreement prior to its ratification, an admission which would place the Council in a most embarrassing position vis-a-vis the Ratepayers.

The Chairman agrees that the only reason which the Council could advance in defence of departure from its announced intention was that it had been informed by the Chinese Authorities that this request was a sine qua non.

The Secretary General re-iterates that the Chinese officials are only slightly concerned with any possible re-action after the agreement has been signed since past experience has shewn that radical elements are prepared to regard as settled matters in respect of which final Government action has been taken. He adds that if the Council desires to defer further action until a more favourable opportunity occurs the Chinese officials will not demur.

Upon Mr. Massey suggesting that the Council should decide at this meeting to sign the agreement and issue a communique to the effect that negotiations are still proceeding and that it may be necessary to sign the agreement prior to publication, Dr. Fessenden states that he is very doubtful whether Mr. Yui would consent to such a course. Members generally agree that the publication of a communique in the above sense might result in an intensive press campaign.

The Chairman's proposal is then adopted that, in view of the importance of this question, no decision be reached at this meeting. Prior to further consideration the Secretary General is requested again to confer with Mr. Yui and clearly explain to him that the Council is most reluctant to depart from the undertaking given to the Ratepayers, and to endeavour to reach some arrangement whereby it can abide by this undertaking without

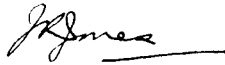
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however prejudicing signature of the agreement. In addition to these further negotiations between Dr. Fessenden and Mr. Yui the Chairman undertakes if necessary to discuss this point with the Mayor. In the meantime the Chairman requests members to regard the proceedings at this meeting as strictly confidential.

The meeting terminates at 5.40 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, August 31, 1932, at

4.30 p.m., there are:-

Present:-

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 B. D. F. Beith
 N. Leslie
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching, and
 The Deputy Secretary.

Absent:

Capt. J. J. Bahnson
 Mr. S. L. Hsu.

Dr. J. C. H. Wu attends.

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

The Feethan Report. - The Chairman's proposal is adopted that, owing to the absence of Mr. Hsu, consideration of this resolution be deferred until the next meeting.

Prostitution and Street Soliciting - Proposed Enquiry. - In view of the difficulty of securing suitable persons to serve on this Committee, consideration as to membership thereof is deferred to a later meeting.

Educational Grants-in-Aid. - From reports furnished by the Commissioner of Public Health, it is noted that the Department has not yet been able to conduct a thorough inspection of the Schools in respect to which the issue of grants have been recommended. The Chairman states that he has ascertained that the nineteen smaller Schools which have yet to be inspected will receive approximately 22% of the total grants recommended for issue in respect to the first half of the current year. The financial statements submitted by all these Schools have been satisfactorily commented upon by the Finance Department and he suggests that it is undesirable further to delay the issue of the grants recommended. He has been assured by the Chinese Education Officer that in conjunction with the Chinese Sub-Committee he will ensure that expenditure on sanitary improvements which are considered necessary by the Health Department will form a first charge on the grant issued. On this

understanding he proposes that, with the exception of the portion of any grants which are to be devoted to building requirements, the whole of the grants covering the first half of the current year be issued forthwith.

Members unanimously adopt the above proposal.

1004 Discharge of Prisoners under Amnesty Law. - Replying to the Chairman, Mr. Yuan states that up to the present it has not been possible to convene a meeting of the various Chinese philanthropic organizations to consider means of repatriating prisoners discharged under the Amnesty Law.

The Minutes of the Special Meeting of August 24 are confirmed and signed by the Chairman.

1007 Outside Roads Negotiations. - The Chairman states that during the past week the attention of the Chinese officials has been more forcibly drawn to the Council's position vis-a-vis the Ratepayers in the matter of the publication of the text of this draft agreement. He suggests that they should be allowed a reasonable period to consider this matter and that in the meantime no further action be taken by the Council. Since the last meeting the Japanese members have visited him and expressed serious doubt as to the soundness of the advice given by the Secretary General and the American and British Consuls-General that the Council legally can ratify this agreement without the formal approval of the Consular Body. Apparently this question will again be brought before the Consular Body; in the meantime the Japanese Councillors have suggested that the opinion of the Council's Legal Adviser be taken thereon. He has already requested Mr. Wright to submit his opinion and this he hopes will be available at the next meeting. Upon the Secretary's return tomorrow he will request him to continue with the negotiations relative to the exchange of correspondence dealing with the status of the Public Utilities Companies, etc., in the areas affected as also to arrange for the preparation of the plan to be annexed to the agreement. He has assured the Japanese members that all members will be kept fully advised of any action which may be contemplated by the Council prior to such action being taken.

RESOLVED that further consideration of this question be deferred to a later meeting.

1008 "Daily Worker" - Libel on Members of the Municipal Police. - The Chairman states that cabled advice has been received from London that a report has been published by the "Daily Worker", a prominent communist London journal, that the Municipal Police forged certain documents which were produced as evidence in the Moulens case. The three police officials accused are Assistant Commissioner Givens, Sub-Inspector Golder and Sgt. Moore. This matter has been referred to the Council's Legal Adviser and the gist of his opinion is that, whilst the Council as a Body cannot be accused of

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committing a forgery and thus on its own behalf cannot bring an action for libel, in the interests of the good name of the Police Force the Council should not allow this attack on its servants to pass unchallenged. He therefore proposes that this journal be required by cable unreservedly to withdraw this libellous statement and publish a full apology failing which a civil action for damages be brought by the Council in the names of the Police officials concerned. One of these police officers is proceeding on home leave towards the end of this year and he is advised by Mr. Wright that it would not be necessary for the other two officers to proceed to London in connection with such action. The Chairman adds that the issue of this journal, which is circulated in all countries, containing these libellous statements has not yet reached Shanghai.

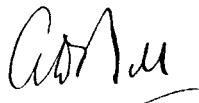
After brief discussion it is

RESOLVED that the Legal Adviser be instructed to demand by cable a withdrawal of this libellous statement and a public apology failing which he be authorized to bring a civil action against this journal in the name of the three police officers concerned.

Membership. - The Chairman states with regret that Mr. Leslie has to proceed to England on September 12 and may be absent for approximately three months. Mr. Leslie desired to tender his resignation but was persuaded by him to take leave of absence in the hope that upon his return he will be able to resume his duties as a member of the Council.

Members express their gratification at the decision reached by Mr. Leslie and unanimously authorize leave of absence for the required period.

The meeting terminates at 5.30 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, September 14, 1932, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahson
 Messrs. B. D. F. Beith
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Acting Treasurer & Controller, and
 The Deputy Secretary.

Absent:

Messrs. S. L. Hsu
 H. Leslie
 F. J. Raven.

Dr. J. C. H. Ju attends.

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

1911 Prostitution and Street Soliciting. - Owing to the absence of the Secretary, it is decided to defer consideration as to nominations to membership of the proposed Committee of Enquiry to a later meeting.

4031 Discharge of Prisoners under Amnesty Law. - Mr. Yuan reports that a conference has been held at which were present representatives of the chief Chinese philanthropic organizations, Major Darby of the Salvation Army and the Chief Judge of the Special District Court. Arrangements have been made by the various Guilds for repatriation of prisoners discharged under the Amnesty Law and Court officials have agreed to give a few days notice of the discharge of such prisoners in order to permit the repatriation arrangements to work smoothly.

5129 Outside Roads Negotiations. - The Chairman states that since the last meeting a communication has been received from the Japanese Consul General advocating the view that the Council has no power to ratify this agreement without the consent of the Consular Body. As members are aware, Mr. Wright, the Council's Legal Adviser, supports this opinion. Mr. Holborow has been asked to submit an opinion as to this, which is awaited. The Secretary had arranged to meet Mr. Yui yesterday to continue negotiations in the matter of the correspondence to be

exchanged relative to the status of Public Utility Companies but was prevented from doing so by indisposition. In his (the Chairman's) opinion, it is not entirely unsatisfactory that these negotiations have been suspended for the past few days owing to the critical situation which has arisen in the Bureau of Public Safety during that period.

4842 "Daily Worker" Lital on members of the Municipal Police. - The Chairman states that a somewhat curious position has arisen following receipt of the cable despatched by Messrs. Mansons instructing that an apology be demanded for the publication of these libellous statements. In the opinion of the legal firm to whom this cable was despatched, it is not advisable for the Council to take any action, on the ground that public opinion at home has been aroused to such an extent by the irregular procedure and protracted methods adopted in connection with the Houlens trial that it is doubtful whether the Council would be able to obtain a favourable verdict. Mr. Wright is far from satisfied that, owing to circumstances over which it has no control, the Council should have to forego any action to secure the withdrawal of these libellous statements. Following receipt of the communication from this legal firm, arrangements were made for Messrs. Harpur and Martin who are on home leave and who are conversant with the circumstances of this case to interview these solicitors. To the surprise of Mr. Wright and himself, a cable has been received in which these two officials confirm the advice proffered by the Solicitors. In his opinion it is incredible that the Council should not be in a position to combat such an attack on its servants and a further cable has been despatched to Messrs. Harpur and Martin asking them to set out fully in writing their reasons for advising that no action should be taken by the Council. Pending receipt of these communications he proposes, and members agree, that no further action be taken.

The Minutes of the meeting of the Works Committee of September 6 are submitted and, subject to the following observations, are confirmed:-

4858/ Louza Police Station - Building over Manning Road entrance. - In confirming the recommendation that the lease of this area be terminated it is

RESOLVED that this entrance be not re-opened without reference of the matter to the Commissioner of Police.

6076/ Majestic Hotel Property - Road names. - The Chairman is of opinion that the name "Majestic" and the proposed Chinese designation for this small and comparatively unimportant road are inappropriate. Whilst present residents are aware of the association of this road with the late Majestic Hotel, future residents may not be aware of its connection

therewith. Whilst he agrees that the owners' wishes in this matter should be given due consideration, he suggests, and members concur, that the above view be communicated to them and that they be requested to reconsider their suggestion and to submit an alternative name for this road.

The Minutes of the meeting of the Education Board of September 7 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of September 9 are submitted and confirmed.

6130/ Shanghai Power Company - Proposed issue of First Mortgage Debentures.

The Chairman informs members that, since the Committee met, Mr. Hopkins has called on him and submitted alternative proposals for the raising of additional capital although he is unable to say whether these will commend themselves to Mr. Wright. He is informed that the Company proposes to ask for a financial expert to be sent out from America, and, upon arrival, he will discuss these alternative proposals with the Finance Department and the Council's Legal Adviser.

4768 Machine Road Incident of September 2. - Copies of the report by the Commissioner of Police, statements of witnesses of this incident and of a communication from the Commander of the Special Japanese Naval Landing Party have been circulated to members. The Chairman states that during the past ten days officers of the Japanese Naval Landing Party have had numerous interviews with the Commissioner of Police, the Secretary and himself. In the course of these interviews, they repeatedly made complaints but put forward no specific demand; the only possible request which might be construed as such is that the Council should admit that the statements contained in the communication from the Commander of the Landing Party represent a correct account of this incident. This, the Council cannot admit. He gave instructions that interviews with these officers were to cease and suggested that any further negotiations should be conducted in writing. Recently, Messrs. Terai and Chanoto called on him and he gathers that the officers of the Naval Landing Party are now prepared to adopt a more moderate attitude. He suggests for members' approval, that, if an assurance is forthcoming from the Japanese Naval or Civil Authorities that their armed forces will not detain persons they arrest on the streets, the Council should intimate that it is prepared not to proceed further in respect to this particular incident. Originally it was intended to lodge a protest with the Consular Body and, if the Officers of the Naval Landing Party insist on an apology from the Council, he considers that this demand should be resisted and that

the Council should address a protest to the Consular body, publish a summary of this incident compiled from the police report and the statements of independent witnesses and give full publicity to the attitude adopted by the Council. He hopes however that it will be unnecessary to resort to those measures and that an assurance will be forthcoming from the Japanese Authorities that any persons who may be arrested by their armed forces will not be detained.

Members unanimously agree that the Council should proceed on the lines proposed by the Chairman.

Exchange Compensation on Superannuation, Proportional Leave Pay and

1354 Pension. - Relative to the recommendation of the Staff Committee, recorded at its meeting on June 21, last, and confirmed by the Council that exchange compensation on the Superannuation and Proportional Leave Pay issuable to Mr. Hibbard, an American citizen, should be assessed on gold parity and that whilst resident in the U.S.A. his pension be issued on that basis, Mr. Massey states that, as a result of applications from other American employees for a similar concession in respect to Repatriation Pay and Long Leave Pay, the principle involved by adoption of this recommendation was, at the instance of the Secretary, considered de novo at yesterday's meeting of the Staff Committee. He reads the draft minute of the discussion which took place at this meeting and its recommendation that the concession authorized in Mr. Hibbard's case be extended to all employees who are nationals of countries which have not departed from the gold standard, this privilege not to apply to Repatriation Pay.

In view of the intricacy of this question and as there may be practical difficulties in giving effect to the Committee's latest recommendation, the Chairman favours decision thereon being deferred until members have had an opportunity of carefully perusing the memorandum submitted by the Secretary and of the minute recorded by the Staff Committee.

Although it is realized that the decision in Mr. Hibbard's case may have been taken in error, certain members consider that, as he has been notified thereof, it is only equitable that the Council should adhere thereto on the definite understanding that this decision is without prejudice to the Terms of Service.

After brief discussion it is

RESOLVED that the decision taken in the case of Mr. Hibbard be affirmed on the understanding that it shall not be quoted as a precedent; decision in the case of the other employees dealt with by the Staff Committee to be deferred to the next meeting.

Health Committee Membership. - During the absence of Mr. Leslie, and on
1505 the proposal of the Chairman, it is

RESOLVED that Mr. P. W. Massey be elected to
membership of the Health Committee.

6073/1 Headmastership - Public & Thomas Henry School for Boys - Selection
Committee. - The Chairman states that the Education Board desires
that a member of the Staff Committee will consent to serve on the
small Committee which will select a candidate for the headmastership
of this School.

RESOLVED that Mr. P. W. Massey be elected to serve
on this Committee.

The meeting terminates at 8.40 p.m.



Chairman.


Secretary.

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At the meeting of the Council held on Wednesday, September 28, 1932, at 4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahnson
 Messrs. B. D. W. Beith
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Messrs. S. L. Hsu
 N. Leslie.

Dr. J. C. H. Wu attends.

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

Outside Roads Negotiations. - The Chairman states that Mr. Holborow has requested further information from him and is now engaged in preparing his opinion on the question of the Council's power to ratify this agreement without the consent of the Consular Body.

The Secretary reports that the Acting Commissioner of Public Works and himself had a further informal discussion with Mr. Yui on Monday. Mr. Yui stated that while he himself had accepted the draft agreement, as submitted by the Council to the Senior Consul, he anticipated that the Nanking Authorities might raise certain objections. He considered that the Nanking Authorities will take exception to the reference to properties abutting on and having access to the roads in question. Originally he had intended to qualify this by reference to the map to be attached to the agreement. It was explained to Mr. Yui that the necessary survey and preparation of this map would require a period of six months and it was suggested that the difficulty anticipated by Mr. Yui might be overcome by adding words to the effect that the roads and properties referred to are "as delineated on a map to be prepared and mutually agree upon" future developments to be submitted to a delineating Commission. Meanwhile it becomes necessary to reach an understanding on this point in order that the more important

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provisions of the agreement may be given effect to. Mr. Yui suggested deletion of the words "abutting on or having access to". Mr. Yui also was of opinion that the Nanking Authorities would require re-insertion of the provision in the last clause which has been deleted by the Council that works executed by the Council on these roads would be undertaken to the satisfaction and in accordance with the wishes of the Greater Shanghai Municipality. He reminded Mr. Yui that the Council had reluctantly accepted certain delegation of powers some of which it considered it possessed as a right and that re-insertion of the above provision would place the Chinese Authorities and the Council respectively in the position of master and servant rather than in that of two co-operating authorities. With regard to the correspondence to be exchanged relative to the status of Public Utility Companies Mr. Yui stated that the Chinese Authorities are not prepared to admit the Council's right to grant franchises to Public Utility Companies in the areas affected nor are they prepared in a definite formula to admit the existing rights of such Companies. He suggested that the correspondence to be exchanged should be in the sense that full consideration would be given by the Council and by the Greater Shanghai Municipality to the interests of the Public Utility Companies. Upon his enquiring whether the terms of the modus vivendi would be respected by the Public Utilities Bureau Mr. Yui replied that its terms would be binding on it. Mr. Yui desired to emphasize the desirability of restricting the modus vivendi and the correspondence to be exchanged to broad general principles as in his opinion if these are framed in too specific terms there is less probability of their acceptance. Replying to the Vice Chairman the Secretary states that if the proposal is accepted to insert a reference in the agreement to a map to be prepared it would be necessary to perpetuate a delineating Commission in order to provide for inclusion in such map of future properties erected in the areas in question.

The Secretary General states that when he discussed this question with Mr. Yui earlier and in realization of the difficulties now anticipated he suggested that the expression "outside road areas" be utilized in the modus vivendi leaving such areas to be defined by mutual agreement as the negotiations proceeded. In his opinion any attempt to define these areas too specifically will encourage controversy and attempts to pare down any advantage the Council may have secured under this agreement.

The Chairman points out that the phraseology employed in this clause of the Agreement has been accepted by both parties; it would now appear that the Chinese Authorities desire to amend this to the detriment of the Council's interests.

The Secretary recalls that in its earlier discussions the Council was emphatic on the necessity of a map being attached to the agreement; it was not then realized however that this would take at least six months to prepare.

The Vice-Chairman observes that Mr. Yui gave the Secretary General to understand that if the Council was prepared to sign the agreement prior to publication he anticipated no difficulty in securing the approval thereto of the Nanking Authorities.

In view of the altered situation the Chairman proposes and members concur that the Secretary General be requested to investigate and report precisely as to how the existing position compares with that which obtained prior to his departure. Prior to Dr. Fessenden's departure the Council anticipated no difficulty in securing a reasonable assurance from the Chinese Authorities that the existing rights and position of the Public Utility Companies would be given full consideration and that their status would be secured by an exchange of correspondence prior to the agreement being signed.

The Secretary General states that prior to his departure he submitted a draft of the proposed exchange of correspondence to Mr. Yui inviting him to put forward any counter proposals for the Council's consideration. He was given to understand that the principles outlined in this draft were acceptable to Mr. Yui although he might require some alterations in phraseology. He intimated however that he could not agree to any provision in this exchange of correspondence which conferred on the Council the right to grant franchises to Public Utility Companies. He undertakes to renew his negotiations with Mr. Yui and to report further at the next meeting.

60767
Majestic Hotel Property - Road names. - The Chairman states that the owners adhere to their desire to name the north to south Road through this property "Majestic Avenue" and have in fact advertised their intention of so doing. With respect to the Council's proposal to name the east to west road after the late Mr. Lester his representatives are not prepared to acquiesce on the ground that the road being a cul-de-sac is not of sufficient importance to perpetuate the memory of a benefactor of the magnitude of the late Mr. Lester. He suggests that this road might suitably be named "McBain Road". His proposal is adopted that the question of the naming of this latter road be referred back to the Works Committee for its recommendation.

41687
Nanking Road Incident of September 2. - Relative to the discussion at the last meeting the Chairman states that no further representations have been put forward by officers of the Japanese Naval Landing Party. Within the last few days however the Chief of Staff of the Japanese Admiral has called on the Secretary and suggested that concluding letters be exchanged between the Council and the Japanese Authorities. In his opinion it would be extremely difficult to draft letters which would satisfy both parties. As an informal assurance has been given to the Council that there will not be a repetition of such an incident he proposes and members concur that in the absence of further representations by the Japanese Authorities no further action be taken in respect to this particular incident.

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The Minutes of the meeting of the Staff Committee of September 13 are submitted and subject to the following exception are confirmed.

135A Exchange Compensation on Superannuation, Proportionate Leave Pay and Pensions. - In continuation of the discussion at the last meeting Mr. Massey states that the effect of adoption of the Committee's recommendation is that in respect to the above benefits all employees whose home countries have not departed from the gold standard would receive exchange compensation equivalent to a ratio between the Tael and the gold value of 2s 6d. This principle is consistent with that adopted in respect to the definite exchange ratio fixed for members of the Japanese and Indian branches of the Police Force.

The Secretary states that he felt it to be his duty to raise this question subsequent to the decision reached in the case of Mr. Hibbard since at that time the Council may not have fully appreciated the complications which may arise as a result of that decision. At the time this section of the Terms of Service was framed it was not contemplated that Great Britain would depart from the gold standard and the decision taken in the Hibbard case was based on the contention that the Council's original intention was that for purposes of exchange compensation the ratio of the tael to the gold value of 2s 6d would be taken. The Staff Committee at its last meeting however recommended that the Council should affirm the principle that the factor upon which exchange compensation is based is the £ sterling and not its gold value, a recommendation which conflicts with the principle upon which the decision in Mr. Hibbard's case rested. He submits that if the terms of service are interpreted as meaning that the gold value of the £ sterling is taken as the basis for purposes of assessing exchange compensation then in equity the concession now recommended by the Staff Committee would have to be extended to all employees; if on the other hand the sterling as distinct from the gold value is taken then the effect of the Committee's recommendation would be to discriminate in favour of a certain number of employees. Moreover the purchasing power of 2s 6d today is less than at the time prior to which Great Britain went off the gold standard and in the event of a further depreciation its purchasing power would become further reduced. It is not unlikely that the British employees would then apply for additional relief in the event of the Council authorizing the exception now recommended by the Staff Committee. In respect to the special provision included in the Terms of Service in favour of the Japanese and Indian Branches of the Police Force the Council more recently has endeavoured to unify the terms of service and to avoid deviations therefrom so far as possible.

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The Council has laid down that for purposes of exchange compensation British currency be adopted as a basis; if such basis is considered inadequate he submits that it is desirable to change this basis rather than to adhere thereto and at the same time permit exceptions therefrom.

In view of the intricacy of this question which in members' opinion merits the most careful consideration it is

RESOLVED that the Chairman of the Staff Committee, the Secretary and the Acting Treasurer & Controller should confer thereon with a view to submitting a recommendation for the consideration of the ^{Council.} ~~Staff Committee.~~

The Minutes of the meeting of the Works Committee of September 20 are submitted and confirmed.

The Minutes of the meeting of the Education Board of September 21 are submitted and subject to the following observations are confirmed.

1104
1189 School Fees - Non-resident charge. - In endorsing the recommendation that this privilege be extended to children of members of the Volunteer Reserve of the Fire Brigade it is

RESOLVED that it be applicable only to the children of members having one year's seniority and that as from next Spring this stipulation be applied in respect to members of the Volunteer Corps and of the Special Police.

The Minutes of the meeting of the Orchestra & Band Committee of September 23 are submitted and subject to the following exception and observations are approved.

1300 Broadcasting. - This recommendation is approved provided that the engagements of the Orchestra or part thereof by the Broadcasting organization for half hourly periods are not permitted to interfere with its engagement elsewhere for longer periods.

6123/ Press Comment on Municipal Orchestra. - The Chairman states that he has discussed this recommendation with the Press Information Officer and that Mr. Burton-Sayer agrees with him that this is not a matter upon which the Council appropriately can take action. Since publication of this article referred to the "North China Daily News" has published some excellent critiques of performances given by the Municipal Orchestra. Moreover the fact remains that a large section of the community prefers a military band concert to the programmes rendered by the Municipal Orchestra.

Replying to the Chairman the Press Information Officer states that he does not regard the article complained of as unfair criticism. In his opinion the articles subsequently published in this paper referring to the Municipal Orchestra in highly complimentary

terms to some extent overcome the objections raised by the Band Committee. The Editor of the "North China Daily News" has informed him that he has received a number of letters for publication in the correspondence column criticising the Municipal Orchestra and comparing its performances unfavourably with those rendered by the Military Bands. These he has refrained from publishing. In the circumstances he does not consider it would be good policy to request publication of a further article on this subject.

After hearing the Press Information Officer it is

RESOLVED that no action be taken on the Committee's recommendation.

General Municipal Rate - Custom House Property. - In a memorandum submitted 1098 the Secretary reports that in accordance with the Council's decision of May 5 last a memorandum was addressed to the Consular Body invoking its assistance and that of the Diplomatic Body to secure a satisfactory settlement in the matter of taxation on the Custom House property. The Consular Body suggests that the best course to pursue would be to accept the offer of the Customs Authorities of a voluntary contribution of Tls.2,500 per month and to press for a larger contribution at a later date on the grounds of added costs of the services to be rendered by the Council to the Customs Authorities. The Consular Body bases its attitude on the fact that the Customs Authorities have not paid rates on the Custom House building for fifty-one years.

In adhering to their view that the offer made by the Customs Authorities is inadequate members consider there is no alternative but to follow the course suggested by the Consular Body.

RESOLVED that the offer of the Customs Authorities to make a voluntary contribution of Tls.2,500 per month towards the general municipal rates be accepted forthwith.

Victoria Nurses Home - Administration Committee. - The Medical Superintendent 1155/20 of the Country Hospital having intimated that the Board of Governors will nominate Mr. V. Meyer and Dr. R. J. Marshall to serve on this Committee the Commissioner of Public Health requests that the Council will nominate its three representatives thereto.

RESOLVED that Mr. P. W. Massey who consents to serve be appointed as one of the Council's representatives and that invitations to serve on this Committee be addressed to Mr. W. P. Lambie and to Mrs. Maxwell.

Proposed visit of Municipal Orchestra to Japan. - The Secretary reports that 1108 the Chairman of the Band Committee and the Conductor have verbally notified him that the Tokyo Concert Bureau has invited the Municipal Orchestra to give a series of concerts in Japan which would necessitate its absence from Shanghai from October 14 to October 29. The Orchestra

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expects to cover its expenses from a percentage of the concert receipts but a friend of the Orchestra has guaranteed its expenses up to Yen 14,000 which the Conductor considers sufficient. The proposed visit to Japan would involve missing one performance of the Orchestra in Shanghai on October 23. The Council has rented the Carlton Theatre at \$1,000 for each performance but the Conductor is satisfied that if re-let for a cinema performance he will be able to make up from the receipts of the tour any deficit the Council may be called upon to pay or alternatively he is willing to arrange another concert with voluntary artistes to take the place of the ordinary orchestral concert.

The Acting Treasurer & Controller and the Conductor attend. The former states that from an examination of the financial details submitted by Mr. Paci he is satisfied that the amount of the guarantee provided should safeguard the Council against any loss on this tour. Replying to the Chairman the Conductor states that he will be able to hand over the amount of the guarantee to the Finance Department tomorrow morning. This sum is sufficient to maintain the Orchestra in Japan for 10 days irrespective of the receipts which accrue from the series of concerts. 35% of the proceeds from these concerts will be handed over to the Tokyo Concert Bureau and the remainder will be applied to repayment of the sum furnished by the guarantor. As this will be the Orchestra's first visit to Japan he does not anticipate that the venture will shew a profit.

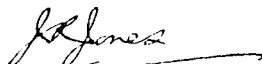
After brief discussion and provided the amount of the guarantee is handed over to the Finance Department it is unanimously

RESOLVED that the Orchestra be permitted to proceed to Japan for the period end under the conditions proposed.

The meeting terminates at 6.20 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, October 12, 1939, at
4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
H. B. Arnhold (Vice-Chairman)
Capt. J. J. Bahnson
Messrs. B. D. F. Beith
S. I. Mau
O. B. Lieu
P. W. Massey
C. Okamoto
F. J. Raven
H. Terai
T. D. Woo
L. T. Yuan
Yu Fa Ching
The Secretary General. and
The Secretary.

Absent:

Mr. N. Leslie.

Dr. J. C. W. Wu attends.

Subject to the following exception the Minutes of the last meeting are confirmed and signed by the Chairman.

1881 Exchange Compensation on Superannuation, Proportionate Leave Pay and Pensions.

RESOLVED that the recommendation on this question be submitted to the Council and not to the Staff Committee as recorded in the Minutes of the last meeting.

1889 Outside Road Negotiations. - The Chairman states that a legal opinion by Mr. Holborow on the question of the Council's power to ratify this agreement without the consent of the Consular Body has now been received. This is now being studied by the Secretary General and will be available for members within the course of the next few days. From a cursory perusal of this opinion it would appear that Mr. Holborow is of the view that reference of this question to a Ratepayers' meeting is necessary prior to effect being given to the agreement.

The Chairman continues that since the last meeting Mr. Okamoto has handed him some suggested amendments to the draft agreement which it is understood represent the views of the Japanese Government.

Replying to the Chairman, Mr. Okamoto states that he proposes to discuss these amendments with the Secretary General after today's meeting. It has occurred to him that it is most desirable that some provision should

be made either in the agreement or by an exchange of correspondence that the existing extraterritorial rights of the various nationals are not affected by this agreement. He adds that it is not proposed to insist that this reservation be clearly stated and that if the Council is assured that the extraterritorial rights of certain nationals are safeguarded ^{in the agreement} the Japanese community will be satisfied. Another matter which he will discuss with the Secretary General deals with the wishes of the Japanese community as regards the personnel of the proposed force for the policing of the outside roads. In view of the preponderating number of Japanese residents on these roads the Japanese community desires that the Deputy Commissioner of Police to be nominated by the Council should be a Japanese subject as also the senior foreign officer in charge of the Northern District ~~as also the senior foreign officer in charge of the Northern District~~ and in the Western District the next officer in rank to the Senior Officer. He considers the above requests reasonable and expresses the hope that the Council will see its way to accede thereto.

With regard to the first suggestion put forward by Mr. Okamoto the Chairman is of opinion that inclusion of such a reservation is quite opposed to the spirit of the *modus vivendi* and would lead to difficulties and misunderstandings with the Chinese Authorities without any good purpose being served. Moreover as the draft agreement recognizes extraterritorial rights a further amplification would appear to be unnecessary. With regard to the wishes of the Japanese community in the matter of the police personnel, in view of the existing tense feeling between the Japanese and the Chinese he is doubtful whether the Chinese Authorities would agree to this proposal. Furthermore it may be assumed that for the time being the proposed police force would work more smoothly if officials of other than Japanese nationality were appointed to these senior posts.

The Chairman's proposal is adopted that consideration of these questions be deferred until Mr. Okamoto has conferred thereon with the Secretary General.

Replying to the Chairman Dr. Fessenden states that in the course of a further interview with Mr. Yui he gathered that the Chinese Authorities are fully aware of the suggestions put forward through Mr. Okamoto. In his opinion there is little prospect of progress being made in these negotiations unless in some respects the Japanese community is prepared to modify its requirements. He has submitted proposals to Mr. Yui with a view to overcoming the difficulties referred to at the last meeting but it is obvious that Mr. Yui is unwilling to continue these general negotiations until the proposals put forward on behalf of the Japanese community have been discussed and agreement reached thereon.

4768 Nanking Road Incident of September 8. - The Chairman states that since the last meeting the Chief of Staff to the Japanese Admiral has submitted to the Secretary a draft letter which it is proposed should be formally addressed to the Council. Although this draft is couched in most conciliatory terms he adheres to his opinion that it is practically impossible in an exchange of correspondence to reconcile the two points of view. He therefore proposes, and members concur, that failing further representations by the Japanese Authorities no further action be taken by the Council.

The Minutes of the meeting of the Works Committee of October 4 are submitted and subject to the undernoted exception are confirmed.

1860 Tsopoo Road - Proposed extension between North Kiangse and North Szechuen Roads. - The Chairman states that he has today been handed a departmental memorandum giving the history of the earlier scheduling of this road extension on a slightly different line and its subsequent abandonment. This report states that the cost of effecting this road extension is approximately Tls. 55,000.

In view of the information contained in this memorandum members adopt the Chairman's suggestion that this recommendation be referred back to the Works Committee for its further consideration.

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

6095 Shanghai Telephone Company - Negotiations with Chinese Authorities. - A memorandum by the Secretary on the draft agreement between the Chinese Government Telephone Administration, the Bureau of Public Utilities of Greater Shanghai and the Shanghai Telephone Company has been furnished to members.

For members' information the Vice-Chairman outlines the tenor of the discussion which took place at the meeting yesterday of the Public Utilities Committee and which is recorded in the minutes now in course of circulation. The Committee's recommendation in this matter will be submitted for the Council's approval at its next meeting.

The Chairman states that in concurring with the Committee as to the impracticability of the Council taking steps to safeguard the interests of subscribers whose premises do not abut on and have access to a municipal road, nevertheless as a number of them have been ratepayers for many years he sympathizes with the position in which they will be placed. He suggests that as a matter of interest a list of subscribers who are paying municipal taxation and whom it is not proposed to assist in the matter of the payment of the additional telephone service charge should be compiled.

The Secretary states that such a list is now being prepared.

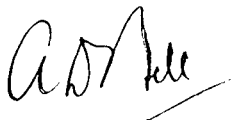
He is however informed by the Revenue Office that the number of persons in this category is very small. The Acting Treasurer & Controller has suggested that when the proposal is put forward that the Company should assume liability for payment of this additional charge of \$12 that its liability should be limited to those subscribers who actually pay the special municipal rate. Members agree as to the equity of this proposal.

Film Censorship Commission Report. - The Report of the Commission appointed 3103 to examine the question of Film Censorship is formally received

RESOLVED that the Report be published in the Gazette and that it be referred to the Watch Committee for its consideration and recommendation.

Portuguese Company S.V.C. - The Chairman states that Mr. Yuan and himself 6149/1 attended, as part of the celebrations held on Portugal's national day the ceremony at which the Minister for Portugal presented the Portuguese Company with the Order of Christ. He considers it most appropriate that the highest distinction which the Portuguese Government can award should be conferred on the Portuguese Company having regard to the very valuable services rendered by the Company during the recent period of Emergency. Mobilization of this Company entailed personal sacrifice on the part of its members since the majority reside in the area which was primarily affected by the hostilities and the defence of this area had to be left to other forces. He therefore proposes and members unanimously concur that the Council in acknowledging its gratitude to the Portuguese Company should express its deep appreciation of the high honour conferred on the Company by its country of origin.

The meeting terminates at 5.35 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, October 26, 1932, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Balmson
 Messrs. B. D. F. Beith
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Reven
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Messrs. S. L. Hsu
 N. Leslie.

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

SK Outside Roads Negotiations. - The Chairman states that copies of the opinion given by Mr. Holborow referred to at the last meeting, are available in the office of the Secretary General and of the Secretary for members' perusal if they so desire.

The Secretary General reports that after the last meeting he had a conference with Mr. Okamoto and after he had examined the representations put forward on behalf of the Japanese community it occurred to him that there may probably be some misapprehension on the part of the Japanese community as to the effect of certain of the provisions in the proposed agreement. Accordingly he invited a number of the leading members of the Japanese community to discuss these provisions when he endeavoured to explain the intention thereof. He gathered that certain of the leading members of the Japanese community felt that they had not been kept so fully informed of the trend of these negotiations as they would have wished. He explained to them that it had been necessary to conduct these informal negotiations without undue publicity in order to arrive at an agreement. He was assured by these gentlemen that they appreciated his efforts to clarify the points upon which doubt existed in their minds. As a result of this discussion he was requested to put into writing the substance of his explanatory observations and to submit this

memorandum for the consideration of the Japanese Authorities. He has complied with this request and he understands that this memorandum will probably be submitted to Tokyo. He is hopeful that the consideration of this further memorandum may assist in reconciling the divergent points of view and facilitate an agreement being reached. He is awaiting a further communication from the Japanese representatives after they have had an opportunity of studying the observations contained in his memorandum.

4768/ Nanking Road Incident of September 2. - Relative to the brief discussion at the last meeting the Secretary General states that the Japanese Assistant Secretary, who keeps in close touch with all questions affecting the Council's relations with the Japanese community, has strongly advised him that if an amicable conclusion is reached on this incident it will facilitate negotiations in the matter of the proposed agreement on the outside road areas. A draft letter couched in most conciliatory terms has been submitted to him with the proposal that this be transmitted officially to the Council and the request that it be formally replied to. In regarding this proposal as a friendly gesture on the part of the Japanese Naval Chief of Staff and having regard to the desirability of the outside roads negotiations being conducted in a spirit of goodwill he has in consultation with the Chairman prepared a draft reply to the draft letter submitted.

The Chairman states that although previously he was not in favour of an exchange of correspondence to conclude this unfortunate incident, as a result of the views put forward by the Secretary General during the past two weeks he is prepared to reverse his opinion in order not to jeopardize an amicable settlement being reached in the matter of the outside roads agreement. The draft letter now submitted to members does not confine itself to the specific incident of September 2 but generally expresses the hope for improved relations between the Japanese Landing Forces and the Municipal Police. If members are prepared to agree to the request to conclude this incident by an exchange of correspondence it will be necessary to submit the proposed draft reply to the Japanese Naval Authorities for their approval prior to the correspondence being officially exchanged.

After perusal of these two draft letters members unanimously concur as to the desirability of meeting the wishes of the Japanese Naval Authorities by an exchange of correspondence as proposed.

The Minutes of the meeting of the Public Utilities Committee of October 11 are submitted, and subject to the following observations, are confirmed.

6015 Telephone Company - Agreement for conduct of service on Outside Roads.

Mr. Arnhold states that as a result of the discussion at the last meeting a letter has been addressed to the Company enquiring whether it would be willing to accept liability for the annual payment of \$12 per exchange line in respect of the subscribers who will be called upon to pay this additional fee. A copy of the letter from the Company in which it agrees under the conditions set forth to accept this liability has today been furnished to members.

In respect to the number of subscribers affected the Chairman alludes to the extreme difference between the position as represented at the last meeting and that which is disclosed by the figures furnished in the letter received from the Company. At the last meeting it was estimated that approximately 1000 subscribers would be called upon to pay the additional fee of \$12 per annum involving under the Council's proposal a total sum of \$12,000 being carried in the suspense account. It transpires however that the number of subscribers affected is 465, involving a sum of only \$5,580. It would appear that the disparity in these figures is due to the fact that a number of subscribers were paying the special rate at the time their telephones were installed but have since discontinued such payment. On the other hand the number of subscribers situated off municipal roads is 423, a very much larger figure than that estimated at the last meeting. The annual liability in respect of these subscribers amounts to approximately \$25,000 and the Company has stated that it considers this too great for it to undertake. He is informed by the Revenue Office that the Company was not informed of the discontinuance of payment of the special rate with the result that subscribers continue to receive service from the Company.

In this connection the Secretary General states that under the Council's recent policy the Company has not been requested to disconnect the telephone service to subscribers who have discontinued payment of the special rate if such subscribers were able to secure alternative telephone facilities, since such action would only result in depriving the Company of revenue.

Replying to the Chairman the Secretary states that as the Company's reply was received only this morning he has had no opportunity of examining the figures submitted. It is however estimated by the Company that if it accepted liability for payment of

this additional charge, based on the sum of \$12,000, estimated at the last meeting, the effect on the next tariff revision would amount only to \$0.30 per subscriber per annum. On the reduced figures now submitted by the Company the increase, if spread over the general body of subscribers would amount to only approximately \$0.15 per subscriber per annum. The permission of the French Municipal Administration will be necessary to spread this small additional charge over the general body of subscribers. He understands that this question will be considered by the French Council within the next few days and he is given to understand unofficially that whilst it will acquiesce in this proposal it will not be prepared to consent to the Company assuming liability in respect to those subscribers whose premises are off municipal roads. The majority of the subscribers in this latter category have access to a municipal road by means of an alleyway, but their premises are actually situated in Chinese territory. Although a number of these subscribers pay the special municipal rate the total amount received is very much below the cost to the Council in providing police protection and for the maintenance of the roads.

In agreeing that the amount of special taxation collected by the Council in this area is far less than that to which it is entitled and that the amount collected is diminishing each quarter the Chairman is of the opinion that if the subscribers who are paying the special rate are called upon to pay an additional fee of \$60 per annum for their telephone service, they will then refuse to continue payment of the special rate, to the detriment of the municipal revenue. As stated at the last meeting he favours some means being devised if possible whereunder subscribers whose premises are situated off municipal roads and who are paying the special rate should be relieved of the liability of the additional telephone charge.

The Secretary observes that as soon as the outside roads agreement is given effect to, residents in the Northern outer area will cease to be special ratepayers and the taxation paid by them will be credited to the proposed jointly administered fund.

The Chairman regards it as regrettable that at a time when there are prospects of reaching an agreement on the general question of the status of the outside roads areas the possibility exists of a still further number of residents refusing to pay the special rate on the ground that they will have to pay an additional fee for telephone service. He therefore suggests it might be possible to find some means whereunder this additional telephone charge might be met for a period of say six months in order that the Council may not be accused of neglecting the interests of those subscribers who for many years have paid the special municipal rate. He considers it to be in the interests of all concerned that an agreement of a more

permanent nature should be reached between the Company and the Chinese Authorities as early as possible and he is of opinion that taking a long view an objection on the part of the French Administration to any proposal safeguarding the interests of these special ratepayers would be ill-advised inasmuch as if these subscribers transferred from the Company to the Chinese Telephone Administration not only they but subscribers in the Settlement and in the Concession would be required to pay a toll fee for each call which necessitated the use of the lines of both telephone undertakings.

In concurring in the above view the Vice-Chairman observes that originally it was proposed to ask the Company to accept this liability up to an amount of approximately \$12,000 per annum. The entire sum involved covering both classes of subscribers is estimated at \$30,000 per annum. From the information furnished by the Secretary it would appear that the Company's acceptance of this total liability would not affect the revised tariff to an amount of more than \$0.75 per subscriber per annum. In the event of the Company securing a more permanent agreement for service in the outer western area the amount borne by suspense would be automatically adjusted. The benefit the Company will derive by securing such an agreement will in his opinion more than offset the loss involved by its acceptance of this liability.

Mr. Okamoto states that he regards the proposed additional charge of \$60 per annum as unreasonable. Upon his suggesting that as the Chinese Telephone Administration will not incur any initial expense in respect of these subscribers, an additional charge of \$24 per annum would be adequate, the Secretary states that there is little likelihood that the Chinese Authorities will be prepared to reduce this fee since the heavy charge is undoubtedly imposed with the object of inducing subscribers to obtain service from the Chinese Telephone Administration.

The Chairman then proposes and members concur that prior to decision being taken the Company be apprised of the views recorded at this meeting and requested when negotiating with the French Municipal Administration to endeavour to secure its consent to the additional charge involved by inclusion of special ratepayers whose premises are off municipal roads being spread over the general body of subscribers. In the event of the French Administration and the Company being unwilling to agree to this proposal further negotiations will be conducted between the Council and the Company with a view to measures being devised whereunder possibly this additional liability would be shared by the Council and the Company. Upon receipt of the Company's views on these questions the Chairman requests that a meeting of the Public Utilities Committee be convened for their consideration prior to the next meeting of Council.

1108 Waterworks Company - Metering. - The Secretary reports that an informal conference has taken place between representatives of the Waterworks Company, the Shanghai Realty Owners' Association, the Finance Department and himself. Briefly the case put forward by the representatives of this Association was that the majority of the properties affected were mortgaged to the Banks and that the amount of interest charges and insurance premia exceeded the amount they received as rental. Accordingly they contended that the additional water charges will have to be borne out of their own pockets and they suggested that this charge be transferred to the individual tenants. It was pointed out to these representatives that adoption of this proposal was impracticable owing to the very heavy capital cost of the installation of individual meters. Suggestions were also made that some attempt should be made to divide properties into classes and thus distribute the liability for this payment. He has ascertained that in certain large blocks of properties small houses are rented for low rentals but are occupied by several families with the result that many more people are using the water supply than would be the case if the house was occupied by one family only. The question of the feasibility of dividing up certain properties into classes as suggested is being investigated by the Company and a further conference has been called for next Friday.

The Chairman considers it regrettable that the Chinese press and Chinese organizations have apparently taken no steps to impress upon the Chinese public the necessity for avoiding waste. A comparison of the amount of water consumed by the section of the British Defence Force occupying a portion of the Race Club property which is charged by meter shows that the daily consumption per capita is 14 gallons as against an average of 50 gallons per capita by the Chinese community. It is apparent that a large portion of this latter quantity is not actually used but is wasted with the result that the charge by meter is regarded as too high. In his opinion propaganda by the Chinese press and by representative Chinese organizations pointing out that waste is mainly responsible for the heavier charges under the metering system, is highly desirable.

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

1114 The Minutes of the meeting of the Education Board of October 19 are submitted ~~and~~ and subject to reference to the Staff Committee of the recommendation relative to Mrs. D. Rogerson, Assistant Mistress, Special Leave, are confirmed.

The meeting terminates at 5.50 p.m.

J.R. Jones
Secretary.

Chairman
Chairman.

At the meeting of the Council held on Thursday, November 10, 1932, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Pell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Bahnson
 Messrs. B. D. F. Beith
 S. L. Hsu
 O. S. Lieu
 P. W. Massey
 O. Okamoto
 H. Terai
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Messrs. N. Leslie
 F. J. Raven.

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

5189 Outside Roads Negotiations. - The Secretary General reports that he has had a further conference with Mr. O. K. Yui who has undertaken to furnish him in due course with his observations on the latest suggestions put forward on behalf of the Council.

6095 Telephone Company - Agreement for Conduct of Service on Outside Roads.

In a memorandum which has been furnished to members the Secretary outlines the result of the further negotiations which have been conducted between the Company and the Chinese Authorities. From this memorandum it is noted that the Chinese Authorities have now agreed subject to formal authority to a version of Clause 4, which was the one in dispute, which is in substance the same as the one presented two weeks ago.

Summarizing the main points of his memorandum the Secretary states that the Company is prepared to accept liability not only in respect of those existing subscribers and present applicants who will be required to pay the additional charge of \$12 per annum but also in respect of those existing subscribers ^{and present applicants} who will be called upon to pay the additional charge of \$60 per annum provided they pay the special rate. This liability including that in respect of about 30 lines outside the 100 yards zone in the Western area each of which will be required to bear a charge of \$30 amounts to

approximately Tls.12,300. As stated in his memorandum the Company's liability will cease upon the happening of the first of the three events enumerated therein. The Company proposes that the above amount be charged to the Tariff Revision Account pending a permanent agreement or the coming into effect of the modus vivendi on the Outside Roads. It also proposes that the royalty to the City Government of Greater Shanghai which up to June this year amounts to \$10,000 and which it is assumed will be continued at the same rate i.e., Tls.4,700 per annum be also charged to this account. Upon the securing of a new Agreement the above amounts would be charged to capital and the Council would have an opportunity to review the matter, since its approval would be required to the new Agreement. From a financial point of view the Company's position at the present time is not too favourable and the object of this latter proposal is to spread this payment over a greater number of years. In respect to the total liability, if this is spread over the tariff at the time of the tariff revision the effect thereon would be approximately Tls.0.80 per subscriber per annum. The Company also requests relief from its obligation to serve if for reasons beyond its control it does not receive permission from the Chinese Authorities, or if through lack of plant it cannot cope during the period of the temporary agreement with the total demand upon its resources. The Company has submitted that as the temporary Agreement is subject to termination at three months' notice it cannot reasonably be expected to expend large capital sums to meet all possible contingencies, hence its request that this obligation be waived. If the Council is prepared to approve the proposals set forth in the Company's letter the consent of the French Municipal Authorities thereto will become necessary. The Company is prepared to make the necessary application to the French Authorities but he considers it advisable in order to strengthen the Company's hands that representations both verbally and in writing should also be made by the Council. In conclusion he states that the letter submitted by the Company had to be prepared hurriedly and that if its proposals are approved in principle certain alterations in phrasing will become necessary for purposes of clarification.

After brief discussion and upon members concurring with the Chairman that the Council has fulfilled its duty to subscribers resident in the Northern outside area by safeguarding their interests for a period of one year, the draft agreement as revised by the latest proposals submitted by the Company is approved. In order to assist the Company the Secretary is authorized to communicate with the French Municipal Authorities with a view to securing their approval of these proposals.

The Chairman refers to the numerous letters which have been addressed to the Secretary by various Chinese organizations on the question

of the increased telephone rates. It would appear that these organizations are not aware of the fact that the Company has paid no dividend since 1929 and that its operations since that year have been conducted at a loss. As some of these communications assume that the Company is paying the maximum dividend he suggests that propaganda to remove this entirely erroneous assumption is desirable. Accordingly he requests the Chinese members to endeavour to make clear to representative Chinese organization the Company's actual position.

1308 Waterworks Company Metering. - Replying to the Chairman the Secretary states that further informal discussions on this question have taken place between Mr. Pearson and himself and between Mr. Feng Ping Nan and himself. He has today received a further memorandum from Mr. Feng which will be circulated to members. Mr. Pearson is engaged in drawing up a scheme for the unbalancing of rates with the object of reducing charges by meter in the case of the poorer classes and his proposals will be forthcoming within the next two weeks.

The Minutes of the meeting of the Finance Committee of October 28 are submitted and subject to the following amendment are confirmed.

~~1307~~ 1307 Royal Asiatic Society - Application for further financial aid. - In order to uphold the principle under which payment of full municipal taxation on buildings of this type is required Captain Bahnsen suggests that the additional grant recommended by the Committee should approximate the amount of the municipal rate rather than that it should be its precise equivalent. Upon members concurring in this view it is

RESOLVED that in addition to the existing grant of Tls.1,000 an additional grant of Tls.3,000 be authorized and that the Society be required to pay full municipal taxation on its new premises.

The Minutes of the meeting of the Education Board of November 2 are submitted and confirmed.

1305 New School Buildings. - Mr. Massey states that he adheres to his view as expressed at a previous meeting as to the desirability of providing new School buildings with flat roofs which could be utilized for recreational purposes in order to reduce to some extent the demand for playing space.

The Chairman replies that up to the present no adequate reasons have been advanced against adoption of this proposal although possibly objection might be taken to the utilization of lifts and long flights of stairs by very young pupils. He will however bring Mr. Massey's suggestion to the notice of the small Committee which has been instituted to consider and report on the requirements of future school buildings.

The Minutes of the meeting of the Works Committee of November 3 are submitted and confirmed.

"Daily Worker" Libel on members of Municipal Police. - Relative to the discussion at the meeting of September 14 the Chairman states that Mr. Martin has now returned to Shanghai and a letter has been received from Mr. Harpur amplifying his reasons for advising that no action be brought by the Council against the "Daily Worker." From conversations he has had with Mr. Martin it would appear that the British Foreign Office would prefer that the Council should not proceed in this matter presumably in the belief that attempts will be made by the Communist Party to hold the proceedings in the Chinese Courts at this trial up to ridicule. Mr. Wright has now agreed that this journal is not of major public importance and is read by only a very limited section of the British public. Consequently he is of opinion that from the Council's point of view these libellous statements are not so serious as if they had appeared in a reputable paper.

The Chairman therefore proposes and members concur that no action be taken in this matter for the time being, this decision being subject to reconsideration if necessary as a result of any further information which may be furnished by Mr. Harpur after his return to Shanghai.

Entertainment of Distinguished guests. - A report by the Commissioner of ~~Public Health~~ Public Health with memoranda by the Secretary General and the Secretary on the subject of entertainment by the Council of distinguished guests have been circulated to members.

In view of the opinion expressed by Dr. Jordan that in the past certain distinguished visitors to the Port may have taken offence at being ignored by the Council in its official capacity members concur with the Chairman that in addition to the hospitality extended to distinguished visitors by individual members and officials steps should be taken to provide entertainment of a formal or semi-formal nature. Members agree that a centralized organization as tentatively suggested by Dr. Jordan to arrange for the entertainment of distinguished visitors is not necessary. They consider however that if as far as practicable the arrival of a distinguished visitor is brought to the Chairman's notice by the Secretary each case can be considered separately and appropriate action taken. It is noted that Sir John Hope Simpson returned to Shanghai yesterday and members are unanimously of opinion that he should be officially entertained by the Council.

In accordance with the Chairman's suggestion members undertake to assist the Secretary by notifying him of the arrival of any distinguished visitor which may have escaped his notice.

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Press Information Office - Report. - A comprehensive report by the Press
3034 Information Officer on the activities of his office during the past
year has been furnished for the information of members.

The Chairman states that during his tenure of office he has been impressed by the zeal displayed by Mr. Burton Sayer in the discharge of his duties. Owing to the care and tact exercised by him the Council's relations with local press representatives have been most harmonious and the opportunity afforded to the Council ^{of} presenting its views through the Press Information Office has been to the mutual advantage of the Council and of the Public, an advantage which in his opinion has amply justified the appointment of the Press Information Officer. With regard to the Chinese and Japanese Press Officers he understands that whilst Mr. Burton Sayer does not regard the services of the former as entirely satisfactory, the latter discharges his duties most satisfactorily.

The meeting terminates at 5.55 p.m.



Chairman.


Secretary.

At the meeting of the Council held on Wednesday, November 23, 1932, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 Capt. J. J. Babnson
 Messrs. B. D. F. Beith
 S. L. Hsu
 N. Leslie
 P. W. Massey
 O. Okamoto
 H. Teral
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Secretary General, and
 The Secretary.

Absent:

Messrs. O. S. Lieu
 F. J. Raven.

Subject to a minor amendment to the minute relating to the Telephone Company's Agreement for Conduct of Service on the Outside Roads the Minutes of the last meeting are confirmed and signed by the Chairman.

5189 Outside Roads Negotiations. - The Secretary General reports that he has had a further protracted interview with the Japanese Consul General when the substance of the memorandum he furnished to representatives of the Japanese community was discussed in detail. The Japanese Consul General undertook to study the further observations put forward by Dr. Fessenden and to arrange another appointment at a later date. Since this discussion the Japanese Consul General has also interviewed the Senior Consul on these same outstanding points. Meanwhile he (the Secretary General) has had a further brief conference with Mr. Yui who has undertaken shortly to advise him of the attitude he will take in respect to the wish of the Japanese community that Japanese should occupy senior positions in the proposed force to police the outside roads areas.

2045 Telephone Company - Agreement for Conduct of Service on Outside Roads. -

Referring to the letter received since the last meeting from Mr. Okamoto in which in the interests of the Special Ratepayers he questions the advisability of the Company ceasing to bear the agreed financial liability in respect of special ratepayers upon the coming into effect of the modus vivendi for the outside roads the Chairman states that insofar as this provision ~~is~~ concerned the Company is prepared to agree

to accept this liability in respect of existing subscribers and applicants for a period of six months from the date of the modus vivendi for the outside roads coming into effect.

The Secretary states that the Company has been notified that the Council will agree to this proposal and the French Municipal Authorities have been approached for their approval of the terms of the draft agreement. He desires that members should clearly understand that the amount which it is anticipated will be borne by the Company in respect of existing subscribers and applicants is based on the figures submitted at the last meeting which were made up to October 22. The time which elapses before the temporary agreement is signed will have a direct bearing on this amount since special efforts will be made in the near future to induce a larger number of residents in the outer-Northern area to pay the special municipal rate, thereby increasing the number of special ratepayers in respect of whom the Company will not pay the additional telephone charge. For budget purposes the Company is basing the extent of its liability on the figures which have already been submitted to the Council but it should be realized that in the event of signature of the temporary agreement being unduly delayed many ratepayers who have been in default may make good their obligation in whole or in part.

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

1860 The Minutes of the meeting of the Works Committee of November 15 are submitted. Upon Mr. Beith stating that the Committee is not unanimous in the recommendation relating to the proposed extension of Tsepo Road his suggestion is adopted that confirmation of these minutes be deferred until after Mr. Raven's return to Shanghai.

The Minutes of the meeting of the Education Board of November 16 are submitted and confirmed.

The Minutes of the meeting of the Watch Committee of November 18 are submitted and confirmed.

1861 Chinese Land Commissioners. - With reference to previous discussions a memorandum has been furnished by the Secretary covering a communication from the Senior Consul who forwards a copy of a letter from the Mayor of the City Government of Greater Shanghai which endorses the views of the Chinese Ratepayers Association in opposition to those of the Council. The Chinese Ratepayers' Association does not agree with the recommendation of the Council that candidates for appointment as Chinese Land Commissioners should be selected after consultation between and subject to the joint approval of the Council, the Association and the Chinese Property Owners' Association.

The Chairman states that having regard to the major importance of a satisfactory settlement being reached in the matter of the appointment of two Chinese Land Commissioners and to the strong views expressed against the Council's requirement above outlined he is of opinion that for practical purposes it would be in the general interest for this requirement to be waived. At the best the security sought by imposition of this requirement is illusory and adherence thereto will he submits merely serve to irritate the two organizations affected. He therefore proposes that this requirement be waived and that the Council should trust to the good sense and judgment of these two organizations to ensure that suitable Land Commissioners are appointed.

In supporting this proposal Mr. Hsu states that he desires to renew the assurance already given that the Chinese Councillors will do their utmost to eliminate any cause for anxiety on the part of the foreign members of Council. He submits that if the Council views this question in the spirit rather than in the letter of the defined arrangements for the appointment of Chinese Land Commissioners the stipulation to which exception is taken becomes unnecessary.

In order that the Council's position may be clearly stated the Secretary states that if the Chairman's proposal is adopted he assumes that the terms of the letter forwarded to the Senior Consul on July 20 still hold good with the exception that paragraph (b) thereof will be withdrawn. He recalls that during the discussion at the Council meeting on June 29 Mr. Hsu suggested that one Commissioner be appointed by the Chinese Ratepayers Association and the other by the Chinese Property Owners' Association, the candidates for appointment to be selected after consultation between the Chinese Councillors and representatives of these two Associations. He therefore enquires whether it is proposed to include a specific reference to this arrangement in the further letter to be addressed to the Senior Consul.

The Chairman states that such a reference could not suitably be included in an amended Land Regulation but for purposes of record he again stresses the Council's policy of relying on the advice of the Chinese members on sino-foreign questions and expresses the hope that they will most carefully consider the qualifications of the appointees to the post of Chinese Land Commissioner.

Upon Mr. Leslie observing that he gathers from the letter written by the Mayor that he desires that the Chinese Ratepayers Association should appoint both Chinese Land Commissioners the Secretary states that the Council's expressed requirement based on the suggestion of the Chinese members is that one Commissioner should be appointed by this Association and the other by the Chinese Property Owners' Association.

The Chairman states that it has been pointed out at previous meetings that these two Associations at times come into conflict on certain questions. He therefore considers it would be unwise to leave the appointment

of both Commissioners in the hands of one Association. He does not anticipate that there will be any strong objection by the Mayor to adherence by the Council to its original requirement that one Commissioner be appointed by each Association.

After further discussion it is

RESOLVED that a further letter be addressed to the Senior Consul notifying that the Council waives the requirement outlined in paragraph (b) of its previous letter.

In expressing the opinion that the functions of a Land Commissioner are one of the most important of those connected with the administration of the Settlement the Chairman states that he cannot avoid the conclusion that higher qualifications for this post are required in a Chinese Commissioner than in one of foreign nationality. During his own experience as a Land Commissioner he has been impressed by the impartial and judicial attitude adopted by members of the Land Commission, irrespective of the interests they represent. The fact that hitherto Land Commissioners have been of foreign nationality has rendered them immune from the fear that their awards may possibly result in personal victimization or unpleasantness afterwards but it is conceivable that in this respect such immunity may not be shared by Chinese Land Commissioners thus rendering their position more difficult than that of their foreign colleagues. It is not improbable that if a Chinese Land Commissioner signs an unpopular award pressure may be brought to bear by his fellow countrymen. In his opinion it would be deplorable if in cases where such results were anticipated, majority awards had to be signed by the foreign members of the Commission on account of the Chinese Commissioners, through fear of the consequences, declining against their better judgment to sign an award. He therefore desires again to emphasize that a high sense of public duty should be regarded by the two Associations concerned as a major qualification for appointment to the post of Chinese Land Commissioner.

The meeting terminates at 5.40 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, December 7, 1932, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)

H. E. Arnhold (Vice-Chairman)

Capt. J. J. Bahnson

Messrs. B. D. F. Beith

S. L. Hsu

N. Leslie

O. G. Lieu

P. W. Massey

O. Okamoto

T. D. Woo

L. T. Yuan

Yu Ya Ching

The Secretary General. and

The Deputy Secretary.

Absent:

Messrs. F. J. Raven

H. Terai.

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

11/9 Outside Roads Negotiations. - The Chairman states that, since the last meeting, there have been no further developments in the negotiations between the Chinese Authorities and the Secretary General and between the Japanese Authorities and the Secretary General. The Chairman adds that, after further serious consideration, Mr. Wright, the Council's Legal Adviser, has obtained an opinion from Mr. Eldon Potter, K.C., in the matter of the Council's power to ratify the proposed agreement and he has agreed to take over this opinion on behalf of the Council. Copies thereof have been made and are available in the offices of the Secretary General and of the Secretary for members' perusal.

The Secretary General states that Mr. Potter's opinion which, in substance coincides, with the exception of one important point, with that already furnished by Mr. Holborow, is to the effect that, as the Council has the right under the Land Regulations to acquire land for roads outside the Settlement, it has the implied right to make arrangements for their management; consequently, ratification of the proposed agreement is not ultra vires the Land Regulations. From a practical point of view, however, it is realized that the Council would not be in a position to implement this Agreement if it was opposed by the Ratepayers. From a legal point of view, this latest opinion is of considerable interest having regard to its bearing on other questions which may arise concerning the status of the outside roads.

2045 Telephone Company - Agreement for conduct of service on Outside Roads.-

The Chairman states that the draft agreement as approved by the Council has now been agreed by the Chinese Authorities and the Company subject to a minor alteration, i.e., reinstatement at the suggestion of the Chinese Authorities of the original distance of 100 yards for 90 metres as governing the width of the area on the far side of Hungjao Road which the Company will be permitted to serve. This minor variation is slightly advantageous to the Company. As regards the position of Extra-Settlement Ratepayers, the Company has now indicated its willingness to assume financial liability in respect of such ratepayers of good standing who were paying the special municipal rate as on November 20 instead of October 22, as previously agreed. This further concession by the Company will permit some 30 special ratepayers who, on October 22, were in default to benefit.

The Chairman's proposal that the Company be notified forthwith that the Council approves the draft agreement is then unanimously approved.

The Chairman adds that, upon receipt of this letter by the Company, it will immediately approach the French Municipal Authorities for their approval to the draft agreement.

The Minutes of the meeting of the Traffic Committee of November 25 are submitted and confirmed.

The Minutes of the meeting of the Library Committee of November 28 are submitted and confirmed.

The Minutes of the meeting of the Education Board of November 30 are submitted and confirmed.

The Minutes of the meeting of the Finance Committee of December 2 are submitted and subject to the following exception, are confirmed.

1034 Opium Addicts' Hospital - Tax Remission. - The Chairman states that the recommendation in this case was recorded under a misapprehension members being under the impression that the annual taxation payable was Tls.2,580 whereas this figure represents the assessment on the hospital premises. His proposal is approved that the extent of the relief to be granted to this Institution be referred back to the Committee for further consideration.

With regard to the latter section of this recommendation, the Chairman states that, since the Committee's meeting, the Acting Treasurer & Controller has submitted a further report giving details of the remissions at present in force. The amount involved is approximately Tls.233,000 per annum and is spread over several hundred premises. He, therefore, submits that the collection of taxation and payment of equivalent grants-in-aid would appear to be impracticable and he suggests that this question be referred back to the Committee for further consideration.

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Members concur with the Vice-Chairman that, although the change of policy desired by the Council may considerably increase the amount of clerical work involved during the first year, this clerical work during succeeding years will be materially less. They adhere to the view that, in the absence of exceptionally strong reasons, steps should be taken as from 1933 to give effect to the Council's requirement that taxation be paid in full and the relief afforded by grants-in-aid to the Institutions concerned clearly shown in the Budget. As the Secretary General has undertaken to submit this question to a conference of Heads of Departments with a view to means being devised to give effect to this revised policy, confirmation of this section of the Committee's recommendation is deferred until a further report is available.


Volunteer Corps - Captain J. W. Hinchcliffe, Adjutant. - Mr. Massey outlines the sense of the discussion at the meeting of the Staff Committee held yesterday and the recommendation recorded that, upon expiry of his period of service with the Council, a single passage to London be provided for Captain Hinchcliffe; full pay to date of arrival of steamer at Indian Port and pay at the rate of Tls.575 per mensem for the three months' leave period to be taken by Captain Hinchcliffe. As Captain Hinchcliffe is leaving Shanghai on December 13, he submits this recommendation for consideration prior to submission of the Committee's minutes at the next meeting.

After brief discussion, the above recommendation is confirmed.

Health Committee Membership. - With respect to the election of Mr. P. W. Massey to membership of the Health Committee during the period of Mr. Leslie's absence from Shanghai, in compliance with the latter's request that he be permitted to resign therefrom and upon Mr. Massey intimating his willingness to remain a member of the Committee, it is unanimously

RESOLVED that Mr. Massey be elected a member of the Health Committee for the remainder of the current municipal year to fill the vacancy caused by Mr. Leslie's resignation.

The meeting terminates at 5.45 p.m.



Chairman.



Secretary.

At the meeting of the Council held on Wednesday, December 21, 1932, at

4.30 p.m., there are:-

Present:

Messrs. A. D. Bell (Chairman)
 H. E. Arnhold (Vice-Chairman)
 E. D. F. Beith
 S. L. Hsu
 N. Leslie
 C. S. Lieu
 P. W. Massey
 O. Okamoto
 F. J. Raven
 T. D. Woo
 L. T. Yuan
 Yu Ya Ching
 The Acting Treasurer & Controller
 The Secretary General, and
 The Secretary.

Absent:

Capt. J. J. Behnson
 Mr. H. Terai.

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

5129 Outside Roads Negotiations. - The Secretary General reports that since the last meeting he has attended a function at the Japanese Club where he met further representative members of the Japanese community and dealt at length with the points which were discussed earlier between other members of the Japanese community and himself. A few days after this meeting the Japanese Consul General presented him with a memorandum from which it is satisfactory to note that with two exceptions the major points previously at issue have now been eliminated. He is now preparing his written observations on these two remaining points for submission to the Japanese Consul General prior to a further verbal discussion thereon. In his opinion the prospects for an early settlement of these outstanding questions are encouraging.

2045 Telephone Company - Agreement for conduct of service on Outside Roads. -

The Secretary reports that the plans to be attached to this agreement have been checked by the Public Works Department although the Company has been informed that the Council does not vouch for their accuracy. The draft agreement is at present receiving consideration by the French Municipal Authorities and as M. Verdier appreciates the necessity of an early decision it is anticipated that decision thereon will be reached at an early date. The Secretary adds that the draft agreement which has been

considered by the Council was the English version and this had been carefully compared with the Chinese version prepared by the Bureau of Public Utilities. Since the last meeting a further Chinese version has been forwarded by the Ministry of Communications and while the sense of this is the same as that of the previous draft a few words are different from those of the original draft. This latest draft is now being checked by Mr. Klienc.

~~111~~ Remission of Taxation. - The Chairman states that since the last meeting ¹¹¹ the Secretary General has discussed this question with Heads of Departments and a memorandum thereon will be prepared. His proposal is adopted that this memorandum be referred to the Finance Committee for its consideration and recommendation.

The Minutes of the meeting of the Works Committee of November 15 are submitted.

111 Tsepo Road - Proposed Extension between North Kiangse and North Szechuen Roads. - In respect to this recommendation Mr. Raven states that with the exception of Mr. Beith members were of opinion that in the future interests of traffic requirements this road extension was most desirable. With regard to the financial aspect although it is estimated that the total cost is approximately Tls. 60,000 he was influenced in his view by the fact that during 1933 the expenditure involved would not exceed Tls. 12,000 and possibly no expenditure whatever would be called for during that year.

Replying to the Chairman Mr. Leslie states that prior to perusing the relative file he inspected this locality in company with the Commissioner of Public Works. In his opinion the public interest as such does not call for this road extension since there are several cross roads within a short distance which debouch into North Szechuen Road. He reached the conclusion that a further cross road at this point might tend to increase rather than to diminish traffic congestion in North Szechuen Road. Unless therefore the entire area required can be obtained by free surrender he does not favour this road extension. In his view an ideal solution would be the abandonment of Tsungming Road and the construction of a new road between this and the projected road extension; he is informed however by the Commissioner of Public Works that this proposition is not feasible.

In support of his objection to this road extension Mr. Beith states that following the reversal of the Council's decision some years ago to construct this extension on a slightly different line large sums have been appropriated for the widening of Tiendong Road which is regarded as the main East to West arterial road in this locality.

Whilst agreeing in principle to the desirability of the construction of additional roads the Chairman is of opinion that the existing financial conditions preclude this extension being undertaken for the time being. If commenced the Council will be committed to its

completion and the construction of a part thereof at this time may act as an incentive to the owners of the remaining areas affected to demand exorbitant prices for the areas required. If however these owners were prepared to agree to a free surrender of the road areas then he considers this road extension merits favourable consideration.

After further general discussion it is

RESOLVED that the extension of Tsepo Road, between North Kiangse and North Szechuen Road be not proceeded with for the time being; if however the owners of all the properties affected are prepared to surrender free the required road area the question of this road extension to be reconsidered.

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

The Minutes of the meeting of the Watch Committee of December 9 are submitted and confirmed.

The Minutes of the meeting of the Health Committee of December 13 are submitted, and subject to reference to the Finance Committee of the section relating to the 1933 annual estimates, are confirmed.

4716 Western Fever Hospital. - The Vice-Chairman states that when the Council purchased this site it intended if possible to acquire the necessary adjoining areas for its rounding off. His suggestion is adopted that at the time plans are prepared for the development of this site the Committee should take into consideration the possibility of securing these additional areas in order that the site may be developed to its best advantage.

6010 The Minutes of the meeting of the Education Board of December 14 are submitted and subject to reference to the Staff Committee of the recommendation relating to the Headmastership of the Public School for Chinese are confirmed.

6011 Grants-in-aid to Chinese Schools. - The Chairman's proposal is adopted that the authorized grants-in-aid be issued to all Chinese Schools for the fourth quarter of the year except in cases where payment has been specifically withheld.

Shanghai Power Company - Issue of Bonds and Application for release of Mortgage.-

6100 In memoranda which have been furnished to members the Secretary refers to an application which has been submitted by the Power Company that in connection with the proposed issue of first mortgage debentures the Council should release to the Company the entire assets of the Company conveyed to the Council under the Deed of Mortgage of August 8, 1929 and should take in its stead a confirmed and irrevocable letter of credit of the Hongkong & Shanghai Banking Corporation for the balance remaining unpaid under the purchase agreement of the same date and simultaneously cancel and discharge the deed of mortgage.

It is noted that the Council's Legal Adviser is of the opinion that the Council is not free to enter into the proposed agreement without the consent of the Trustee and that it is difficult to see how the Bank as Trustee can give its consent which would mean its agreement to the Council releasing the assets of the Company and taking in its stead its own promise to pay.

In agreeing that the opinion furnished by the Legal Adviser may also reflect his opinion as Legal Adviser to the Hongkong & Shanghai Banking Corporation, for the reasons enumerated by the Secretary in his memorandum members concur that provided the Bank as Trustee is prepared to consent to this application the Council on its part can do likewise. The view also obtains that in the absence of a privity of contract between the Bank as Trustee, and the debenture holders the consent of the debenture holders to this application is not necessary. In this respect it is agreed that no reasons are given in the opinion furnished by the Legal Adviser in support of any privity of contract between the Trustee and the debenture holders.

Members are of opinion in which the Acting Treasurer & Controller concurs that the proposed alternative security is satisfactory.

After general discussion and on the proposal of the Chairman it is

RESOLVED that the Council notifies the Trustee of the Debenture Trust Deed that it desires to approve the application submitted by the Shanghai Power Company and that the Trustee's consent thereto be applied for; in the event of the Trustee's agreement being secured further consideration to be given as to the desirability or otherwise of notifying debenture holders of this agreement through the medium of the Press and the Municipal Gazette.

5399/ S.V.C. Officers' Ball. - An application on behalf of the officers of the Volunteer Corps for a grant for the current year only of Tls.1,250 for the purpose of organizing and holding an S.V.C. Officers' Ball is considered.

In order to assist these officers to return the hospitality which has been extended to them by the combined Defence Forces of the Settlement and the Chinese Military Forces members consider this application merits favourable consideration. Accordingly it is unanimously

RESOLVED that a grant of Tls.1,250 be authorized to the Officers of the Volunteer Corps for the purpose of holding an Officers' Ball, this decision not to be quoted as a precedent.

Charity Entertainment in the New World Premises. - In connection with an application submitted by the North Eastern Refugees' Relief Committee for the issue of free licences for a temporary bar and a dance hall in the above premises and for the closing hour to be extended until 4 a.m. it is noted that the lessee of these premises has defaulted in the payment of municipal rates to the extent of Tls. 2,100 and has left Shanghai.

Members concur with the Chairman that the organizers of this charitable entertainment who, it is noted, are paying the lessees \$400 a day for the use of the premises, should not be penalized on account of default of the Lessee. They consider however that as the Lessee has sublet these premises on advantageous terms action by the Council to secure payment of the outstanding General Municipal Rates is justified.

Replying to the Chairman Mr. Yu Ya Ching, a member of the Organizing Committee, states that if this application is approved he will arrange for the amount of the outstanding rates to be handed to the Council.

Upon this assurance it is

RESOLVED that the application of the North-Eastern Refugees' Relief Committee for the issue of free licences for a temporary bar and for a dance hall in the New World premises be approved and that the premises be permitted to remain open until 2 a.m., the above arrangements to be effective until December 31 next.

Conviction of Member of the Russian Regiment. - The Chairman refers to the case of a member of the Russian Regiment who was recently charged in the Special District Court in the French Concession with committing an indecent offence and sentenced to a term of three years imprisonment. His appeal against this conviction has failed. Pending his appeal he was released on bail in the sum of \$3,000 furnished personally by the Commandant who feels strongly that a miscarriage of justice has occurred. The man is now being held in custody by the Commandant but he has been ordered to report within the next few days to serve his sentence. He (the Chairman) is inclined to agree with the Commandant that the evidence adduced was insufficient to justify his conviction and this belief is fortified by his excellent record of service with the Russian Regiment. The Municipal Advocate has expressed the opinion that so far as the Special District Court in the Settlement is concerned municipal employees are handicapped if charged with an offence solely because they are employed by the Council and he suggests that this factor may have been similarly detrimental to the accused in this case. He therefore desires members' views as to whether any action can be taken to obtain this man's release from serving the sentence imposed on him.

Replying to the Chairman Dr. Wu states that he has studied the relative papers in this case and had also conferred thereon with the

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Commandant. He is inclined to the view that an unfortunate series of circumstances led to the arrest and conviction of this man. Legally however now that his appeal has been dismissed there would appear to be no action to be taken other than possibly to apply for a special pardon. If such an application were made, the man's services towards the defence of the Settlement might be referred to and the suggestion advanced that by remission of his sentence his services would continue to be available for this purpose. In view of the assistance rendered by the Council to the Chinese judicial authorities in recent times an appeal put forward by the Commandant and supported by the Council might achieve the result desired.

Members agree that the proposal put forward by Dr. Wu merits consideration; meanwhile the Chairman requests the Chinese members to consider and make any suggestions with the object of securing a remission of the sentence imposed on this man.

Exchange Compensation on Superannuation, Proportionate Leave Pay and Pensions. -

1184 Mr. Massey refers to the decision reached by the Council at its meeting on September 28 last that a small Committee be appointed to consider and submit its recommendation on the question of the basis of payment of exchange compensation on superannuation etc., of employees whose home countries have not departed from the gold standard. He himself together with the Secretary and the Acting Treasurer & Controller was appointed a member of this Sub-Committee but so far it has not been possible to convene a meeting thereof.

The Acting Treasurer suggests that as this question was dealt with in the first instance by the Treasurer & Controller he would prefer that further consideration thereof be deferred until Major Ford's return.

As decision thereon is not of immediate urgency members agree to consideration being deferred until the Treasurer & Controller has returned to Shanghai.

The meeting terminates at 6.10 p.m.

As Bell

Chairman.

J. R. Jones
Secretary.